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ECONOMIC NOTES, UNRRA
NOV. 1946 – JAN. 1947

January 31, 1947

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ECONOMIC NOTES

Published Weekly in English and Italian

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

CONTENTS

1. Italy's Petroleum supplies
2. Statistical Survey for November
3. Coffee Distribution
4. UNRRA and the Italian Rations
5. Movements of Ships

ITALY'S PETROLEUM SUPPLIES

The Italian Government's petroleum import programme to meet civil requirements after UNRRA's shipments are completed is already prepared for the first quarter of 1947. Orders have been placed and accepted with the various commercial oil companies and supplies will start to come in during February.

As UNRRA's shipments of petroleum products (P.O.L.) phase out, shipments on the Italian Government programme are designed to increase in volume, in order always to maintain a 60-day stock reserve of gasoline and other P.O.L. products. There is no fixed date when UNRRA shipments cease and Italian Government shipments begin. The two programmes are intended to dove-tail one into the other. UNRRA has been responsible only for the civil needs of the country. Imports for the Army, the Vatican City and the Diplomatic Corps have always been a direct Government responsibility.

UNRRA Supplies in 1947

On 1 February, 1946, UNRRA took over from the Allied Military Authorities complete responsibility for Italy's civil needs of P.O.L. According to the original programme, all UNRRA supplies of refined P.O.L. products, due to arrive during the first quarter of 1947 are as follows:—

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

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

A Striking Comparison

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

From this table it will be seen that, in respect of kerosene, diesel oil and fuel oil, supplies were sufficient to permit consumption

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

Gasoline	175,000	barrels
Kerosene	77,250	..
Diesel Oil	264,200	..
Fuel Oil	660,000	..
Lubricating Oils and Greases	110,000	..

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

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

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

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1946 was approximately 53 per cent. that of pre-war. It must not be forgotten, however, that of the 3,500,000 barrels (approximately) consumed in 1939, not less than 2,000,000 barrels were for private motorists' use in cars and motor cycles; whereas, in 1946, legal consumption for this purpose was only 350,000 barrels, and was limited to essential services only.

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

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

Increasing Requirements

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

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

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

Storage Problems

UNRRA's crude oil imports, namely 900,803 barrels, had by the end of the year been partly refined into 95,000 barrels of gasoline, 42,000 barrels of kerosene, 119,000 barrels of diesel oil, 90,000 barrels of fuel oil (as shown in column 2).

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

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

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

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

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

Continued on page 6

	UNRRA-imported quantities for 11 months in 1946	Two months production from imported crude	Consumption in 1946 (12 months)	Consumption year ending 31 August 1939	Percentage consumption in 1946 Against 1939
	BARRELS	BARRELS	BARRELS	BARRELS	PER CENT.
Gasoline	1,858,875	95,000	1,837,441	3,488,745	52,67
		42,000	1,198,013	1,329,843	90

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	BARRELS	BARRELS	BARRELS	BARRELS	PER CENT.
Gasoline	1,858,875	95,000	1,887,411	3,488,745	52.67
Kerosene	1,073,965	42,000	1,198,013	1,330,813	90
Diesel Oil	1,726,322	119,000	1,094,410	2,256,579	92.81
Fuel Oil	5,878,841	90,000	6,081,905	6,600,000	92.15
Crude Oil	900,863	—	—	—	—

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

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STATISTICAL SURVEY — NOVEMBER, 1946

Description	Unit of Measurement	1945 March	1945 June	1945 Sept.	1945 Nov.	1946 March	1946 June	1946 Sept.	1946 Nov.
CURRENCY, PRICES									
Currency circulation	1938 = 100	1,719	1,815	1,788	1,816	1,881	1,932	2,111	2,236
Current accounts and deposits (1)	»	—	—	—	—	554	615	692	(8)
Fine gold price (open market)	»	1,154	3,527	3,581	3,462	2,169	2,673	3,642	3,881
Dollar:									
Legal rates-Official	»	526	526	526	526	526	526	526	526
-Commercial	»	—	—	—	—	1,184	1,184	1,184	1,184
-Export	»	—	—	—	—	—	1,984	3,132	2,974
Black Market	»	2,168	1,532	1,752	1,942	1,600	1,926	2,616	2,942
Share prices (Milan)	»	736	673	508	584	545	586	786	1,059
Wholesale prices (Florence)	»	3,303	3,392	3,604	3,718	3,184	2,965	3,209	3,999
COST OF LIVING, WAGES, LABOUR									
Cost of living (Milan) Total	»	1,499	1,708	2,388	2,430	2,584	2,607	2,802	3,427
» » » Food	»	2,188	2,408	2,987	3,196	3,467	3,492	3,406	4,177
Wages in Milan:									
Unskilled workers	»	498	606	1,347	1,439	1,566	1,880	2,101	2,846
Skilled labour	»	423	498	1,033	1,093	1,182	1,410	1,579	2,134
Technical officials	»	298	324	588	598	784	892	974	1,324
Unemployed registered	Thousands	—	—	—	—	1,335	1,531	1,858	1,997
PRODUCTION									
Pig iron (2)	1938 = 100	—	—	—	—	4	32	46	14 (7)
Steel (2)	»	—	—	—	—	36	52	65	55 (7)
Rolled steel (2)	»	—	—	—	—	40	49	62	69 (7)
Cotton thread (2)	»	3	3	5	14	41	88	65	70 (7)
Artificial textile fibres	»	1	3	4	6	11	32	55	62
Mechanical - Fiat Co.	»	9	32	43	51	48	57	65	(8)
Chemical - Montecatini Co.	»	11	10	15	18	35	55	71	61
Electric power (3)	»	77	71	89	107	102	108	112	113
FOREIGN TRADE (4)									
Exports	Dols. ('000)	—	—	—	—	28,129	85,424	167,656	242,808
Imports (5)	» »	—	—	—	—	153,852	376,302	657,361	812,283
Cereal imports (5)	Tons ('000)	282	788	1,053	1,299	663	1,139	1,439	1,484
Coal imports (UNRRA) (5)	» »	—	—	—	—	1,345	2,627	4,162	5,135
POL imports (UNRRA) (6)	» »	—	—	—	—	283	636	1,175	1,435
STATE RAILWAY TRAFFIC									
Passengers	Thousands	—	—	15,268	18,207	19,000	19,138	26,211	26,505
Goods	Tons ('000)	—	—	2,053	2,192	2,950	2,476	2,963	(8)

(1) Including Post Office Saving deposits (figures published in October Survey did not include these).
(2) Production: Indices of production are still subject to a margin of error (see also ECONOMIC NOTES No. 45, of 22 November). Figures for North Italy only for November, 1946 (1938=100) are: Pig iron 18, Steel 56, Rolled steel 71.
(3) Calculated on the basis of comparable cumulative figures.
(4) Foreign Trade: Figures are cumulative, beginning 1 January. Present statistics on exports and imports are subject to a large but

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Artificial textile fibres	»	1	3	4	6	11	32	55	62
Mechanical - Fiat Co.	»	9	32	43	51	48	57	65	(8)
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(3) Calculated on the basis of comparable cumulative figures.
(4) Foreign Trade: Figures are cumulative, beginning 1 January. Present statistics on exports and imports are subject to a large but unknown error. The tonnage import figures are uncertain because it is known that UNRRA imports were not completely recorded in official figures. Value figures are additionally uncertain because of unreliable valuations and inconsistent conversion from foreign currencies to lire. In these figures, the import dollar was taken as equal to 100 lire, the export to 225 lire. The figures can be used only as a very rough index; they are under study and a more definite evaluation is being prepared.
(5) Cumulative, including UNRRA.
(6) These figures (which are cumulative) exceed official Italian figures, and attention has been drawn to the discrepancy.
(7) Provisional.
(8) Not available.
NOTE: Population 1936 Census, 42,993,602. Estimated 1946, 46,000,000.

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STATISTICAL SURVEY FOR NOVEMBER

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

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

Provisional unemployment figures for November reflecting unemployed workers registered at Ministry of Labour Employment Exchanges showed an increase of 51,575 over the October figures. The total November figure is thus 1,997,600—of which 1,035,860 for industry—divided as follows: North, 1,082,160; Central, 292,860; South, 462,490; Islands, 160,090. Registered unemployed in Milan and Naples exceeded 100,000 each. Rome, Bologna, Genoa and Ferrara ranged between 50,000 and 100,000 each.

Rising Cost of Living

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

Wages in November remained at about the October level.

Electric Power Shortage

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

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

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

Foreign Trade

Italian exports during November were higher, both in quality and quantity, than in any previous month of 1946. They amounted to 146,367 metric tons for a value of approximately 44,288,000 dollars (£11,072,000 sterling) (1). Imports dropped from 1,203,252 tons for a value of about 103,734,000 dollars (£25,933,500 sterling) in September, to 843,481 tons, for about 88,550,000 dollars (£22,137,000 sterling) in November.

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

The statement on the opposite page shows, by quantity, the cumulative imports of cereals, coal and petroleum products. UNRRA arrivals up to 30 November, 1946, were 959,926 [illegible] of cereals, 4,207,715 metric tons of

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

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

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(19 - 25 JANUARY INCLUSIVE)

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

5707

LATEST COAL SHIPMENTS

(20 - 24 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
F. Scott Fitzgerald	Bari	20 January	United States	UNRRA	8,434
Giacomo C.	Piombino	21 »	» »	»	6,399
Voluntas	Civitavecchia	» »	» »	»	7,327
Palmar	Savona	22 »	Germany	»	5,648

Declassified E.O. 12356 Section 3.3/NND No. 765015

(19 - 25 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Nira Luckenbach	Venice	20 January	UNRRA	General	1,555
Cervino	Genoa	» »	It. Government	Minerals	7,300
Adjutant	»	21 »	UNRRA	General	646
Burbank Victory	Naples	» »	»	»	266
George Davis	Genoa	22 »	»	Cereals	7,350
Julius Cleen	Bari	» »	»	General	2,982
John Jay	Naples	23 »	»	Cereals	8,317
George Steers	Venice	» »	»	»	8,500
Bluefield Victory	»	» »	»	General	194
Thomas Heyward	Palermo	» »	»	Cereals	8,143
Merkland	Genoa	24 »	»	General	122
Maria C.	Civitavecchia	» »	»	Cereals	9,062
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Radmar	Savona	22 »	Germany	»	5,648
Henry Wilson	Naples	» »	United States	»	8,132
Montello	Genoa	23 »	» »	»	9,101
William Byrd	Savona	24 »	» »	»	9,346
				Total tonnage	54,387

Declassified E.O. 12356 Section 3.3/NND No. 765015

January 31, 1947 No. 55

ECONOMIC NOTES

Published Weekly in English and Italian

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

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1. Italy's Petroleum supplies
2. Statistical Survey for November
3. Coffee Distribution
4. UNRRA and the Italian Regions
5. Movements of Ships

ITALY'S PETROLEUM SUPPLIES

The Italian Government's petroleum import programme to meet civil requirements after UNRRA's shipments are completed is already prepared for the first quarter of 1947. Orders have been placed and accepted with the various commercial oil companies and supplies will start to come in during February.

As UNRRA's shipments of petroleum products (P.O.L.) phase out, shipments on the Italian Government programme are designed to increase in volume, in order always to maintain a 60-day stock reserve of gasoline and other P.O.L. products. There is no fixed date when UNRRA shipments cease and Italian Government shipments begin. The two programmes are intended to dove-tail one into the other. UNRRA has been responsible only for the civil needs of the country. Imports for the Army, the Vatican City and the Diplomatic Corps have always been a direct Government responsibility.

UNRRA Supplies in 1947

On 1 February, 1946, UNRRA took over from the Allied Military Authorities complete responsibility for Italy's civil needs of P.O.L.

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

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

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

A Striking Comparison

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

From this table it will be seen that, in respect of kerosene, diesel oil and fuel oil, supplies were sufficient to permit consumption

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UNRRA Supplies in 1947

On 1 February, 1946, UNRRA took over from the Allied Military Authorities complete responsibility for Italy's civil needs of P.O.L. According to the original programme, all UNRRA shipments of refined P.O.L. were due to end on 31 January this year. Shipments of crude oil to the newly opened Italian refineries were due to continue for another month, until the end of February. In practice, however, there will be a considerable "spill over."

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

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

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1946 was approximately 53 per cent. that of pre-war. It must not be forgotten, however, that of the 3,500,000 barrels (approximately) consumed in 1939, not less than 2,000,000 barrels were for private motorists' use in cars and motor cycles; whereas, in 1946, legal consumption for this purpose was only 350,000 barrels, and was limited to essential services only.

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

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

Increasing Requirements

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

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

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

Storage Problems

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

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

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

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

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

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

Continued on page 6

	UNRRA-imported quantities for 11 months in 1946	Two months production from imported crude	Consumption in 1946 (12 months)	Consumption year ending 31 August 1939	Percentage consumption in 1946 Against 1939
	BARRELS	BARRELS	BARRELS	BARRELS	PER CENT.
	1,858,875	95,000	1,837,441	3,488,745	52,67
				1,080,843	90

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	BARRELS	BARRELS	BARRELS	BARRELS	PER CENT.
Gasoline	1,858,875	95,000	1,887,444	3,488,745	52,67
Kerosene	1,073,965	42,000	1,198,013	1,330,843	90
Diesel Oil	1,726,322	119,000	1,094,440	2,256,579	92,81
Fuel Oil	5,878,841	90,000	6,081,905	6,600,000	92,15
Crude Oil	900,863	—	—	—	—

Note: Figures in barrels of 42 United States gallons, equal to 35 imperial gallons or 139 litres.

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STATISTICAL SURVEY — NOVEMBER, 1946

Description	Unit of Measurement	1945 March	1945 June	1945 Sept.	1945 Nov.	1946 March	1946 June	1946 Sept.	1946 Nov.
CURRENCY, PRICES									
Currency circulation	1938 = 100	1,719	1,815	1,788	1,816	1,881	1,932	2,111	2,236
Current accounts and deposits (1)	»	—	—	—	—	554	615	692	(8)
Fine gold price (open market)	»	1,154	3,527	3,581	3,162	2,169	2,673	3,642	3,881
Dollar:									
Legal rates-Official	»	526	526	526	526	526	526	526	526
-Commercial	»	—	—	—		1,184	1,184	1,184	1,184
-Export	»	—	—	—	—	—	1,984	3,132	2,974
Black Market	»	2,168	1,532	1,752	1,942	1,800	1,926	2,616	2,942
Share prices (Milan)	»	736	673	508	584	345	586	786	1,059
Wholesale prices (Florence)	»	3,303	3,392	3,604	3,718	3,184	2,965	3,209	3,999
COST OF LIVING, WAGES, LABOUR									
Cost of living (Milan) Total	»	1,489	1,798	2,388	2,430	2,584	2,607	2,802	3,427
» » » Food	»	2,188	2,408	2,987	3,196	3,467	3,492	3,406	4,177
Wages in Milan:									
Unskilled workers	»	498	606	1,347	1,439	1,566	1,880	2,101	2,846
Skilled labour	»	423	498	1,033	1,093	1,182	1,410	1,579	2,134
Technical officials	»	298	324	588	598	784	892	974	1,324
Unemployed registered	Thousands	—	—	—	—	1,335	1,531	1,858	1,997
PRODUCTION									
Pig iron (2)	1938 = 100	—	—	—	—	4	32	46	14 (7)
Steel (2)	»	—	—	—	—	36	52	65	55 (7)
Rolled steel (2)	»	—	—	—	—	40	49	62	69 (7)
Cotton thread (2)	»	3	3	5	14	44	88	65	70 (7)
Artificial textile fibres	»	1	3	4	6	11	32	55	62
Mechanical - Fiat Co.	»	9	32	43	51	48	57	65	(8)
Chemical - Montecatini Co.	»	11	10	15	18	35	55	71	61
Electric power (3)	»	77	71	89	107	102	108	112	113
FOREIGN TRADE (4)									
Exports	Dols. ('000)	—	—	—	—	28,129	85,424	167,656	242,808
Imports (5)	» »	—	—	—	—	153,852	376,302	657,361	842,283
Cereal imports (5)	Tons ('000)	282	783	1,053	1,299	663	1,139	1,439	1,484
Coal imports (UNRRA) (5)	» »	—	—	—	—	1,345	2,627	4,162	5,135
POL imports (UNRRA) (6)	» »		—	—		283	636	1,175	1,435
STATE RAILWAY TRAFFIC									
Passengers	Thousands	—	—	15,268	18,207	19,000	19,138	26,211	26,505
Goods	Tons ('000)	—	—	2,058	2,192	2,930	2,476	2,963	(8)

(1) Including Post Office Saving deposits (figures published in October Survey did not include these).
(2) Production: Indices of production are still subject to a margin of error (see also ECONOMIC NOTES No. 45, of 22 November). Figures for North Italy only for November, 1946 (1938=100) are: Pig iron 18, Steel 56, Rolled steel 71.
(3) Calculated on the basis of comparable cumulative figures.
(4) Foreign Trade: Figures are cumulative, beginning 1 January. Present statistics on exports and imports are subject to a large but [illegible] it is known that UNRRA imports were not completely recorded

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Artificial textile fibres	»	1	3	4	6	11	32	55	62
Mechanical - Fiat Co.	»	9	32	43	51	48	57	65	(8)
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(3) Calculated on the basis of comparable cumulative figures.
(4) Foreign Trade: Figures are cumulative, beginning 1 January. Present statistics on exports and imports are subject to a large but unknown error. The tonnage import figures are uncertain because it is known that UNRRA imports were not completely recorded in official figures. Value figures are additionally uncertain because of unreliable valuations and inconsistent conversion from foreign currencies to lire. In these figures, the import dollar was taken as equal to 100 lire, the export to 225 lire. The figures can be used only as a very rough index; they are under study and a more definite evaluation is being prepared.
(5) Cumulative, including UNRRA.
(6) These figures (which are cumulative) exceed official Italian figures, and attention has been drawn to the discrepancy.
(7) Provisional.
(8) Not available.

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

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STATISTICAL SURVEY FOR NOVEMBER

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

The State revenue in November was 25,202 million lire as compared with 22,536 million in October. No figures are available of State expenditure in October and November. The latest figures are July 47,818.4 million lire (revenue 16,954.5), August 48,301.1 (revenue 18,804.9) and September 77,013.9 (revenue 19,365.9). The note circulation in November was 465,300 million lire (including Bank of Italy, A.M. lire and State notes) as compared with October, 452,800 million, and September 439,300 million.

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

Rising Cost of Living

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

Wages in November remained at about the October level.

Electric Power Shortage

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

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

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

Foreign Trade

Italian exports during November were higher, both in quality and quantity, than in any previous month of 1946. They amounted to 146,367 metric tons for a value of approximately 44,288,000 dollars (£11,072,000 sterling) (1). Imports dropped from 1,203,252 tons for a value of about 103,734,000 dollars (£25,933,500 sterling) in September, to 843,481 tons, for about 88,550,000 dollars (£22,137,000 sterling) in November.

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

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

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of Statistics in Rome, the Bank of Italy, the Italian State Railways and other official and authoritative sources.

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

Rising Cost of Living

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

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

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

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

Foreign Trade

Italian exports during November were higher, both in quality and quantity, than in any previous month of 1946. They amounted to 146,367 metric tons for a value of approximately 44,288,000 dollars (£11,072,000 sterling) (1). Imports dropped from 1,203,252 tons for a value of about 103,734,000 dollars (£25,933,500 sterling) in September, to 843,481 tons, for about 88,550,000 dollars (£22,137,000 sterling) in November.

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

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

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

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(19 - 25 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Nira Luckenbach	Venice	20 January	UNRRA	General	1,555
Cervino	Genoa	» »	It. Government	Minerals	7,360
Adjutant	»	21 »	UNRRA	General	646
Burbank Victory	Naples	» »	»	»	266
George Davis	Genoa	22 »	»	Cereals	7,350
Julius Olsen	Bari	» »	»	General	2,982
John Jay	Naples	23 »	»	Cereals	8,317
George Steers	Venice	» »	»	»	8,500
Bluefield Victory	»	» »	»	General	194
Thomas Heyward	Palermo	» »	»	Cereals	8,143
Merkland	Genoa	24 »	»	General	122
Maria C.	Civitavecchia	» »	»	Cereals	9,062
Apollo	Venice	» »	It. Government	Minerals	5,200
Ulisse	Ancona	» »	» »	»	3,200
Scotland	Genoa	25 »	UNRRA	General	937
				Total tonnage	63,774

LATEST COAL SHIPMENTS

(20 - 24 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
F. Scott Fitzgerald	Bari	20 January	United States	UNRRA	8,434
Giacomo C.	Piombino	21 »	» »	»	6,399
Voluntas	Civitavecchia	» »	» »	»	7,327
				»	5,648

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(19 - 25 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Nira Luckenbach	Venice	20 January	UNRRA	General	1,555
Cervino	Genoa	» »	It. Government	Minerals	7,300
Adjutant	»	21 »	UNRRA	General	646
Burbank Victory	Naples	» »	»	»	266
George Davis	Genoa	22 »	»	Cereals	7,350
Julius Olsen	Bari	» »	»	General	2,982
John Jay	Naples	23 »	»	Cereals	8,317
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5765

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Giacomo C.	Piombino	21 »	» »	»	6,399
Voluntas	Civitavecchia	» »	» »	»	7,327
Radmar	Savona	22 »	Germany	»	5,648
Henry Wilson	Naples	» »	United States	»	8,132
Montello	Genoa	23 »	» »	»	9,101
William Byrd	Savona	24 »	» »	»	9,346
				Total tonnage	54,387

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Continued from page 2

ITALY' S PETROLEUM SUPPLIES

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

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

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

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

COFFEE DISTRIBUTION

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

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

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

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

UNRRA coffee imports now total 9,537 tons.

UNRRA AND THE ITALIAN RATIONS

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

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

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

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January 31, 1947 No. 55

ECONOMIC NOTES

Published Weekly in English and Italian

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

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1. Italy's Petroleum supplies
2. Statistical Survey for November
3. Coffee Distribution
4. UNRRA and the Italian Rations
5. Movements of Ships

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The Italian Government's petroleum import programme to meet civil requirements after UNRRA's shipments are completed is already prepared for the first quarter of 1947. Orders have been placed and accepted with the various commercial oil companies and supplies will start to come in during February.

As UNRRA's shipments of petroleum products (P.O.L.) phase out, shipments on the Italian Government programme are designed to increase in volume, in order always to maintain a 60-day stock reserve of gasoline and other P.O.L. products. There is no fixed date when UNRRA shipments cease and Italian Government shipments begin. The two programmes are intended to dove-tail one into the other. UNRRA has been responsible only for the civil needs of the country. Imports for the Army, the Vatican City and the Diplomatic Corps have always been a direct Government responsibility.

UNRRA Supplies in 1947

On 1 February, 1946, UNRRA took over from the Allied Military Authorities complete responsibility for Italy's civil needs of P.O.L. According to the original programme all

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

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

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

A Striking Comparison

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

From this table it will be seen that, in respect of kerosene, diesel oil and fuel oil, supplies were sufficient to permit consumption

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UNRRA Supplies in 1947

On 1 February, 1946, UNRRA took over from the Allied Military Authorities complete responsibility for Italy's civil needs of P.O.L. According to the original programme, all UNRRA shipments of refined P.O.L. were due to end on 31 January this year. Shipments of crude oil to the newly opened Italian refineries were due to continue for another month, until the end of February. In practice, however, there will be a considerable "spill over."

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

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

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1946 was approximately 53 per cent. that of pre-war. It must not be forgotten, however, that of the 3,500,000 barrels (approximately) consumed in 1939, not less than 2,000,000 barrels were for private motorists' use in cars and motor cycles; whereas, in 1946, legal consumption for this purpose was only 350,000 barrels, and was limited to essential services only.

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

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

Increasing Requirements

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

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

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

Storage Problems

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

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

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

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

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

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

Continued on page 6

	UNRRA-imported quantities for 11 months in 1946	Two months production from imported crude	Consumption in 1946 (12 months)	Consumption year ending 31 August 1939	Percentage consumption in 1946 Against 1939
	BARRELS	BARRELS	BARRELS	BARRELS	PER CENT.
Gasoline	1,858,875	95,000	1,837,441	3,488,745	52.67

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	BARRELS	BARRELS	BARRELS	BARRELS	PER CENT.
Gasoline	1,858,875	95,000	1,837,441	3,488,745	52,67
Kerosene	1,073,965	42,000	1,198,013	1,330,813	90
Diesel Oil	1,726,322	119,000	1,004,440	2,256,579	92,81
Fuel Oil	5,878,841	90,000	6,081,905	6,500,000	92,15
Crude Oil	900,863	—	—	—	—

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

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STATISTICAL SURVEY — NOVEMBER, 1946

Description	Unit of Measurement	1945 March	1945 June	1945 Sept.	1945 Nov.	1946 March	1946 June	1946 Sept.	1946 Nov.
CURRENCY. PRICES									
Currency circulation	1938 = 100	1,719	1,815	1,788	1,816	1,881	1,932	2,111	2,236
Current accounts and deposits (1)	»	—	—	—	—	554	615	692	(8)
Fine gold price (open market)	»	1,154	3,527	3,581	3,162	2,169	2,673	3,642	3,881
Dollar:									
Legal rates-Official	»	526	526	526	526	526	526	526	526
-Commercial	»	—	—	—		1,184	1,184	1,184	1,184
-Export	»	—	—	—	—	—	1,984	3,132	2,974
Black Market	»	2,168	1,532	1,752	1,942	1,800	1,926	2,616	2,942
Share prices (Milan)	»	736	673	508	584	345	586	786	1,059
Wholesale prices (Florence)	»	3,303	3,392	3,604	3,718	3,184	2,965	3,209	3,999
COST OF LIVING. WAGES. LABOUR									
Cost of living (Milan) Total	»	1,499	1,798	2,388	2,430	2,584	2,607	2,802	3,427
» » » Food	»	2,188	2,408	2,987	3,196	3,467	3,492	3,406	4,177
Wages in Milan:									
Unskilled workers	»	498	606	1,347	1,439	1,566	1,880	2,101	2,846
Skilled labour	»	423	498	1,033	1,093	1,182	1,410	1,579	2,134
Technical officials	»	298	324	588	598	784	892	974	1,324
Unemployed registered	Thousands	—	—	—	—	1,385	1,531	1,858	1,997
PRODUCTION									
Pig iron (2)	1938 = 100	—	—	—	—	4	32	46	14 (7)
Steel (2)	»	—	—	—	—	36	52	65	55 (7)
Rolled steel (2)	»	—	—	—	—	40	49	62	69 (7)
Cotton thread (2)	»	3	3	5	11	41	88	65	70 (7)
Artificial textile fibres	»	1	3	4	6	11	32	55	62
Mechanical - Fiat Co.	»	9	32	43	51	48	37	65	(8)
Chemical - Montecatini Co.	»	11	10	15	18	35	55	71	61
Electric power (3)	»	77	71	89	107	102	108	112	113
FOREIGN TRADE (4)									
Exports	Dols. ('000)	—	—	—	—	28,128	85,424	167,656	242,808
Imports (5)	» »	—	—	—	—	153,852	376,302	657,361	842,283
Cereal imports (5)	Tons ('000)	282	783	1,053	1,299	663	1,139	1,439	1,484
Coal imports (UNRRA) (5)	» »	—	—	—	—	1,345	2,627	4,162	5,135
POL imports (UNRRA) (6)	» »	—	—	—		283	636	1,175	1,435
STATE RAILWAY TRAFFIC									
Passengers	Thousands	—	—	15,268	18,207	19,000	19,138	26,211	26,505
Goods	Tons ('000)	—	—	2,053	2,192	2,950	2,476	2,963	(8)

(1) Including Post Office Saving deposits (figures published in October Survey did not include these).
(2) Production: Indices of production are still subject to a margin of error (see also ECONOMIC NOTES No. 45, of 22 November). Figures for North Italy only for November, 1946 (1938=100) are: Pig iron 18, Steel 56, Rolled steel 71.
(3) Calculated on the basis of comparable cumulative figures.
(4) Foreign Trade: Figures are cumulative, beginning 1 January. Present statistics on exports and imports are subject to a large but

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Technical officials	»	298	324	588	598	784	892	974	1,324
Unemployed registered	Thousands	—	—	—	—	1,335	1,531	1,858	1,997
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Rolled steel (2)	»	—	—	—	—	40	49	62	69 (7)
Cotton thread (2)	»	3	3	3	14	41	88	65	70 (7)
Artificial textile fibres	»	1	3	4	6	11	32	55	62
Mechanical - Fiat Co.	»	9	32	43	51	48	57	65	(8)
Chemical - Montecatini Co.	»	11	10	15	18	35	55	71	61
Electric power (3)	»	77	71	89	107	102	108	112	113
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Goods	Tons ('000)	—	—	2,053	2,192	2,950	2,476	2,963	(8)

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

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

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STATISTICAL SURVEY FOR NOVEMBER

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

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

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

Rising Cost of Living

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

Wages in November remained at about the October level.

Electric Power Shortage

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

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

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

Foreign Trade

Italian exports during November were higher, both in quality and quantity, than in any previous month of 1946. They amounted to 146,367 metric tons for a value of approximately 14,288,000 dollars (£11,072,000 sterling) (1). Imports dropped from 1,203,252 tons for a value of about 103,734,000 dollars (£25,933,500 sterling) in September, to 843,481 tons, for about 88,550,000 dollars (£22,137,000 sterling) in November.

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

The statement on the opposite page shows, by quantity, the cumulative imports of cereals, coal and petroleum products. UNRRA arrivals up to 30 November, 1946, were 959,926

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The statement on the opposite page shows, by quantity, the cumulative imports of cereals, coal and petroleum products. UNRRA arrivals up to 30 November, 1946, were 939,926 metric tons of cereals, 4,207,715 metric tons of coal and 1,435,425 metric tons of POL. The level of UNRRA imports was slightly higher in November than in October 1946.

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

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(19 - 25 JANUARY INCLUSIVE)

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

LATEST COAL SHIPMENTS

(20 - 24 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
F. Scott Fitzgerald	Bari	20 January	United States	UNRRA	8,434
Giacomo C.	Piombino	21 »	» »	»	6,399
Voluntas	Civitavecchia	» »	» »	»	7,327
Palmas	Savona	22 »	Germany	»	5,648

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Radmar	Savona	22 »	Germany	»	5,648
Henry Wilson	Naples	» »	United States	»	8,132
Montello	Genoa	23 »	» »	»	9,101
William Byrd	Savona	24 »	» »	»	9,346
				Total tonnage	54,387

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January 24, 1947

No. 54

ECONOMIC NOTES

Published Weekly in English and Italian

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

CONTENTS

1. First Distribution of UNRRA Cotton Goods
2. UNRRA Veterinary Survey
3. New Prices of Solid Fuel
4. Movements of Ships

FIRST DISTRIBUTION OF UNRRA COTTON GOODS

Within the next few days registration will begin of persons entitled to cotton textile materials manufactured in Italy from 31,000 tons of UNRRA-imported raw cotton, under the plan to which reference has already been made in *Economic Notes* No. 30 of 9 August, and No. 35 of 13 September, 1946. Distribution of the materials is scheduled to start during the early part of February.

The first distribution will take place in the provinces of Massa Carrara and Reggio Calabria, where many of the 165 communes suffered heavy war damage. The initial distribution, while it is included in the over-all plan, will be in the nature of an experiment since it will afford guidance to the controlling authorities for any alterations which, in the light of actual experience, may have to be made in the procedure already established for free distribution and for sale.

150,000,000 Metres of Cloth

This unprecedented undertaking (which in the course of the next eight months will provide cotton textiles at reasonable prices to the low income groups, and at no cost to the very poor and to needy institutions) will

raw materials delivered free of charge to the Italian Government) are controlled by the UNRRA-Tessile Committee in Rome. This is an Italian Government agency, to which are attached two representatives of the UNRRA Italian Mission, in an advisory capacity.

Free Distribution

Of the 150,000,000 metres of cloth which are being produced, roughly two-thirds will be sold at controlled prices to specified categories of people. The remaining third will be distributed free.

The free goods have been allocated in the following approximate proportions:

Institutions - 40 per cent. as follows:—
- 24.4 per cent. to hospitals and other institutions under the High Commissariat for Public Health and Hygiene.
- 11.8 per cent. to homes and orphanages under the Ministry of the Interior.
- 1.4 per cent. to Opera Nazionale per la Protezione della Maternità e dell'Infanzia.
- 2.1 per cent. to prisons and reformatories under the Ministry of Justice.
- .8 per cent. to children's homes under the Ministry of Education.

Individuals - 60 per cent. as follows:—
- [illegible] unemployed, to war-distressed groups now

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150,000,000 Metres of Cloth

This unprecedented undertaking (which in the course of the next eight months will provide cotton textiles at reasonable prices to the low income groups, and at no cost to the very poor and to needy institutions) will involve approximately 150,000,000 metres of cloth, equal to about one-fourth of the country's average yearly consumption in normal times.

Production, distribution and eventual sale of these cotton goods (as of woollen and leather goods, also to be manufactured from UNRRA raw materials delivered free of charge to the Italian Government) are controlled by the UNRRA-Tessile Committee in Rome. This is an Italian Government agency, to which are attached two representatives of the UNRRA Italian Mission, in an advisory capacity.

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- 2.1 per cent. to prisons and reformatories under the Ministry of Justice.
- .3 per cent. to children's homes under the Ministry of Education.

Individuals - 60 per cent. as follows:—
- To the unemployed, to war-distressed groups now receiving aid from the Ministry of Post-War Assistance and to persons entitled to communal relief from the Ente Comunale Assistenza.

By agreement between the Italian Government Delegation for Relations with UNRRA, the UNRRA Italian Mission and the Ministry

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or agency concerned, separate distribution plans have been prepared for each of the bulk allocations referred to above.

Allocations to Institutions

Allocations to institutions are designed to meet their most urgent requirements. For example, there will be a uniform issue per bed to hospitals and lunatic asylums of: 6 bed sheets, 2 draw sheets, 3 pillow-cases and 2 towels, plus bulk issues of material for such items as nightshirts, aprons and mattress covers.

In the case of homes for invalids, orphanages, reformatories and similar institutions, the issue will also be based on the number of beds, but the scale per bed will be lower.

In all, distribution is expected to meet the needs of:

Health Groups:

Individuals	330,000 (babies' layettes)
Bed units	255,115

Welfare Groups:

Individuals	5,804,400
Institutional bed units	385,302

The bulk allocation for distribution to individuals has been sub-allocated to provinces, primarily on the basis of population but, where necessary, with extra provision for specially distressed areas.

The UNRRA-Tessile Committee, through their Distribution Office, are responsible for distributing the free goods, whether for institutional or individual use, down to the appropriate provincial authority, which will be the UNRRA Provincial Assistance Committee, the Provincial Medical Officer or the processing workshops of the Ministry of Post-War Assistance.

Supervision and Control

From this point, supervision and control of the free distribution becomes the responsibility of the local UNRRA Assistance Committees under the direction of the Italian Government Delegation for Relations with UNRRA. At the provincial level, these committees will ensure that distribution to institutions is effected and, through Communal Assistance Committees, from the unemployed, refugees, bombed-out and displaced persons, returned prisoners of war and poor persons who are assisted by the Ente Comunale Assistenza.

For those who qualify, the individual ration will depend on their age and sex, as follows:

Men:
- 1.5 metres of cloth for trousers, width 140 centimetres.
- 5.7 metres of cloth for shirts and underclothes, width 70 centimetres.

Women:
- 3.5 metres of cloth for underwear, width 70 centimetres.
- 4.5 metres of cloth for dresses, width 70 centimetres.

Boys (from 4 to under 16):
- 6 metres of cloth for shirts and underclothes, width 70 centimetres.

Girls (from 4 to under 16):
- 2.5 metres of cloth for underclothes, width 70 centimetres.
- 2.5 metres of cloth for dresses, width 70 centimetres.

Children (from 1 to under 4):
- 5 metres of cloth, width 70 centimetres.

The selected individuals having the right to free cloth will register with the Ente Comunale Assistenza, and on registration will hand in a specified coupon of the miscellaneous food ration card

Sales Procedure

For the cotton goods which are to be sold commercially, the UNRRA-Tessile Distribution Office will distribute goods to provinces, and by working successively through the Provincial Textile Committees and the Communal Textile Committees, will control the distribution right down to the consumer.

The Provincial Textile Committees are composed of the Prefect, the mayor of the Provincial capital, a representative of labour, the provincial representative of the Ministry of Finance, and the secretary of the local UNRRA Assistance Committee. In the Communal Textile Committees the voting members are the mayor, a representative of the magistrates, and a labour representative.

Both Textile Committees will be given the benefit of the advice and experience of all the

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Supervision and Control

From this point, supervision and control of the free distribution becomes the responsibility of the local UNRRA Assistance Committees under the direction of the Italian Government Delegation for Relations with UNRRA. At the provincial level, these committees will ensure that distribution to institutions is effective, and they will allot to communes their share of the provincial allocation of goods for needy persons.

Within the communes, the needy individuals who have the right to a free grant of cloth, will be selected, by the UNRRA Assistance

Men:

1.5 metres of cloth for trousers, width 140 centimetres.

5.7 metres of cloth for shirts and underclothes, width 70 centimetres.

Women:

3.5 metres of cloth for underwear, width 70 centimetres.

4.5 metres of cloth for dresses, width 70 centimetres.

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Both Textile Committees will be given the benefit of the advice and experience of all the members of the local UNRRA Assistance Committees, which have been dealing with problems of the needy for almost two years.

The general rationing system has been organized by UNRRA-Tessile Distribution Office, but its operation is conducted, for the

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most part, by the Provincial and Communal Textile Committees. It has been estimated that, after allowing for the free distribution to needy persons, a small ration of cotton goods can be sold to about 40 per cent. of the population.

Since any distribution which is not available to 100 per cent. of the population involves some process of selection, it was decided that, allowing for the variable density of population, distribution should be equitable as between provinces, that there should be basic criteria for the selection of recipients and that the application of these criteria should be nationally consistent.

Priority Groups

Accordingly, allocations sufficient for slightly less than 40 per cent. of the population will be made to each province. These will be sub-allocated within the provinces to the communes, there to be sold to people in the selected categories.

The general categories of persons entitled to purchase cotton goods have been determined by the UNRRA-Tessile Committee to be:

First Priority Group:

State, para-statal, municipal and public administration employees, whether permanent or temporary.

Workers and technicians in industry, banking and insurance.

Farm workers, whether permanent or daily wage earners.

Pensioners of all categories.

Second Priority Group:

Artisan workers.

Remaining categories of agricultural workers (for example, small direct cultivators).

An income of more than 25,000 lire per month (not reckoning family allowance) will exclude wage earners from either of the above groups. The first group will have a prior right to purchase. After satisfying this group's requirements the balance will be allocated by the Communal Textile Committee to persons in the second group.

So far as the recipient is concerned, the rationing procedure falls into three phases, of which the first two will shortly be completed [illegible] while

by the Communal Committee. This allocation voucher, which applies to the holder and to his dependents, entitles him to register with the co-operative store or other retailer of his choice, provided the retailer has been appointed to handle sales of UNRRA-Tessile goods.

2) *Selection by the individual of his retailer from among the authorized firms or co-operatives.*

He surrenders to the retailer the appropriate coupons of his, and his dependents', miscellaneous food ration cards, together with one-half of his allocation voucher. The remaining half, having been stamped by the retailer as evidence of registration, will be retained by the applicant.

3) *Purchase and delivery of the cloth.*

This third phase comes a short time later when the cotton goods are available for sale. Eventually there will be 11 different types of cloth, for each of which a certain number of ration points per metre have been allotted.

These ration points vary from five to 15 points per metre, according to the type of cloth. Thirty points' worth of goods are allowed to each member of the family, irrespective of age. A family of four, having a total entitlement of 120 points, can make a selection ranging from a maximum of 24 metres at five points per metre to a minimum of eight metres at 15 points per metre.

Collective Allocation Voucher

In order to simplify registration procedure under Phase 1, it has also been provided that large firms and agencies can obtain a collective allocation voucher by submitting to the Communal Textile Committee a certified application stating the number of workers, dependents, pensioners, and other entitled personnel, on whose behalf the firm is acting. In such cases, detachment of the appropriate coupon from the miscellaneous food ration card will be effected by the firms. These coupons, together with the allocation voucher and an alphabetical list of recipients, will be submitted by the firms to the retailer when making collective bookings. As a general rule, such firms will collect their entitlement of cotton goods in bulk.

So far as possible, the free distribution, particularly to individuals, will be territorially in concert with the commercial distribution. The most positive link between free and commercial distribution is the registration of the individual recipients, since it is necessary for

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So far as the recipient is concerned, the rationing procedure falls into three phases, of which the first two will shortly be completed in Massa Carrara and Reggio Calabria, while the third phase is scheduled for February.

These phases are:

1) *Registration of the individual with the Communal Textile Committee.*
The individual will receive an allocation voucher (buono), of which the counterfoil will be retained

2) *Selection by the individual of his retailer from among the authorized firms or co-operatives.*
He surrenders to the retailer the appropriate coupons of his, and his dependents', miscellaneous food ration cards, together with one-half of his allocation voucher. The remaining half, having been stamped by the retailer as evidence of registration, will be retained by the applicant.

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Collective Allocation Voucher

In order to simplify registration procedure under Phase 1, it has also been provided that large firms and agencies can obtain a collective allocation voucher by submitting to the Communal Textile Committee a certified application stating the number of workers, dependents, pensioners, and other entitled personnel, on whose behalf the firm is acting. In such cases, detachment of the appropriate coupon from the miscellaneous food ration card will be effected by the firms. These coupons, together with the allocation voucher and an alphabetical list of recipients, will be submitted by the firms to the retailer when making collective bookings. As a general rule, such firms will collect their entitlement of cotton goods in bulk.

So far as possible, the free distribution, particularly to individuals, will be territorially in concert with the commercial distribution. The most positive link between free and commercial distribution is the registration of the individual recipients, since it is necessary for the recipients of the free distribution to be identified and documented before registration for the commercial distribution can begin.

This clarifies the position in border-line cases, so that people who might conceivably qualify for free distribution are able, if they

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do not qualify, to register for commercial distribution. Since the recipients of free cotton goods will surrender the same ration coupon at the time of registering, duplication of entitlement to both free and commercial distribution will be obviated.

Co-operatives and other retailers are required to exhibit advertising material supplied by the UNRRA-Tessile Committee, lists of maximum prices as indicated by the Committee, and the lists of points with their equivalent in centimetres.

Checks and Penalties

Checks may be made at any time by the UNRRA-Tessile Distribution Office and the Provincial and Communal Committees, to ensure that the provincial organizations, wholesale dealers and retailers are operating properly.

In addition to normal legal penalties, offenders will be liable to the following special penalties on the part of the UNRRA-Tessile Committee: (a) forfeiture of all present and future allocations of UNRRA supplies, and (b) public exposure through the Press.

Explanatory posters are now being distributed throughout Italy, showing meterage points and prices. A booklet published by the UNRRA-Tessile Distribution Office is being delivered to all distributing agencies, with a detailed description of the procedure to be followed.

UNRRA has already provided the raw material for this programme. The distribution plans and the organization for distribution are nearing completion. The Italian public will look to the manufacturers to collaborate fully in the plans which the Government and UNRRA have prepared. The value of the whole programme depends upon the speedy conversion by the manufacturers of raw cotton into useable goods.

UNRRA VETERINARY SURVEY

Far-reaching proposals for improvements in the organization of veterinary educational practice in Italy, and for improved technique

A comprehensive survey of the Italian State Veterinary Service and of veterinary educational practices in Northern Italy was recently completed by Dr. Martin M. Kaplan, Veterinary Specialist, UNRRA Field Services Branch. At a conference of one of the Educational Advisory Committees attached to the Ministry of Education, Dr. Kaplan explained present educational practices in the United States, and suggested that the number of veterinary schools in Italy might be reduced from 10 to three or four, the number of school years increased from four to five, the number of teaching hours doubled and more stringent entrance requirements adopted.

During the National Veterinary Conference in Florence last November informal conferences were held by UNRRA specialists with Italian veterinary experts; and, as a result of UNRRA's suggestions, an Advisory Committee has now been set up by the National Council of Research, which will study the means of meeting, within the present framework of conditions in Italy, the need for standardizing the production of biological products and for closer collaboration between production laboratories and experimental stations.

Proposed Transfer of Functions

A further UNRRA suggestion which will be studied by the newly-formed Advisory Committee is the transfer of provincial veterinary services from the Ministry of the Interior (Commissariat of Public Health and Hygiene) to the Ministry of Agriculture, which, it has been suggested, might be the more appropriate authority to deal with animal diseases.

At the National Veterinary Conference, Dr. Kaplan explained recent developments in the treatment of Newcastle disease in poultry (which represents a grave source of loss among Italian poultry farmers) and of rinderpest among cattle, sheep and goats. Rinderpest, which has caused vast losses of livestock in Africa and Asia, has not so far appeared in Italy; but as the threat of an outbreak at any time is always present, an UNRRA film was shown, in order to give

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UNRRA VETERINARY SURVEY

Far-reaching proposals for improvements in the organization of veterinary educational practice in Italy, and for improved technique in the production of vaccines to combat foot-and-mouth disease, Newcastle disease of poultry and hog cholera, and of other biological products, have been put forward by the veterinary specialists attached to the Division of Agriculture in the UNRRA Italian Mission.

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In the fight against Newcastle disease which has been mainly responsible for reducing the poultry population in Italy (amounting to nearly 65,000,000 head) by 20 per cent. per annum, the vaccine in use in Italy has proved effective only for approximately three months.

Vaccine Virus from Greece

Substitution of this local vaccine by the India-Palestine strain of Newcastle disease vaccine conferring immunity up to a year, and the use of chick embryos for further propagation of the virus, have been strongly recommended by the UNRRA veterinary specialists, and a quantity of this strain of vaccine virus, brought from Greece, has been presented by UNRRA to the Zooprophylactic Institute of Rome, which is now engaged on a series of experiments with it. If it should prove to be effective in this country it is confidently expected that, as soon as an adequate supply has been developed from chick embryos, the ravages of Newcastle disease among Italian poultry will be lessened very considerably.

Among instances of the practical aid given by UNRRA is the success with which a recent outbreak of foot-and-mouth disease was checked in the Commune of Torriglia in the province of Genoa. Following notification of the outbreak on Christmas Day, the UNRRA Regional Agricultural Specialist in Genoa succeeded in obtaining a supply of vaccine in three days, in spite of holiday delays. Within 24 hours of receiving this vaccine he inoculated 50 animals, travelling through deep snow to isolated farms.

By these prompt measures it was possible immediately to localize the outbreak to four stables. A few days later a further 80 animals had been inoculated, and no additional cases have since been reported.

NEW PRICES OF SOLID FUEL

Prices of coal, both imported and domestically produced, have been increased as a result of increased costs, the impending termination

	Lire per metric ton at port
Anthracite:	
Tout venant - ex United Kingdom	6,500
Duff	4,500
For electrodes - ex Ruhr	7,000
Steam coals:	
Tout venant - ex United States or South Africa	5,000
Sized (over 10 cm.)	5,500
Smalls (0 to 10 cm.)	4,500
Coal for gas industry:	
ex United States	3,500
ex Belgium, Poland or Ruhr	4,000
Coal for coke:	
ex United States	5,000
ex Belgium, Poland or Ruhr	5,500
Sardinian coal:	
Sized	4,600
Smalls	4,200
Arsa coal:	
Sized	4,600
Smalls	4,000
Ribolla lignite:	
Sized (at pithead)	4,700
Smalls (at pithead)	4,300
Petroleum coke	7,000
Open cast - ex United Kingdom	4,000

By agreement with the Government these prices will apply whether the coal is imported on UNRRA, Italian Government or commercial account.

Need for Revision

Previously the basic price at port of UNRRA-imported coal, supplied free of charge to the Italian Government, was 3,500 lire per ton to industry and 2,600 lire per ton to public utilities and the Italian State Railways. Corresponding prices for domestically produced Sardinian coal were 3,000 lire and 2,200 lire per ton for sized coals and 2,700 lire and 2,000 lire per ton for smalls.

Coal prices were set in March, 1946, by agreement between the UNRRA Italian Mission and the Italian Government. They were based upon the estimated landed cost of imported coal on 1 October, 1946, as it was considered that by that time the UNRRA coal programme was likely to be completed, and Italy would be making its own arrangements for procuring and paying for imported coal.

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NEW PRICES OF SOLID FUEL

Prices of coal, both imported and domestically produced, have been increased as a result of increased costs, the impending termination of UNRRA supplies and Italy's continued dependence on non-European sources for most of its imported coal.

The prices agreed by the Italian Government and the UNRRA Italian Mission (as recommended by the Joint Price Committee) are:

South Africa	5,000
Sized (over 10 cm.)	5,500
Smalls (0 to 10 cm.)	4,500
Coal for gas industry:	
ex United States	3,500
ex Belgium, Poland or Ruhr	4,000
Coal for coke:	
ex United States	5,000
ex Belgium, Poland or Ruhr	5,500
Sardinian coal:	
Sized	4,000
Smalls	4,200
Arsa coal:	
Sized	4,000
Smalls	4,000
Ribolla lignite:	
Sized (at pithead)	4,700
Smalls (at pithead)	4,300
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Since the expectation of lower prices has not been borne out, it has been necessary to revise upwards the price of coal in Italy, in order that, as UNRRA shipments draw to a close, the Italian Government's increasing imports will not be sold at a loss.

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(13 - 18 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Oksywie (1)	Genoa	9 January	UNRRA	Minerals	500
Redgate	Leghorn	16 »	»	General	923
Thompson Lykes	Genoa	17 »	»	»	887
Vittorio Veneto	Bari	18 »	It. Government	»	7,705
				Total tonnage	10,015

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

LATEST COAL SHIPMENTS

(13 - 19 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Michael de Kovats	Savona	13 January	United States	It. Govt.	9,018
William Rawle	Palermo	» »	» »	UNRRA	7,634
Grover C. Hutcherson	Genoa	14 »	» »	»	8,920
James K. Paulding	Civitavecchia	15 »	» »	»	8,738
Elijah Cobb	Venice	» »	» »	»	9,382
Caterina Gerolimich	Leghorn	16 »	Germany	»	7,237
William Wilkins	Savona	17 »	Bahrein	It. Govt.	8,943
William D. Moseley	Naples	» »	United States	UNRRA	8,796
Asa Gray	Savona	18 »	» »	»	7,568
Amabilitas	Piombino	» »	» »	»	5,933
Blairspey	Naples	» »	Germany	»	5,601
		» »	United States	»	8,041

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Amabilitas	Piombino	» »	» »	»	5,933
Blairapey	Naples	» »	Germany	»	5,601
Helen Hunt Jackson	Messina	» »	United States	»	8,041
Marshfield Victory	Catania	19 »	» »	»	8,494
				Total tonnage	104,305

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January 24, 1947 No. 54

ECONOMIC NOTES

Published Weekly in English and Italian

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

CONTENTS

1. First Distribution of UNRRA Cotton Goods
2. UNRRA Veterinary Survey
3. New Prices of Solid Fuel
4. Movements of Ships

FIRST DISTRIBUTION OF UNRRA COTTON GOODS

Within the next few days registration will begin of persons entitled to cotton textile materials manufactured in Italy from 31,000 tons of UNRRA-imported raw cotton, under the plan to which reference has already been made in *Economic Notes* No. 30 of 9 August, and No. 35 of 13 September, 1946. Distribution of the materials is scheduled to start during the early part of February.

The first distribution will take place in the provinces of Massa Carrara and Reggio Calabria, where many of the 165 communes suffered heavy war damage. The initial distribution, while it is included in the over-all plan, will be in the nature of an experiment since it will afford guidance to the controlling authorities for any alterations which, in the light of actual experience, may have to be made in the procedure already established for free distribution and for sale.

150,000,000 Metres of Cloth

This unprecedented undertaking (which in the course of the next eight months will provide cotton textiles at reasonable prices to the low income groups, and at no cost to the very poor and to needy institutions) will involve approximately 150,000,000 metres of raw materials delivered free of charge to the Italian Government) are controlled by the UNRRA-Tessile Committee in Rome. This is an Italian Government agency, to which are attached two representatives of the UNRRA Italian Mission, in an advisory capacity.

5396

Free Distribution

Of the 150,000,000 metres of cloth which are being produced, roughly two-thirds will be sold at controlled prices to specified categories of people. The remaining third will be distributed free.

The free goods have been allocated in the following approximate proportions:

Institutions - 40 per cent. as follows:—
- 24.4 per cent. to hospitals and other institutions under the High Commissariat for Public Health and Hygiene.
- 11.8 per cent. to homes and orphanages under the Ministry of the Interior.
- 1.4 per cent. to Opera Nazionale per la Protezione della Maternità e dell'Infanzia.
- 2.1 per cent. to prisons and reformatories under the Ministry of Justice.
- .3 per cent. to children's homes under the Ministry of Education.

Individuals - 60 per cent. as follows:—
To the unemployed, to war-distressed groups and

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150,000,000 Metres of Cloth

This unprecedented undertaking (which in the course of the next eight months will provide cotton textiles at reasonable prices to the low income groups, and at no cost to the very poor and to needy institutions) will involve approximately 150,000,000 metres of cloth, equal to about one-fourth of the country's average yearly consumption in normal times.

Production, distribution and eventual sale of these cotton goods (as of woollen and leather goods, also to be manufactured from UNRRA raw materials delivered free of charge to the Italian Government) are controlled by the UNRRA-Tessile Committee in Rome. This is an Italian Government agency, to which are attached two representatives of the UNRRA Italian Mission, in an advisory capacity.

5936

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- 2.1 per cent. to prisons and reformatories under the Ministry of Justice.
- .3 per cent. to children's homes under the Ministry of Education.

Individuals - 60 per cent. as follows:—
- To the unemployed, to war-distressed groups now receiving aid from the Ministry of Post-War Assistance and to persons entitled to communal relief from the Ente Comunale Assistenza.

By agreement between the Italian Government Delegation for Relations with UNRRA, the UNRRA Italian Mission and the Ministry

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or agency concerned, separate distribution plans have been prepared for each of the bulk allocations referred to above.

Allocations to Institutions

Allocations to institutions are designed to meet their most urgent requirements. For example, there will be a uniform issue per bed to hospitals and lunatic asylums of: 6 bed sheets, 2 draw sheets, 3 pillow-cases and 2 towels, plus bulk issues of material for such items as nightshirts, aprons and mattress covers.

In the case of homes for invalids, orphanages, reformatories and similar institutions, the issue will also be based on the number of beds, but the scale per bed will be lower.

In all, distribution is expected to meet the needs of:

Health Group:

Individuals	320,000 (babies' layettes)
Bed units	255,445

Welfare Group:

Individuals	5,801,400
Institutional bed units	385,302

The bulk allocation for distribution to individuals has been sub-allocated to provinces, primarily on the basis of population but, where necessary, with extra provision for specially distressed areas.

The UNRRA-Tessile Committee, through their Distribution Office, are responsible for distributing the free goods, whether for institutional or individual use, down to the appropriate provincial authority, which will be the UNRRA Provincial Assistance Committee, the Provincial Medical Officer or the processing workshops of the Ministry of Post-War Assistance.

Supervision and Control

From this point, supervision and control of the free distribution becomes the responsibility of the local UNRRA Assistance Committees under the direction of the Italian Government Delegation for Relations with UNRRA. At the provincial level, these committees will [illegible] distribution to institutions is of

Committees, from the unemployed, refugees, bombed-out and displaced persons, returned prisoners of war and poor persons who are assisted by the Ente Communale Assistenza.

For those who qualify, the individual ration will depend on their age and sex, as follows:

Men:
1.5 metres of cloth for trousers, width 140 centimetres.
5.7 metres of cloth for shirts and underclothes, width 70 centimetres.

Women:
3.5 metres of cloth for underwear, width 70 centimetres.
4.5 metres of cloth for dresses, width 70 centimetres.

Boys (from 4 to under 16):
6 metres of cloth for shirts and underclothes, width 70 centimetres.

Girls (from 4 to under 16):
2.5 metres of cloth for underclothes, width 70 centimetres.
2.5 metres of cloth for dresses, width 70 centimetres.

Children (from 1 to under 4):
5 metres of cloth, width 70 centimetres.

The selected individuals having the right to free cloth will register with the Ente Communale Assistenza, and on registration will hand in a specified coupon of the miscellaneous food ration card

Sales Procedure

For the cotton goods which are to be sold commercially, the UNRRA-Tessile Distribution Office will distribute goods to provinces, and by working successively through the Provincial Textile Committees and the Communal Textile Committees, will control the distribution right down to the consumer.

The Provincial Textile Committees are composed of the Prefect, the mayor of the Provincial capital, a representative of labour, the provincial representative of the Ministry of Finance, and the secretary of the local UNRRA Assistance Committee. In the Communal Textile Committees the voting members are the mayor, a representative of the magistrates, and a labour representative.

Both Textile Committees will be given the benefit of the advice and experience of all the

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Supervision and Control

From this point, supervision and control of the free distribution becomes the responsibility of the local UNRRA Assistance Committees under the direction of the Italian Government Delegation for Relations with UNRRA. At the provincial level, these committees will ensure that distribution to institutions is effective, and they will allot to communes their share of the provincial allocation of goods for needy persons.

Within the communes, the needy individuals who have the right to a free grant of cloth, will be selected, by the UNRRA Assistance

Men:

1.5 metres of cloth for trousers, width 140 centimetres.

5.7 metres of cloth for shirts and underclothes, width 70 centimetres.

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Both Textile Committees will be given the benefit of the advice and experience of all the members of the local UNRRA Assistance Committees, which have been dealing with problems of the needy for almost two years.

The general rationing system has been organized by UNRRA-Tessile Distribution Office, but its operation is conducted, for the

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most part, by the Provincial and Communal Textile Committees. It has been estimated that, after allowing for the free distribution to needy persons, a small ration of cotton goods can be sold to about 40 per cent. of the population.

Since any distribution which is not available to 100 per cent. of the population involves some process of selection, it was decided that, allowing for the variable density of population, distribution should be equitable as between provinces, that there should be basic criteria for the selection of recipients and that the application of these criteria should be nationally consistent.

Priority Groups

Accordingly, allocations sufficient for slightly less than 40 per cent. of the population will be made to each province. These will be sub-allocated within the provinces to the communes, there to be sold to people in the selected categories.

The general categories of persons entitled to purchase cotton goods have been determined by the UNRRA-Tessile Committee to be:

First Priority Group:

State, para-statal, municipal and public administration employees, whether permanent or temporary.

Workers and technicians in industry, banking and insurance.

Farm workers, whether permanent or daily wage earners.

Pensioners of all categories.

Second Priority Group:

Artisan workers.

Remaining categories of agricultural workers (for example, small direct cultivators).

An income of more than 25,000 lire per month (not reckoning family allowance) will exclude wage earners from either of the above groups. The first group will have a prior right to purchase. After satisfying this group's requirements the balance will be allocated by the Communal Textile Committee to persons in the second group.

So far as the recipient is concerned, the rationing procedure falls into three phases, of which the first two will shortly be completed by the Communal Committee. This allocation voucher, which applies to the holder and to his dependents, entitles him to register with the co-operative store or other retailer of his choice, provided the retailer has been appointed to handle sales of UNRRA-Tessile goods.

2) *Selection by the individual of his retailer from among the authorized firms or co-operatives.*
He surrenders to the retailer the appropriate coupons of his, and his dependents', miscellaneous food ration cards, together with one-half of his allocation voucher. The remaining half, having been stamped by the retailer as evidence of registration, will be retained by the applicant.

3) *Purchase and delivery of the cloth.*
This third phase comes a short time later when the cotton goods are available for sale. Eventually there will be 11 different types of cloth, for each of which a certain number of ration points per metre have been allotted.
These ration points vary from five to 15 points per metre, according to the type of cloth. Thirty points' worth of goods are allowed to each member of the family, irrespective of age. A family of four, having a total entitlement of 120 points, can make a selection ranging from a maximum of 24 metres at five points per metre to a minimum of eight metres at 15 points per metre.

Collective Allocation Voucher

In order to simplify registration procedure under Phase 1, it has also been provided that large firms and agencies can obtain a collective allocation voucher by submitting to the Communal Textile Committee a certified application stating the number of workers, dependents, pensioners, and other entitled personnel, on whose behalf the firm is acting. In such cases, detachment of the appropriate coupon from the miscellaneous food ration card will be effected by the firms. These coupons, together with the allocation voucher and an alphabetical list of recipients, will be submitted by the firms to the retailer when making collective bookings. As a general rule, such firms will collect their entitlement of cotton goods in bulk.

So far as possible, the free distribution, particularly to individuals, will be territorially in concert with the commercial distribution. The most positive link between free and commercial distribution is the registration of the

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Since any distribution which is not available to 100 per cent. of the population involves some process of selection, it was decided that, allowing for the variable density of population, distribution should be equitable as between provinces, that there should be basic criteria for the selection of recipients and that the application of these criteria should be nationally consistent.

Priority Groups

Accordingly, allocations sufficient for slightly less than 40 per cent. of the population will be made to each province. These will be sub-allocated within the provinces to the communes, there to be sold to people in the selected categories.

The general categories of persons entitled to purchase cotton goods have been determined by the UNRRA-Tessile Committee to be:

First Priority Group:

State, para-statal, municipal and public administration employees, whether permanent or temporary.

Workers and technicians in industry, banking and insurance.

Farm workers, whether permanent or daily wage earners.

Pensioners of all categories.

Second Priority Group:

Artisan workers.

Remaining categories of agricultural workers (for example, small direct cultivators).

An income of more than 25,000 lire per month (not reckoning family allowance) will exclude wage earners from either of the above groups. The first group will have a prior right to purchase. After satisfying this group's requirements the balance will be allocated by the Communal Textile Committee to persons in the second group.

So far as the recipient is concerned, the rationing procedure falls into three phases, of which the first two will shortly be completed in Massa Carrara and Reggio Calabria, while the third phase is scheduled for February.

These phases are:

1) *Registration of the individual with the Communal Textile Committee.*

The individual will receive an allocation voucher (buono), of which the counterfoil will be retained among the authorized firms or co-operatives.

He surrenders to the retailer the appropriate coupons of his, and his dependents', miscellaneous food ration cards, together with one-half of his allocation voucher. The remaining half, having been stamped by the retailer as evidence of registration, will be retained by the applicant.

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So far as possible, the free distribution, particularly to individuals, will be territorially in concert with the commercial distribution. The most positive link between free and commercial distribution is the registration of the individual recipients, since it is necessary for the recipients of the free distribution to be identified and documented before registration for the commercial distribution can begin.

This clarifies the position in border-line cases, so that people who might conceivably qualify for free distribution are able, if they

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do not qualify, to register for commercial distribution. Since the recipients of free cotton goods will surrender the same ration coupon at the time of registering, duplication of entitlement to both free and commercial distribution will be obviated.

Co-operatives and other retailers are required to exhibit advertising material supplied by the UNRRA-Tessile Committee, lists of maximum prices as indicated by the Committee, and the lists of points with their equivalent in centimetres.

Checks and Penalties

Checks may be made at any time by the UNRRA-Tessile Distribution Office and the Provincial and Communal Committees, to ensure that the provincial organizations, wholesale dealers and retailers are operating properly.

In addition to normal legal penalties, offenders will be liable to the following special penalties on the part of the UNRRA-Tessile Committee: (a) forfeiture of all present and future allocations of UNRRA supplies, and (b) public exposure through the Press.

Explanatory posters are now being distributed throughout Italy, showing meterage points and prices. A booklet published by the UNRRA-Tessile Distribution Office is being delivered to all distributing agencies, with a detailed description of the procedure to be followed.

UNRRA has already provided the raw material for this programme. The distribution plans and the organization for distribution are nearing completion. The Italian public will look to the manufacturers to collaborate fully in the plans which the Government and UNRRA have prepared. The value of the whole programme depends upon the speedy conversion by the manufacturers of raw cotton into useable goods.

UNRRA VETERINARY SURVEY

Far-reaching proposals for improvements in the organization of veterinary educational

A comprehensive survey of the Italian State Veterinary Service and of veterinary educational practices in Northern Italy was recently completed by Dr. Martin M. Kaplan, Veterinary Specialist, UNRRA Field Services Branch. At a conference of one of the Educational Advisory Committees attached to the Ministry of Education, Dr. Kaplan explained present educational practices in the United States, and suggested that the number of veterinary schools in Italy might be reduced from 10 to three or four, the number of school years increased from four to five, the number of teaching hours doubled and more stringent entrance requirements adopted.

During the National Veterinary Conference in Florence last November informal conferences were held by UNRRA specialists with Italian veterinary experts; and, as a result of UNRRA's suggestions, an Advisory Committee has now been set up by the National Council of Research, which will study the means of meeting, within the present framework of conditions in Italy, the need for standardizing the production of biological products and for closer collaboration between production laboratories and experimental stations.

Proposed Transfer of Functions

A further UNRRA suggestion which will be studied by the newly-formed Advisory Committee is the transfer of provincial veterinary services from the Ministry of the Interior (Commissariat of Public Health and Hygiene) to the Ministry of Agriculture, which, it has been suggested, might be the more appropriate authority to deal with animal diseases.

At the National Veterinary Conference, Dr. Kaplan explained recent developments in the treatment of Newcastle disease in poultry (which represents a grave source of loss among Italian poultry farmers) and of rinderpest among cattle, sheep and goats. Rinderpest, which has caused vast losses of livestock in Africa and Asia, has not so far appeared in Italy; but as the threat of an outbreak at any time is always present, an UNRRA film was shown, in order to give

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UNRRA VETERINARY SURVEY

Far-reaching proposals for improvements in the organization of veterinary educational practice in Italy, and for improved technique in the production of vaccines to combat foot-and-mouth disease, Newcastle disease of poultry and hog cholera, and of other biological products, have been put forward by the veterinary specialists attached to the Division of Agriculture in the UNRRA Italian Mission.

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In the fight against Newcastle disease which has been mainly responsible for reducing the poultry population in Italy (amounting to nearly 65,000,000 head) by 20 per cent. per annum, the vaccine in use in Italy has proved effective only for approximately three months.

Vaccine Virus from Greece

Substitution of this local vaccine by the India-Palestine strain of Newcastle disease vaccine conferring immunity up to a year, and the use of chick embryos for further propagation of the virus, have been strongly recommended by the UNRRA veterinary specialists, and a quantity of this strain of vaccine virus, brought from Greece, has been presented by UNRRA to the Zooprophylactic Institute of Rome, which is now engaged on a series of experiments with it. If it should prove to be effective in this country it is confidently expected that, as soon as an adequate supply has been developed from chick embryos, the ravages of Newcastle disease among Italian poultry will be lessened very considerably.

Among instances of the practical aid given by UNRRA is the success with which a recent outbreak of foot-and-mouth disease was checked in the Commune of Torriglia in the province of Genoa. Following notification of the outbreak on Christmas Day, the UNRRA Regional Agricultural Specialist in Genoa succeeded in obtaining a supply of vaccine in three days, in spite of holiday delays. Within 24 hours of receiving this vaccine he inoculated 50 animals, travelling through deep snow to isolated farms.

By these prompt measures it was possible immediately to localize the outbreak to four stables. A few days later a further 80 animals had been inoculated, and no additional cases have since been reported.

NEW PRICES OF SOLID FUEL

Prices of coal, both imported and domestically produced, have been increased as a result of increased costs, the impending termination

	Lire per metric ton at port
Anthracite:	
Tout venant - ex United Kingdom	6,500
Duff	4,500
For electrodes - ex Ruhr	7,000
Steam coals:	
Tout venant - ex United States or South Africa	5,000
Sized (over 10 cm.)	5,500
Smalls (0 to 10 cm.)	4,500
Coal for gas industry:	
ex United States	3,500
ex Belgium, Poland or Ruhr	4,000
Coal for coke:	
ex United States	5,000
ex Belgium, Poland or Ruhr	5,500
Sardinian coal:	
Sized	4,600
Smalls	4,200
Arsa coal:	
Sized	4,600
Smalls	4,000
Ribolla lignite:	
Sized (at pithead)	4,700
Smalls (at pithead)	4,300
Petroleum coke	7,000
Open cast - ex United Kingdom	4,000

By agreement with the Government these prices will apply whether the coal is imported on UNRRA, Italian Government or commercial account.

Need for Revision

Previously the basic price at port of UNRRA-imported coal, supplied free of charge to the Italian Government, was 3,500 lire per ton to industry and 2,600 lire per ton to public utilities and the Italian State Railways. Corresponding prices for domestically produced Sardinian coal were 3,000 lire and 2,200 lire per ton for sized coals and 2,700 lire and 2,000 lire per ton for smalls.

Coal prices were set in March, 1946, by agreement between the UNRRA Italian Mission and the Italian Government. They were based upon the estimated landed cost of imported coal on 1 October, 1946, as it was considered that by that time the UNRRA coal programme was likely to be completed, and Italy would be making its own arrangements

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NEW PRICES OF SOLID FUEL

Prices of coal, both imported and domestically produced, have been increased as a result of increased costs, the impending termination of UNRRA supplies and Italy's continued dependence on non-European sources for most of its imported coal.

The prices agreed by the Italian Government and the UNRRA Italian Mission (as recommended by the Joint Price Committee) are:

Sized (over 10 cm.)	3,500
Smalls (0 to 10 cm.)	4,500
Coal for gas industry:	
ex United States	3,500
ex Belgium, Poland or Ruhr	4,000
Coal for coke:	
ex United States	5,000
ex Belgium, Poland or Ruhr	5,500
Sardinian coal:	
Sized	4,600
Smalls	4,200
Arsa coal:	
Sized	4,600
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Since the expectation of lower prices has not been borne out, it has been necessary to revise upwards the price of coal in Italy, in order that, as UNRRA shipments draw to a close, the Italian Government's increasing imports will not be sold at a loss.

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(13 - 18 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Oksywie (1)	Genoa	9 January	UNRRA	Minerals	500
Redgate	Leghorn	16 »	»	General	923
Thompson Lykes	Genoa	17 »	»	»	887
Vittorio Veneto	Bari	18 »	It. Government	»	7,705
				Total tonnage	10,015

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

LATEST COAL SHIPMENTS

(13 - 19 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Michael de Kovats	Savona	13 January	United States	It. Govt.	9,018
William Rawle	Palermo	» »	» »	UNRRA	7,634
Grover C. Hutcherson	Genoa	14 »	» »	»	8,920
James K. Paulding	Civitavecchia	15 »	» »	»	8,738
Elijah Cobb	Venice	» »	» »	»	9,382
Caterina Gerolimich	Leghorn	16 »	Germany	»	7,237
William Wilkins	Savona	17 »	Bahrein	It. Govt.	8,943
William D. Moseley	Naples	» »	United States	UNRRA	8,796
Asa Gray	Savona	18 »	» »	»	7,568
Amabilitas	Piombino	» »	» »	»	5,933
Blairmoy	Naples	» »	Germany	»	5,601

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Amabilitas	Piombino	» »	» »	»	5,933
Blairspey	Naples	» »	Germany	»	5,601
Helen Hunt Jackson	Messina	» »	United States	»	8,041
Marshfield Victory	Catania	19 »	» »	»	8,494
				Total tonnage	104,305

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JAN 17 1947

January 17, 1947

No. 53

ECONOMIC NOTES

Published Weekly in English and Italian

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

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1. World Plans for Post-UNRRA Period
2. Agricultural Rehabilitation
3. UNRRA Exhibition for Milan
4. Port Equipment.
5. Taranto Harbour Re-opened
6. December Imports
7. Notice to Employers
8. Movements of Ships

WORLD PLANS FOR POST-UNRRA PERIOD

A world of expanding economy is a definite possibility, says Commander R. G. A. Jackson, Senior Deputy Director General of UNRRA, who last week paid a short visit to the UNRRA Italian Mission. UNRRA, he urged, when it was first thought out during the War, envisaged such a world after the fighting had ended. A world of expanding economy could still be achieved—if behind it there was the full weight of the United Nations.

In the fields of health, welfare and care of Displaced Persons, new international organizations were being created to carry on UNRRA's work. The World Health Organization was in process of establishment, with Dr. Chisholm, of Canada, as its Chief. To this body UNRRA had transferred 1,500,000 dollars (£375,000 sterling), giving it a total budget of 3,000,000 dollars (£750,000 sterling). For the most urgent of the welfare tasks carried out by UNRRA 1,000,000 dollars (£250,000 sterling) had been set aside.

Quick Results Needed

After 10 months of discussion, the United Nations had drawn up a charter for the International Refugee Organization, which would undertake responsibility for Displaced Persons problems after UNRRA was finished. The charter was a series of compromises, but it *was* a charter and (commented Commander Jackson) "if you put the right man in charge of operations, I.R.O. will succeed."

I. R. O. Budget Problem

Describing the new organization as a "first class challenge," he criticized the proposed budget of 160,000,000 dollars (£40,000,000 sterling). In his opinion, I.R.O. would need between 340,000,000 and 350,000,000 dollars (approximately £85,000,000 sterling). The new refugee organization would formally come into existence when 15 nations subscribed to the charter, and 75 per cent. of the budget had been contributed.

He was confident that the requisite number of ratifications would be made to bring I.R.O. into being within the next few weeks. But time was running dangerously short. In accordance with the resolution passed at the

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Quick Results Needed

If the World Health Organization was to succeed, then (in the opinion of Commander Jackson) it was essential that it should achieve results as quickly as possible, and make those results known to the peoples of the United Nations, because only by enlisting public support could it hope to survive.

After 10 months of discussion, the United Nations had drawn up a charter for the International Refugee Organization, which would undertake responsibility for Displaced Persons problems after UNRRA was finished. The charter was a series of compromises, but it was a charter and (commented Commander Jackson) "if you put the right man in charge of operations, I.R.O. will succeed."

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He was confident that the requisite number of ratifications would be made to bring I.R.O. into being within the next few weeks. But time was running dangerously short. In accordance with the resolution passed at the Fifth UNRRA Council meeting at Geneva last August, UNRRA's responsibility for Displaced Persons would cease on 30 June. UNRRA had given the member nations of I.R.O. until 31 March to establish the new organization which was to take its place. That left only 90 days to complete the transfer.

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But, having created I.R.O., the United Nations had still to decide on how the new body was to function. It could be run (as UNRRA was at present operating in Germany) as an international organization directly responsible for the details of administration in every country where Displaced Persons' camps were established, or it could function as a comparatively small central planning body, which would leave day-to-day details of administration to individual governments, and concern itself with the major problems of repatriation, resettlement and absorption of those who elected to remain into the local economies of the countries which had given them shelter.

It was this second plan which he himself preferred—above all, because speedy solution of the Displaced Persons' problem was essential, if it was to be solved at all. Unless Europe's Displaced Persons were repatriated, or resettled within the next two or three years, there was danger that enforced idleness and frustration in refugee camps would render them morally incapable of ever returning to normal life.

Economic Reconstruction Incomplete

In its biggest task of all, Commander Jackson went on to say, UNRRA had to admit partial defeat. Its work of economic reconstruction would have to be left unfinished. When in the latter part of 1945 it was decided that UNRRA should end in December, 1946, Governor Lehman, UNRRA's Director General at the time, he himself and many others felt it would be impracticable to discontinue assistance in the middle of the winter, and that UNRRA's work should at least go on until the harvest of 1947. [In practice, UNRRA's aid to Italy continues through March and April on its present scale. – *Editor.*]

UNRRA's plans at that time were based on the assumption that by the latter half of 1947 more permanent international organizations would have come into being, and that funds would be available to carry on.

United Nations Approach

ordinary men and women whose governments had provided the 20,000,000 tons of supplies already delivered by UNRRA throughout the world remained as warm as ever towards the stricken nations, but confusion existed in peoples' minds and in the minds of the governments.

The most important task for the United Nations at the present time was to clear that confusion. If this could be done, it might still be possible to follow out a positive policy of international economic co-operation.

AGRICULTURAL REHABILITATION

Supplies of pesticides and seed imported on the UNRRA programme for agricultural rehabilitation will shortly be ready for use by Italian farmers.

Approximately 10,200 tons of copper sulphate are now being distributed throughout Italy for winter treatment of fruit and olive trees, and vegetables. The Ministry of Agriculture and the UNRRA Italian Mission have also completed allocation plans for the disposal of 198 tons of forage beet seed, imported by UNRRA from the United Kingdom, Denmark, Norway and Belgium.

The copper sulphate distribution plan, prepared in agreement between the Ministry of Agriculture and UNRRA is based on the needs of each province. The quantities available will cover about 80 per cent. of the demand.

Distribution to the farmers will be made by the Consorzi Agrari, in accordance with the regulations issued by the Ministry of Agriculture. All precautionary measures will be taken to ensure that this product will be properly used and will not be the object of speculation. To this end, the copper sulphate will be sold only to *bona fide* farmers, and buyers must sign a declaration stating that they will use this pesticide for the purposes for which it has been imported.

Allocations to the various regions are as follows:—

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In its biggest task of all, Commander Jackson went on to say, UNRRA had to admit partial defeat. Its work of economic reconstruction would have to be left unfinished. When in the latter part of 1945 it was decided that UNRRA should end in December, 1946, Governor Lehman, UNRRA's Director General at the time, he himself and many others felt it would be impracticable to discontinue assistance in the middle of the winter, and that UNRRA's work should at least go on until the harvest of 1947. [In practice, UNRRA's aid to Italy continues through March and April on its present scale. - *Editor.*]

UNRRA's plans at that time were based on the assumption that by the latter half of 1947 more permanent international organizations would have come into being, and that funds would be available to carry on.

United Nations Approach

It was, however, in the vital sphere of economic rehabilitation that least had been done internationally to take UNRRA's place, and it was here that they were in greatest danger of losing the United Nations approach.

At the moment he did not know how this was to be remedied. The good will of the governments.

The most important task for the United Nations at the present time was to clear that confusion. If this could be done, it might still be possible to follow out a positive policy of international economic co-operation.

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The average rate of seeding should be about 15 kilograms per hectare, and production of this root crop will depend upon weather and soil conditions.

The 1,980 quintals allocated are divided as follows:—

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Two hundred and fifty-three quintals have been stockpiled for further distribution.

The distribution plans are based on average pre-war consumption, local production and the actual requirements of each area, precedence being given to districts deficient in forage, and to dairying districts.

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Farmers interested in procuring the forage beet seed should apply to their local Consorzi Agrari.

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This shipment of surplus equipment obtained from American Army surplus stocks rounds out more than 5,000 tons of port equipment imported by UNRRA for delivery free of charge to the Italian Government, for distribution to the ports.

The final cargo from Marseilles included an assortment of cargo slings, trays, pallets, skids, cargo nets, spreaders, tarpaulins, rope and hawsers. The *Marcella* is the fourth ship with this kind of cargo to reach Genoa. Others were the *Capo Mele*, *Virtu* and *Facto*.

Between 250 and 300 tons of port gear remain in England to be shipped to Italy in small lots. To date, 90 tons have been received from depots in England.

The Ministry of Marine will distribute the equipment to all ports, according to agreed allocation plans based upon the amount and type of tonnage handled by the different ports. The distribution will be made to firms engaged in ship loading and discharge operations, shipbuilding and other marine activities, by the Ministry of Marine through the Port Captains. Those firms which have suffered the heaviest losses and damage because of the war will receive special consideration in the allocations.

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In Rome, the exhibition was visited by the Italian Prime Minister, Signor Alcide De Gasperi, and by many high officials of the Italian Government, the Vatican, the Diplomatic Corps, by groups of industrialists, journalists, students and a large section of the public. The number of visitors totalled 175,000 with a peak of 13,000 on 26 December.

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Proceeds to Lire Fund

The Ministry of Marine will sell this material at prices set by the Italian Government. The proceeds will be turned over to the Lire Fund, which is the special fund derived from the sale of UNRRA-imported supplies, for use by the

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Italian Government in relief and rehabilitation programmes.

It is expected that the first allocation plans will be completed soon. The provision of this equipment, which has been in short supply since the war, will be a definite contribution to the efficiency of port operations and the handling of Italian maritime traffic.

TARANTO HARBOUR RE-OPENED

The first UNRRA vessel from the Western Hemisphere to discharge a full cargo of coal at Taranto is the Liberty ship *Cotton Mather*, which docked with a cargo of 8,293 tons of UNRRA-imported coal on 6 January.

This marks the successful conclusion of reconstruction and dredging operations in Taranto harbour, which, in addition to discharging fully loaded tankers, can now—for the first time since the end of the war—handle ocean-going vessels carrying general cargo.

DECEMBER IMPORTS

Supplies arriving at Italian ports during December, 1946, on UNRRA account totalled 562,900 tons as against 539,000 tons received in November. Deliveries again were affected as a result of the second maritime strike which held up shipping in the United States right through October, and of the United States coal strike which lasted from 20 November to 7 December.

Arrivals on the industrial rehabilitation programme totalled 500,133 tons. Coal accounted for 307,232 tons (as against 332,000 tons in November) of the total received. Deliveries of petroleum products (POL) totalled 178,894 tons, as against 117,000 tons in November.

Grain and grain products totalled 41,228 tons (wheat equivalent), as against 24,429 tons delivered in November. Included in these 41,228 tons were 28,029 tons of wheat, 4,786 tons of wheat flour, 5,099 tons of soya flour and 3,314 tons of other grain and grain products.

In the clothing, textile and footwear programme, 6,748 tons of other foods, 189,783 tons of coal, 43,745 tons of POL, 1,672 tons on the clothing and textile programme, 10,782 tons of other industrial rehabilitation goods, 234 tons of medical supplies and 7,560 tons on the agricultural rehabilitation programme—306,629 tons of supplies in all, the greater part of which have now reached Italian ports.

Including these 306,629 tons which were en route to Italy on 31 December, the grand total of supplies shipped to Italy on all the UNRRA programmes from the start of UNRRA operations up to 31 December, 1946, amounted to 8,074,810 tons. This leaves a balance of about 2,136,000 tons still to be shipped to Italy before the UNRRA programme is complete.

While UNRRA-imported food and fuel supplies have, in the main, been consumed, other commodities imported under the industrial, textile and agricultural rehabilitation programmes will continue to assist the Italian economy this year. Almost one-sixth of the total of UNRRA supplies scheduled for Italy is still in the pipe-line to factories and farms.

NOTICE TO EMPLOYERS

A number of experienced Italian workers, including secretaries, typist - stenographers, accountants, clerks, drivers and warehousemen, a large proportion of whom have a knowledge of English, will become available for employment in Rome and elsewhere throughout Italy —it is announced by the Director of Personnel of the UNRRA Italian Mission.

The UNRRA Italian Mission is anxious to co-operate in an effort to place these workers in new employment, as they become available for posting during the coming weeks.

Employers with posts to offer are invited to communicate with:

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In the clothing, textile and footwear programme, 7,516 tons of raw wool (greasy) and 1,247 tons of wool rags were received, as against 1,271 tons and 2,484 tons, respectively, delivered in the preceding month. The shipment of UNRRA cotton is already completed.

Further shipments in transit on 31 December included 46,105 tons (wheat equivalent) of supplies and 7,560 tons on the agricultural rehabilitation programme—306,629 tons of supplies in all, the greater part of which have now reached Italian ports.

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The UNRRA files contain very complete information regarding some hundred of workers (both men and women) whose qualifications cover a very wide range and who are, or shortly will be, available for employment in any part of Italy.

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January 17, 1947

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No. 53

ECONOMIC NOTES

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WORLD PLANS FOR POST-UNRRA PERIOD

A world of expanding economy is a definite possibility, says Commander R. G. A. Jackson, Senior Deputy Director General of UNRRA, who last week paid a short visit to the UNRRA Italian Mission. UNRRA, he urged, when it was first thought out during the War, envisaged such a world after the fighting had ended. A world of expanding economy could still be achieved—if behind it there was the full weight of the United Nations.

In the fields of health, welfare and care of Displaced Persons, new international organizations were being created to carry on UNRRA's work. The World Health Organization was in process of establishment, with Dr. Chisholm, of Canada, as its Chief. To this body UNRRA had transferred 1,500,000 dollars (£375,000 sterling), giving it a total budget of 3,000,000 dollars (£750,000 sterling). For the most urgent of the welfare tasks carried out by UNRRA 1,000,000 dollars (£250,000 sterling) had been set aside.

Quick Results Needed

After 10 months of discussion, the United Nations had drawn up a charter for the International Refugee Organization, which would undertake responsibility for Displaced Persons problems after UNRRA was finished. The charter was a series of compromises, but it *was* a charter and (commented Commander Jackson) "if you put the right man in charge of operations, I.R.O. will succeed."

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I. R. O. Budget Problem

Describing the new organization as a "first class challenge," he criticized the proposed budget of 160,000,000 dollars (£40,000,000 sterling). In his opinion, I.R.O. would need between 340,000,000 and 350,000,000 dollars (approximately £85,000,000 sterling). The new refugee organization would formally come into existence when 15 nations subscribed to the charter, and 75 per cent. of the budget had been contributed.

He was confident that the requisite number of ratifications would be made to bring I.R.O. into being within the next few weeks. But time was running dangerously short. In accordance with the resolution passed at the [illegible] UNRRA Council meeting at Geneva

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Quick Results Needed

If the World Health Organization was to succeed, then (in the opinion of Commander Jackson) it was essential that it should achieve results as quickly as possible, and make those results known to the peoples of the United Nations, because only by enlisting public support could it hope to survive.

After 10 months of discussion, the United Nations had drawn up a charter for the International Refugee Organization, which would undertake responsibility for Displaced Persons problems after UNRRA was finished. The charter was a series of compromises, but it *was* a charter and (commented Commander Jackson) "if you put the right man in charge of operations, I.R.O. will succeed."

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He was confident that the requisite number of ratifications would be made to bring I.R.O. into being within the next few weeks. But time was running dangerously short. In accordance with the resolution passed at the Fifth UNRRA Council meeting at Geneva last August, UNRRA's responsibility for Displaced Persons would cease on 30 June. UNRRA had given the member nations of I.R.O. until 31 March to establish the new organization which was to take its place. That left only 90 days to complete the transfer.

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But, having created I.R.O., the United Nations had still to decide on how the new body was to function. It could be run (as UNRRA was at present operating in Germany) as an international organization directly responsible for the details of administration in every country where Displaced Persons' camps were established, or it could function as a comparatively small central planning body, which would leave day-to-day details of administration to individual governments, and concern itself with the major problems of repatriation, resettlement and absorption of those who elected to remain into the local economies of the countries which had given them shelter.

It was this second plan which he himself preferred—above all, because speedy solution of the Displaced Persons' problem was essential, if it was to be solved at all. Unless Europe's Displaced Persons were repatriated, or resettled within the next two or three years, there was danger that enforced idleness and frustration in refugee camps would render them morally incapable of ever returning to normal life.

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UNRRA's plans at that time were based on the assumption that by the latter half of 1947 more permanent international organizations would have come into being, and that funds would be available to carry on.

United Nations Approach

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The most important task for the United Nations at the present time was to clear that confusion. If this could be done, it might still be possible to follow out a positive policy of international economic co-operation.

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The Ministry of Marine will distribute the equipment to all ports, according to agreed allocation plans based upon the amount and type of tonnage handled by the different ports. The distribution will be made to firms engaged in ship loading and discharge operations, shipbuilding and other marine activities, by the Ministry of Marine through the Port Captains. Those firms which have suffered the heaviest losses and damage because of the war will receive special consideration in the allocations.

Proceeds to Lire Fund

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stores, original sacks free.

The forage beet seed has been imported to supplement domestic production which is insufficient to meet requirements and is, therefore, of the greatest importance for the increase of Italy's home grown supplies of animal fodder.

The average rate of seeding should be about 15 kilograms per hectare, and production of this root crop will depend upon weather and soil conditions.

The 1,980 quintals allocated are divided as follows:—

Veneto	130	quintals
Lombardy	189	,,
Piedmont	110	,,
Emilia	335	,,
Tuscany	150	,,
Central Italy	313	,,
Southern Italy	500	,,

Two hundred and fifty-three quintals have been stockpiled for further distribution.

The distribution plans are based on average pre-war consumption, local production and the actual requirements of each area, precedence being given to districts deficient in forage, and to dairying districts.

The price to the consumers, as recommended by the Joint Price Committee, has been fixed at 15,700 lire per quintal.

Farmers interested in procuring the forage beet seed should apply to their local Consorzi Agrari.

UNRRA EXHIBITION FOR MILAN

The exhibition held at the Palazzo Venezia, Rome, under the auspices of the UNRRA Italian Mission and the Italian Government Delegation for Relations with UNRRA from 8 December to 15 January, is now to be moved to Milan.

In Rome, the exhibition was visited by the Italian Prime Minister, Signor Alcide De Gasperi, and by many high officials of the Italian Government, the Vatican, the Diplomatic Corps, by groups of industrialists, journalists, students and a large section of the public. The number of visitors totalled 175,000 with a peak of 13,000 on 26 December.

UNRRA's assistance and rehabilitation work in the Lombardy Region.

PORT EQUIPMENT

Movement of cargo handling equipment from Marseilles to Italy under the UNRRA import programme to help in the reconstruction of Italian ports has been completed with the arrival of the S/S *Marcella* in Genoa with 1,087 tons of port gear and equipment early in January. Over 4,000 tons had already arrived in Genoa (see *Economic Notes* No. 42, of 1 November).

This shipment of surplus equipment obtained from American Army surplus stocks rounds out more than 5,000 tons of port equipment imported by UNRRA for delivery free of charge to the Italian Government, for distribution to the ports.

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Proceeds to Lire Fund

The Ministry of Marine will sell this material at prices set by the Italian Government. The proceeds will be turned over to the Lire Fund, which is the special fund derived from the sale of UNRRA-imported supplies, for use by the

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Italian Government in relief and rehabilitation programmes.

It is expected that the first allocation plans will be completed soon. The provision of this equipment, which has been in short supply since the war, will be a definite contribution to the efficiency of port operations and the handling of Italian maritime traffic.

TARANTO HARBOUR RE-OPENED

The first UNRRA vessel from the Western Hemisphere to discharge a full cargo of coal at Taranto is the Liberty ship *Cotton Mather*, which docked with a cargo of 8,293 tons of UNRRA-imported coal on 6 January.

This marks the successful conclusion of reconstruction and dredging operations in Taranto harbour, which, in addition to discharging fully loaded tankers, can now—for the first time since the end of the war—handle ocean-going vessels carrying general cargo.

DECEMBER IMPORTS

Supplies arriving at Italian ports during December, 1946, on UNRRA account totalled 562,900 tons as against 539,000 tons received in November. Deliveries again were affected as a result of the second maritime strike which held up shipping in the United States right through October, and of the United States coal strike which lasted from 20 November to 7 December.

Arrivals on the industrial rehabilitation programme totalled 300,133 tons. Coal accounted for 307,232 tons (as against 332,000 tons in November) of the total received. Deliveries of petroleum products (POL) totalled 178,894 tons, as against 117,000 tons in November.

Grain and grain products totalled 41,228 tons (wheat equivalent), as against 24,429 tons delivered in November. Included in these 41,228 tons were 28,029 tons of wheat, 4,786 tons of wheat flour, 5,099 tons of soya flour and 3,314 tons of other grain and grain products.

In the clothing, textile and footwear programme, 6,748 tons of other foods, 189,783 tons of coal, 43,745 tons of POL, 1,672 tons on the clothing and textile programme, 10,782 tons of other industrial rehabilitation goods, 234 tons of medical supplies and 7,560 tons on the agricultural rehabilitation programme—306,629 tons of supplies in all, the greater part of which have now reached Italian ports.

Including these 306,629 tons which were en route to Italy on 31 December, the grand total of supplies shipped to Italy on all the UNRRA programmes from the start of UNRRA operations up to 31 December, 1946, amounted to 8,074,810 tons. This leaves a balance of about 2,136,600 tons still to be shipped to Italy before the UNRRA programme is complete.

While UNRRA-imported food and fuel supplies have, in the main, been consumed, other commodities imported under the industrial, textile and agricultural rehabilitation programmes will continue to assist the Italian economy this year. Almost one-sixth of the total of UNRRA supplies scheduled for Italy is still in the pipe-line to factories and farms.

NOTICE TO EMPLOYERS

A number of experienced Italian workers, including secretaries, typist-stenographers, accountants, clerks, drivers and warehousemen, a large proportion of whom have a knowledge of English, will become available for employment in Rome and elsewhere throughout Italy —it is announced by the Director of Personnel of the UNRRA Italian Mission.

The UNRRA Italian Mission is anxious to co-operate in an effort to place these workers in new employment, as they become available for posting during the coming weeks.

Employers with posts to offer are invited to communicate with:

The Director of Personnel,
UNRRA Italian Mission,
Via San Nicolò da Tolentino, 78
ROME

(Telephones: 47875[illegible] - 471371)

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In the clothing, textile and footwear programme, 7,516 tons of raw wool (greasy) and 1,247 tons of wool rags were received, as against 1,271 tons and 2,484 tons, respectively, delivered in the preceding month. The shipment of UNRRA cotton is already completed.

Further shipments in transit on 31 December included 46,105 tons (wheat equivalent) of [illegible] habilitation programme—306,629 tons of supplies in all, the greater part of which have now reached Italian ports.

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The UNRRA files contain very complete information regarding some hundred of workers (both men and women) whose qualifications cover a very wide range and who are, or shortly will be, available for employment in any part of Italy.

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(6 - 12 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Peter V. Daniel	Genoa	6 January	UNRRA	General	1,208
Marcella	»	7 »	»	»	1,087
Frank P. Reed	Ancona	» »	»	»	2,743
High Point Victory	Genoa	8 »	»	»	279
Baalbek	»	» »	»	»	149
Cooper Union Victory	Naples	10 »	»	»	1,708
Empire Thames	»	11 »	»	»	5,511
John Hathorn	»	12 »	»	Cereals	8,257
Kedoe	Genoa	» »	»	Minerals	1,000
				Total tonnage	21,942

LATEST COAL SHIPMENTS

(7 - 12 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
John L. Elliott	Savona	7 January	United States	It. Govt.	9,397
Hermada	Leghorn	» »	Germany	UNRRA	6,301
William L. McLean	Venice	» »	United States	»	9,649
Baron Herries	Ancona	8 »	South Africa	»	8,418
Thomas W. Murray	Savona	9 »	United States	»	8,796
Autoritas	Leghorn	10 »	» »	»	5,636
Florence Martus	Catania	» »	» »	»	9,310
William R. Lewis	Venice	11 »	» »	»	8,897
Antonio Strazzera	Genoa	12 »	Germany	»	6,551
William Libbey	»	» »	Bahrein	It. Govt.	9,388

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William R. Lewis	Venice	11 »	» »	»	8,597
Antonio Strazzera	Genoa	12 »	Germany	»	6,551
William Libbey	»	» »	Bahrein	It. Govt.	9,388
				Total tonnage	82,043

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January 10, 1947 No. 52

ECONOMIC NOTES

Published Weekly in English and Italian

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UNRRA FOOD AND FUEL SHIPMENTS

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

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

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

	Tons
Bread grains	450,000

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

Priority for Grain

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

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

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

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

Priority for Grain

According to present estimates, funds of the UNRRA Italian Mission available for grain purchases are sufficient to enable the Mission to procure another 150,000 tons. The substantial grain requirements over and above this figure will have to be purchased by Italy from her own resources. Wheat is, of course, the highest priority item in the UNRRA programme.

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

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

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

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

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

Coal Freight Costs

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

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

The UNRRA petroleum programme will phase out gradually during the first four months of 1947; and, in order to keep a continual flow of products and maintain stocks, the Italian Government have already made provision for the purchase and import of such quantities as are necessary for the first quarter has procured 1,000,000 barrels of crude oil for Bari and Naples and a further 1,000,000 barrels have yet to arrive, in addition to finished products (gasoline, kerosene, Diesel oil, fuel oil, petroleum solvents, white spirit and lubricating oils and greases), in order to complete the UNRRA programme.

COAL OUTLOOK IMPROVES

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

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

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

Ruhr Deliveries

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

Shipments from Eastern Hemisphere sources

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

UNRRA programme.

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

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

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

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

STEEL ALLOCATIONS

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

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

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

Steel Priority Programme

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

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

UNRRA Imports

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

Coal *	approx.	550,000 tons
Fuel oil *	,,	14,000 ,,
Lubricants	,,	15,000 ,,
Semi-finished steel		1,767 ,,
Pig iron		17,022 ,,
Manganese ore		10,000 ,,
Wolframite		100 ,,
Ferro tungsten		39 ,,
Tin		20 ,,
Copper		500 ,,
Nickel		1,053 ,,
Magnesite brick		437 ,,
Petroleum coke		5,000 ,,

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Coal *	approx.	550,000 tons
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Tin		20 "
Copper		500 "
Nickel		1,053 "
Magnesite brick		437 "
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Anthracite for electrodes		8,000 "

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

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JAN 10 1947

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(26 DECEMBER - 5 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Bactria (1)	Leghorn	23 December	UNRRA	General	536
Greenland (1)	Genoa	25 »	»	»	1,002
Albion Victory	»	26 »	»	»	4,821
Highflier	»	» »	»	»	955
Sfinge (2)	»	» »	It. Government	Minerals	3,500
Samuel Bakke	»	» »	UNRRA	»	466
Southwestern Victory	Naples	» »	»	General	1,098
Northwestern Victory	Venice	27 »	»	»	1,074
Excelsior	Naples	28 »	»	»	2,200
Star of Egypt	Genoa	» »	»	Cereals —	4,000
Examiner	»	29 »	»	Wheat Flour —	282
Cotton State	Venice	» »	»	General	3,726
William M. Rayburn	Bari	» »	»	Cereals —	9,400
Drake Victory	Genoa	30 »	»	General	1,117
Tito Campanella	Naples	» »	»	»	59
John Henry	Palermo	31 »	»	Cereals —	9,149
Neptune's Car	Genoa	2 January	»	General	2,918
Philomel	Leghorn	» »	»	»	349
Nino Claudio	Genoa	3 »	»	»	2,000
Charles D. Walcott	Savona	4 »	»	»	4,083
Makedonia	Genoa	» »	»	Minerals	2,716
Fort Livingstone	»	» »	»	Cereals	5,446
Raymond Clapper	Cagliari	» »	»	»	9,348
Frank Park	Genoa	5 »	»	Minerals	8,879
Motia	La Spezia	» »	It. Government		2,930
				Total tonnage	82,144

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

LATEST COAL SHIPMENTS

(26 DECEMBER - 6 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Gloria C.	Venice	26 December	Yugoslavia	Commercial	550
Catawba Victory	Ancona	» »	United States	UNRRA	8,479
Frederick W. Wood	Genoa	27 »	» »	»	8,843
John A. Quitman	»	» »	» »	»	8,609
Prenj	Venice	» »	Yugoslavia	Commercial	5,860
General George Brink	»	28 »	South Africa	UNRRA	7,629
Ines Corrado		29 »	Germany	»	7,104
Josiah Tattnall	Savona	31 »	United States	»	9,236
	Genoa	» »	»	It. Govt.	9,317
				UNRRA	9,339

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Charles Bulfinch	Venice	» »	»	UNRRA	9,339
Thomas J. Jarvis	Savona	2 January	»	It. Govt.	9,605
Galen L. Stone	Civitavecchia	» »	»	UNRRA	8,673
Burnhope	»	» »	Germany	»	3,731
Edwin S. Nettleton	Genoa	3 »	United States	»	9,681
Elmer A. Sperry	Venice	5 »	» »	»	8,674
Cotton Mather	Taranto	6 »	» »	»	8,293
				Total tonnage	123,623

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January 10, 1947 No. 52

ECONOMIC NOTES

Published Weekly in English and Italian

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

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1. UNRRA Food and Fuel Shipments
2. Coal Outlook Improves
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UNRRA FOOD AND FUEL SHIPMENTS

Preliminary estimates of January imports indicate that some 700,600 tons will be delivered of the 2,500,000 tons needed to complete the UNRRA programme. Compared with a monthly average of 500,000 tons in October, November and December, when shipments were delayed by strikes, UNRRA imports in January are thus likely to show a marked improvement. But with the beginning of the transition period, as UNRRA's programme draws to a close, the factor of importance will be the percentage of non-UNRRA imports included in each month's total.

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

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

	Tons
Bread grains	450,000

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

Priority for Grain

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

Owing to the two maritime strikes and the coal strike in the United States, large scale deliveries of UNRRA coal, originally scheduled to end in January, will now continue into March. In view of the over-riding importance of coal imports in the Italian economy, it was agreed at the UNRRA Supply Conference in Washington last November that any funds *not* spent on other items in the industrial rehabilita-

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

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

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

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

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

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

Coal Freight Costs

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

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

The UNRRA petroleum programme will phase out gradually during the first four months of 1947; and, in order to keep a continual flow of products and maintain stocks, the Italian Government have already made provision for the purchase and import of such quantities as are necessary for the first quarter has procured 1,000,000 barrels of crude oil for Bari and Naples and a further 1,000,000 barrels have yet to arrive, in addition to finished products (gasoline, kerosene, Diesel oil, fuel oil, petroleum solvents, white spirit and lubricating oils and greases), in order to complete the UNRRA programme.

COAL OUTLOOK IMPROVES

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

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

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

Ruhr Deliveries

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

Shipments from Eastern Hemisphere sources

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The recent restoration of two of the Italian refineries, one at Bari and the other at Naples, and the resumption in March, 1947, of two additional refineries at La Spezia and Porto Marghera will mean a considerable saving in foreign exchange. Already UNRRA petroleum solvents, white spirit and fuel-heating oils and greases), in order to complete the UNRRA programme.

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

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

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

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

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Steel Priority Programme

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

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(26 DECEMBER - 6 JANUARY INCLUSIVE)

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Gloria C.	Venice	26 December	Yugoslavia	Commercial	550
Catawba Victory	Ancona	» »	United States	UNRRA	8,479
Frederick W. Wood	Genoa	27 »	» »	»	8,843
John A. Quitman	»	» »	» »	»	8,609
Prenj	Venice	» »	Yugoslavia	Commercial	5,860
General George Brink	»	28 »	South Africa	UNRRA	7,629
Ines Corrado	»	29 »	Germany	»	7,104
Josiah Tattnall	Savona	31 »	United States	»	9,236
Wilfred R. Bellevue	Genoa	» »	»	It. Govt.	9,317
Charles Bulfinch	Venice	» »	»	UNRRA	9,339
Thomas Jefferson	Savona	2 January	»	It. Govt.	9,605

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SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Baetria (1)	Leghorn	23 December	UNRRA	General	536
Greenland (1)	Genoa	25 »	»	»	1,002
Albion Victory	»	26 »	»	»	4,821
Highflier	»	» »	»	»	955
Sfinge (2)	»	» »	It. Government	Minerals	3,500
Samuel Bakke	»	» »	UNRRA	»	466
Southwestern Victory	Naples	» »	»	General	1,098
Northwestern Victory	Venice	27 »	»	»	1,074
Excelsior	Naples	28 »	»	»	2,290
Star of Egypt	Genoa	» »	»	Cereals	4,000
Examiner	»	29 »	»	Wheat Flour	282
Cotton State	Venice	» »	»	General	3,726
William M. Rayburn	Bari	» »	»	Cereals	9,400
Drake Victory	Genoa	30 »	»	General	1,117
Tito Campanella	Naples	» »	»	»	59
John Henry	Palermo	31 »	»	Cereals	9,149
Neptune's Car	Genoa	2 January	»	General	2,918
Philomel	Leghorn	» »	»	»	349
Nino Claudio	Genoa	3 »	»	»	2,000
Charles D. Walcott	Savona	4 »	»	»	4,083
Makedonia	Genoa	» »	»	»	2,710
Fort Livingstone	»	» »	»	Minerals	5,446
Raymond Clapper	Cagliari	» »	»	Cereals	9,348
Frank Park	Genoa	5 »	»	»	8,879
Motia	La Spezia	» »	It. Government	Minerals	2,930
				Total tonnage	82,144

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

LATEST COAL SHIPMENTS

(26 DECEMBER - 6 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Gloria C.	Venice	26 December	Yugoslavia	Commercial	550
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Wilfred R. Bellevue	Genoa	» »	»	It. Govt.	9,317
Charles Bulfinch	Venice	» »	»	UNRRA	9,339
Thomas J. Jarvis	Savona	2 January	»	It. Govt.	9,605
Galen L. Stone	Civitavecchia	» »	»	UNRRA	8,673
Burnhope	»	» »	Germany	»	3,731
Edwin S. Nettleton	Genoa	3 »	United States	»	9,681
Elmer A. Sperry	Venice	5 »	» »	»	8,674
Cotton Mather	Taranto	6 »	» »	»	8,293
				Total tonnage	123,623

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January 3, 1947 No. 51

JAN 4 1947

ECONOMIC NOTES

Published Weekly in English and Italian

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

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UNRRA's help continues in the early months of 1947, as both Mr. Keeny and Mr. Cleveland point out. UNRRA has still to deliver 2,500,000 tons of supplies, says Mr. Keeny, and 40 per cent. of all UNRRA's supplies have still to be consumed.

Note of Confidence

Mr. S. M. Keeny, Chief of the UNRRA Italian Mission, writes:

> Nineteen hundred and forty-seven opens on a note of confidence. The past year has been hard, but real progress has been made. As a result, in 1947 more ports will welcome ships, more trains will run, more hands will [illegible]. As a further result, more ships

UNRRA is proud to have been the means by which the United Nations have expressed in 1946 their good will and hopes for the early recovery of Italy.

Though UNRRA's work in Italy will end by the middle of 1947, midnight of 31 December, 1946, made no difference to the ships and trains that were carrying supplies to Italy.

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More to Come

The pessimists make too much of the closing of UNRRA. They forget that although 7,500,000 tons of the programme have arrived, there are still 2,500,000 tons to come. They forget that, counting the goods still to come and those arrived but still being processed, a good 40 per cent. of UNRRA's supplies are still to reach the people. As for the lire paid for those goods which are sold by the Government, three-fourths of a fund estimated at 75,000 million lire is still to do its work feeding children, clothing the needy, building houses and fighting the diseases that have gained ground during the war.

The relief stage of recovery is drawing to

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Note of Confidence

Mr. S. M. Keeny, Chief of the UNRRA Italian Mission, writes:

Nineteen hundred and forty-seven opens on a note of confidence. The past year has been hard, but real progress has been made. As a result, in 1947 more ports will welcome ships, more trains will run, more hands will have work. As a further result, more ships under the Italian flag will leave Italian ports, loaded with goods made by Italian hands.

Most of the credit is due to the Italian workers, who have done wonders with materials that were too few and on food that was too little.

UNRRA is proud to have been the means by which the United Nations have expressed in 1946 their good will and hopes for the early recovery of Italy.

Though UNRRA's work in Italy will end by the middle of 1947, midnight of 31 December, 1946, made no difference to the ships and trains that were carrying supplies to Italy.

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The relief stage of recovery is drawing to a close. The next stage is to rebuild normal international trade, assisted at first by credits for raw materials. These beginnings are slow, but the early signing of the Peace Treaty will clear away many an obstacle.

The visit of the Prime Minister to the United States this month is still another

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reason for confidence; for out of that visit should come new understanding—and understanding must precede action.

The greatest ground for optimism in Italy in 1947 is that Italy is regaining confidence in itself. That confidence will grow with each new trade agreement, with each new ton of goods produced, with each new ship sailing under the Italian flag. But until international exchange of goods is normal again, there must be no let up in the discipline that means that the goods that are available are distributed fairly to everybody. Ration decrees must be respected. The Government belongs to the people—they must help make it work. I have every confidence that they will, and that 1947 will show even greater gains than the past year.

S. M. Keeny

Mr. Harlan Cleveland, Deputy Chief of Mission for Requirements and Distribution, whose Bureau is concerned with the procurement of UNRRA food, industrial and agricultural raw materials and medical supplies, their shipment to Italy and their ultimate distribution through the appropriate Italian agencies, writes as follows:

Just a year ago UNRRA took over from the Allied Commission and FEA (Foreign Economic Administration) the job of procuring and shipping essential supplies to Italy. It has been a crucial year in Italy's history.

Italy's economic reconstruction has come a long way in 1946, spurred by UNRRA imports of vital supplies and by the energy and imagination of the Italian people and their Government. To be sure, it has been necessary to conduct a holding action in some sectors—the maintainance of the ration, the defence of the lira. But at the same time, Italy with UNRRA's help has doubled her industrial production, more than quadrupled her foreign trade over last year and made great strides in reconstructing her ports and transport system. During 1946 Italy has developed her domestic production as the indispensable foundation both through this most difficult post-war period so far with remarkable tenacity and courage; they will not fail to complete the reconstruction job.

UNRRA is glad to have a part in Italy's economic renaissance. We will continue to bring in essential supplies for the Italian civil economy for the first few months of 1947—until the total programme of 425,000,000 dollars is completed. After that, we are confident that the Italian Government through direct negotiation with supplying countries will be able to pick up where UNRRA leaves off.

Harlan Cleveland

As Deputy Chief of Mission for the UNRRA Bureau of Relief Services, which is responsible for the supplementary feeding of mothers and children, for UNRRA health services, for Displaced Persons and for joint projects with the Italian Government, such as the C.A.S.A.S. rehousing programme, Mr. Antonio A. Sorieri writes:

The entire staff of the Bureau of Relief Services in the UNRRA Italian Mission, joins me in extending to all the people of Italy our warmest wishes for a happy, peaceful and prosperous New Year. Our staff consists of persons from many of the United Nations which are members of UNRRA, and we have had the privilege of working side by side with the Italian Government in an endeavour to relieve suffering, to improve health conditions, to house the homeless and to care for the needy.

It is our hope that the success of this international co-operation will serve as a foundation for future harmony among nations, and that Italy will participate fully with the same measure of responsibility, intelligence and courage it has demonstrated in its partnership with us.

Antonio A. Sorieri

FEED OATS FROM DENMARK

Declassified E.O. 12356 Section 3.3/NND No. 765615

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Now comes 1947—a year of expanding production and exports, and the beginning of a gradually rising standard of living for the Italian people. It will not be an easy road, but the Italian people have come economic renaissance. [illegible] bring in essential supplies for the Italian civil economy for the first few months of 1947—until the total programme of 425,000,000 dollars is completed. After that, we are confident that the Italian Government through direct negotiation with supplying countries will be able to pick up where UNRRA leaves off.

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Antonio A. Sorieri

SEED OATS FROM DENMARK

A shipment of 2,000 tons of seed oats has been procured by UNRRA in Denmark, for delivery to Italy, and is due to arrive in Genoa very shortly. It will be used, partly for seed production, partly for forage crops, beginning with early seedings in January.

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It has been decided by the Ministry of Agriculture and the UNRRA Italian Mission to send the seed to those provinces where it can most usefully be employed, either for immediate planting for the production of seed, or for spring planting, both for seed and forage.

Distribution Plan

Allocations totalling 1,895 tons have been made as follows: Liguria and Piedmont, 600 tons; Lombardy, 530 tons; Veneto, 335 tons; Emilia and Tuscany 430 tons. The remainder —105 tons—will be held at Genoa to meet supplementary requests from the provinces.

The seed will be sold to *bona fide* farmers only, in accordance with the distribution procedure agreed upon by UNRRA and the Ministry of Agriculture. The price of 50,000 lire per ton, recommended by the Price Committee on 20 December, has now been approved by the Italian Government and the UNRRA Italian Mission.

This price (ex Provincial Consorzi Agrari stores, or their agency stores in the provinces) is net weight, bagged. The original sacks are free of charge for any quantity of goods.

Seed oats were imported in pre-war years as a normal practice, and will continue to be imported in the future, because renewal of such seed is recognized as a definite necessity.

Distribution and sale of all supplies imported on the UNRRA Agricultural Programme will be carried out in conformity with the regulations laid down in the Ministry of Agriculture Circular No. 239, of 28 October, 1946, to all provincial and departmental inspectors for agriculture, and in the Federconsorzi Circular No. 636/122, of 23 November, 1946, to all Consorzi Agrari Provinciali.

"ECONOMIC LETTER"

To meet the demand for information on the economic and financial situation in Italy, the UNRRA Italian Mission has prepared for distribution with this issue of Economic Notes *a survey of the main economic developments*

IMPROVED RUBBER SUPPLIES

For the first time since the war, enough natural rubber is now available in Italy to enable Italian tyre manufacturers to meet the more urgent needs of road transport—particularly the need for heavy-duty truck and bus tyres. This rubber, imported by UNRRA, represents one of the key commodities in UNRRA's programme of industrial rehabilitation. With the exception only of coal and liquid fuel, rubber and the necessary compounding materials form the most important group of all the raw materials imported in the whole of the industrial rehabilitation programme.

Most of the rubber imported by UNRRA is natural. At the present time, UNRRA rubber is the only natural rubber to be shipped to Italy. It is of special value, in view of the fact that to manufacture heavy-duty tyres a large percentage of natural rubber is required. Owing to excessive dependence upon synthetic rubber, Italian tyre manufacturers were compelled for most of 1946 to concentrate on producing tyres for automobiles and light trucks. They can now produce the type of tyre in which the shortage is greatest, to equip the types of vehicle which will help most to improve road transport, both for goods and passengers.

Plants in Excellent Condition

Existing processing capacity in Italy, which is slightly greater than it was pre-war, is more than sufficient to meet home needs. War damage in the factories has now been repaired, and plants are in excellent condition to produce.

Up to 21 December, UNRRA had delivered 9,058 long tons of natural rubber, and 379 long tons of synthetic rubber were in transit. UNRRA's total imports of natural rubber are scheduled to exceed 18,000 long tons.

For the first time, stocks of raw rubber and of the essential compounding ingredients, such as carbon black, are now sufficient to justify monthly allocations. For the six weeks period, 1 December to 15 January, 2,674 tons

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"ECONOMIC LETTER"

To meet the demand for information on the economic and financial situation in Italy, the UNRRA Italian Mission has prepared for distribution with this issue of Economic Notes *a survey of the main economic developments during October, 1946. The letter incorporates the results of investigations made for some months in connection with the survey of Italy's economy.*

Economic Letters will be published for December, 1946, and March, 1947. For the intervening months typed interim summaries ***will be available.***

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For the first time, stocks of raw rubber and of the essential compounding ingredients, such as carbon black, are now sufficient to justify monthly allocations. For the six weeks period, 1 December to 15 January, 2,674 tons of natural rubber have been allocated by the Italian Government to manufacturers in Northern, Central and Southern Italy. Of this total, all but a small fraction is for factories in the North where about 90 per cent. of the firms engaged in the rubber industry have their works.

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This allocation of 2,674 tons for six weeks compares with UNRRA's total previous allocations of 3,722 tons for a period of nearly eight months, from the arrival of the first shipments in April up to 1 December.

Problem of Coal

At the moment—but only, it is hoped, temporarily—the rubber industry is handicapped by coal shortage, due to the accumulated effect of the recent strikes in the United States. December coal allocations for the industry were cut by 60 per cent. The improving coal situation will soon, however, enable works once more to go ahead.

Apart from the temporary shortage of coal, the industry's chief problem has been to secure the carbon black which is an essential ingredient in the processing of raw rubber. Supplies received on programmes prior to the UNRRA programme may now be fully committed to rubber production, since 3,914 long tons of UNRRA carbon black are in transit, or certified for shipment to Italy from United States ports not later than 10 January.

The allocation of rubber supplies for Italian industry is the responsibility of the Italian Government, which, as with other key commodities, operates through the Central Industrial Commission and its appropriate subcommissions.

Allocation Procedure

Allocations in North Italy (where most of the rubber is used) are subject to the concurrence of the Milan office of UNRRA's Sub-Bureau of Industrial Rehabilitation. Raw materials are allocated in accordance with the national importance of the firms applying for them, the effect which these allocations will have upon the Italian economy and the efficiency of the manufacturing plants to which they are allocated.

Allocation of motor vehicle and bicycle tyres, for the production of which 75 per cent. of the rubber imported by UNRRA is used, is controlled throughout until the actual tyres are sold to individual buyers. For the remaining 25 per cent. of UNRRA rubber, used in the production of rubber articles where distribution is not directly controlled, monthly records are forwarded by each firm receiving UNRRA supplies. By this means, it is possible to follow closely the production and movement to the market of essential goods.

Steady Rise in Production

From February up to the end of October, 1946, Italy's production of truck, automobile and motor cycle tyres tended steadily to increase. The total output of motor vehicle tyres in February was:— 20,803 covers and 10,518 tubes. In April, following the arrival of the first UNRRA supplies, production of covers rose to 50,815 and tubes to 25,541. The October figures were 69,620 covers (about 800 less than in September) and 67,744 tubes (about 1,000 less than in July). Truck tyre production increased from 5,794 covers and 2,573 tubes in February to 24,798 covers and 24,958 tubes in October, the best month during 1946 for which figures are available.

The 25 per cent. of UNRRA-imported rubber which is not used in the production of motor vehicle tyres is for the manufacture of electrical, industrial and communication equipment, mechanical rubber articles, sanitary articles and footwear. The provision of belt conveyors, transmission belting, gaskets and insulating material for electrical cables is contributing substantially towards Italy's industrial recovery.

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(19 - 25 DECEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Asterion	Genoa	19 December	UNRRA	General	21
Crest of the Wave	"	20 "	"	Greasy Wool	1,983
Sfinge	Piombino	21 "	It. Government	Minerals	6,350
Uskside	Genoa	23 "	UNRRA	General	2,354
William Cox	Castellammare	" "	"	Cereals	8,277
Ulisse	Brindisi	" "	It. Government	Minerals	3,300
Walt Whitman	Genoa	24 "	UNRRA	General	230
Sutherland	"	25 "	"	"	245
Lys	Leghorn	" "	"	Minerals	2,228
Apollo	Naples	" "	It. Government	"	5,500
Alcee Fortier	"	" "	UNRRA	General	846
Middlebury Victory	Venice	" "	"	"	1,214
				Total tonnage	32,548

LATEST COAL SHIPMENTS

(19 - 25 DECEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Thomas Nelson (1)	Piombino	19 December	United States	UNRRA	4,267
James Roy Wells	Genoa	20 "	Bahrein	It. Govt.	9,083
Uskport	Civitavecchia	" "	Germany	UNRRA	3,703
Edera	Savona	22 "	"	"	7,454
Waigstill Avery	La Spezia	24 "	United States	"	8,729
Newberry Victory	Genoa	25 "	" "	"	8,700
Gaeta	Venice	" "	Germany	"	7,463
				Total tonnage	49,399

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Gaeta	Venice	" "	Germany	"	7,463
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NOTE: (1) Also discharged at Civitavecchia.

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UNRRA's help continues in the early months of 1947, as both Mr. Keeny and Mr. Cleveland point out. UNRRA has still to deliver 2,500,000 tons of supplies, says Mr. Keeny, and 40 per cent. of all UNRRA's supplies have still to be consumed.

Note of Confidence

Mr. S. M. Keeny, Chief of the UNRRA Italian Mission, writes:

Nineteen hundred and forty-seven opens on a note of confidence. The past year has been hard, but real progress has been made. As a result, in 1947 more ports will welcome ships, more trains will run, more hands will

UNRRA is proud to have been the means by which the United Nations have expressed in 1946 their good will and hopes for the early recovery of Italy.

Though UNRRA's work in Italy will end by the middle of 1947, midnight of 31 December, 1946, made no difference to the ships and trains that were carrying supplies to Italy.

More to Come

The pessimists make too much of the closing of UNRRA. They forget that although 7,500,000 tons of the programme have arrived, there are still 2,500,000 tons to come. They forget that, counting the goods still to come and those arrived but still being processed, a good 40 per cent. of UNRRA's supplies are still to reach the people. As for the lire paid for those goods which are sold by the Government, three-fourths of a fund estimated at 75,000 million lire is still to do its work feeding children, clothing the needy, building houses and fighting the diseases that have gained ground during the war.

The relief stage of recovery is drawing to

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2. Seed Oats from Denmark
3. Improved Rubber Supplies
4. Movements of Ships

ITALY AND UNRRA IN 1947

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Nineteen hundred and forty-seven opens on a note of confidence. The past year has been hard, but real progress has been made. As a result, in 1947 more ports will welcome ships, more trains will run, more hands will have work. As a further result, more ships under the Italian flag will leave Italian ports, loaded with goods made by Italian hands.

Most of the credit is due to the Italian workers, who have done wonders with materials that were too few and on food that was too little.

UNRRA is proud to have been the means by which the United Nations have expressed in 1946 their good will and hopes for the early recovery of Italy.

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The relief stage of recovery is drawing to a close. The next stage is to rebuild normal international trade, assisted at first by credits for raw materials. These beginnings are slow, but the early signing of the Peace Treaty will clear away many an obstacle.

The visit of the Prime Minister to the United States this month is still another

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reason for confidence; for out of that visit should come new understanding—and understanding must precede action.

The greatest ground for optimism in Italy in 1947 is that Italy is regaining confidence in itself. That confidence will grow with each new trade agreement, with each new ton of goods produced, with each new ship sailing under the Italian flag. But until international exchange of goods is normal again, there must be no let up in the discipline that means that the goods that are available are distributed fairly to everybody. Ration decrees must be respected. The Government belongs to the people—they must help make it work. I have every confidence that they will, and that 1947 will show even greater gains than the past year.

S. M. Keeny

Mr. Harlan Cleveland, Deputy Chief of Mission for Requirements and Distribution, whose Bureau is concerned with the procurement of UNRRA food, industrial and agricultural raw materials and medical supplies, their shipment to Italy and their ultimate distribution through the appropriate Italian agencies, writes as follows:

Just a year ago UNRRA took over from the Allied Commission and FEA (Foreign Economic Administration) the job of procuring and shipping essential supplies to Italy. It has been a crucial year in Italy's history.

Italy's economic reconstruction has come a long way in 1946, spurred by UNRRA imports of vital supplies and by the energy and imagination of the Italian people and their Government. To be sure, it has been necessary to conduct a holding action in some sectors—the maintainance of the ration, the defence of the lira. But at the same time, Italy with UNRRA's help has doubled her industrial production, more than quadrupled her foreign trade over last year and made great strides in reconstructing her ports and transport system. During 1946 Italy has developed her domestic production as the indispensable foundation both [illegible] against inflation and through this most difficult post-war period so far with remarkable tenacity and courage; they will not fail to complete the reconstruction job.

UNRRA is glad to have a part in Italy's economic renaissance. We will continue to bring in essential supplies for the Italian civil economy for the first few months of 1947—until the total programme of 425,000,000 dollars is completed. After that, we are confident that the Italian Government through direct negotiation with supplying countries will be able to pick up where UNRRA leaves off.

Harlan Cleveland

As Deputy Chief of Mission for the UNRRA Bureau of Relief Services, which is responsible for the supplementary feeding of mothers and children, for UNRRA health services, for Displaced Persons and for joint projects with the Italian Government, such as the C.A.S.A.S. rehousing programme, Mr. Antonio A. Sorieri writes:

The entire staff of the Bureau of Relief Services in the UNRRA Italian Mission, joins me in extending to all the people of Italy our warmest wishes for a happy, peaceful and prosperous New Year. Our staff consists of persons from many of the United Nations which are members of UNRRA, and we have had the privilege of working side by side with the Italian Government in an endeavour to relieve suffering, to improve health conditions, to house the homeless and to care for the needy.

It is our hope that the success of this international co-operation will serve as a foundation for future harmony among nations, and that Italy will participate fully with the same measure of responsibility, intelligence and courage it has demonstrated in its partnership with us.

Antonio A. Sorieri

SEED OATS FROM DENMARK

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Now comes 1947—a year of expanding production and exports, and the beginning of a gradually rising standard of living for the Italian people. It will not be an easy road, but the Italian people have come

bring in essential supplies for the Italian civil economy for the first few months of 1947—until the total programme of 425,000,000 dollars is completed. After that, we are confident that the Italian Government through direct negotiation with supplying countries will be able to pick up where UNRRA leaves off.

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SEED OATS FROM DENMARK

A shipment of 2,000 tons of seed oats has been procured by UNRRA in Denmark, for delivery to Italy, and is due to arrive in Genoa very shortly. It will be used, partly for seed production, partly for forage crops, beginning with early seedings in January.

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It has been decided by the Ministry of Agriculture and the UNRRA Italian Mission to send the seed to those provinces where it can most usefully be employed, either for immediate planting for the production of seed, or for spring planting, both for seed and forage.

Distribution Plan

Allocations totalling 1,895 tons have been made as follows: Liguria and Piedmont, 600 tons; Lombardy, 530 tons; Veneto, 335 tons; Emilia and Tuscany 430 tons. The remainder —105 tons—will be held at Genoa to meet supplementary requests from the provinces.

The seed will be sold to *bona fide* farmers only, in accordance with the distribution procedure agreed upon by UNRRA and the Ministry of Agriculture. The price of 50,000 lire per ton, recommended by the Price Committee on 20 December, has now been approved by the Italian Government and the UNRRA Italian Mission.

This price (ex Provincial Consorzi Agrari stores, or their agency stores in the provinces) is net weight, bagged. The original sacks are free of charge for any quantity of goods.

Seed oats were imported in pre-war years as a normal practice, and will continue to be imported in the future, because renewal of such seed is recognized as a definite necessity.

Distribution and sale of all supplies imported on the UNRRA Agricultural Programme will be carried out in conformity with the regulations laid down in the Ministry of Agriculture Circular No. 239, of 28 October, 1946, to all provincial and departmental inspectors for agriculture, and in the Federconsorzi Circular No. 636/122, of 23 November, 1946, to all Consorzi Agrari Provinciali.

"ECONOMIC LETTER"

To meet the demand for information on the economic and financial situation in Italy, the UNRRA Italian Mission has prepared for distribution with this issue of Economic Notes *a survey of the main economic developments*

IMPROVED RUBBER SUPPLIES

For the first time since the war, enough natural rubber is now available in Italy to enable Italian tyre manufacturers to meet the more urgent needs of road transport—particularly the need for heavy-duty truck and bus tyres. This rubber, imported by UNRRA, represents one of the key commodities in UNRRA's programme of industrial rehabilitation. With the exception only of coal and liquid fuel, rubber and the necessary compounding materials form the most important group of all the raw materials imported in the whole of the industrial rehabilitation programme.

Most of the rubber imported by UNRRA is natural. At the present time, UNRRA rubber is the only natural rubber to be shipped to Italy. It is of special value, in view of the fact that to manufacture heavy-duty tyres a large percentage of natural rubber is required. Owing to excessive dependence upon synthetic rubber, Italian tyre manufacturers were compelled for most of 1946 to concentrate on producing tyres for automobiles and light trucks. They can now produce the type of tyre in which the shortage is greatest, to equip the types of vehicle which will help most to improve road transport, both for goods and passengers.

Plants in Excellent Condition

Existing processing capacity in Italy, which is slightly greater than it was pre-war, is more than sufficient to meet home needs. War damage in the factories has now been repaired, and plants are in excellent condition to produce.

Up to 21 December, UNRRA had delivered 9,058 long tons of natural rubber, and 379 long tons of synthetic rubber were in transit. UNRRA's total imports of natural rubber are scheduled to exceed 18,000 long tons.

For the first time, stocks of raw rubber and of the essential compounding ingredients, such as carbon black, are now sufficient to justify monthly allocations. For the six weeks period 1 December to 15 January, 2,674 tons

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"ECONOMIC LETTER"

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Economic Letters will be published for December, 1946, and March, 1947. For the intervening months typed interim summaries will be available.

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For the first time, stocks of raw rubber and of the essential compounding ingredients, such as carbon black, are now sufficient to justify monthly allocations. For the six weeks period, 1 December to 15 January, 2,674 tons of natural rubber have been allocated by the Italian Government to manufacturers in Northern, Central and Southern Italy. Of this total, all but a small fraction is for factories in the North where about 90 per cent. of the firms engaged in the rubber industry have their works.

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This allocation of 2,674 tons for six weeks compares with UNRRA's total previous allocations of 3,722 tons for a period of nearly eight months, from the arrival of the first shipments in April up to 1 December.

Problem of Coal

At the moment—but only, it is hoped, temporarily—the rubber industry is handicapped by coal shortage, due to the accumulated effect of the recent strikes in the United States. December coal allocations for the industry were cut by 60 per cent. The improving coal situation will soon, however, enable works once more to go ahead.

Apart from the temporary shortage of coal, the industry's chief problem has been to secure the carbon black which is an essential ingredient in the processing of raw rubber. Supplies received on programmes prior to the UNRRA programme may now be fully committed to rubber production, since 3,914 long tons of UNRRA carbon black are in transit, or certified for shipment to Italy from United States ports not later than 10 January.

The allocation of rubber supplies for Italian industry is the responsibility of the Italian Government, which, as with other key commodities, operates through the Central Industrial Commission and its appropriate subcommissions.

Allocation Procedure

Allocations in North Italy (where most of the rubber is used) are subject to the concurrence of the Milan office of UNRRA's Sub-Bureau of Industrial Rehabilitation. Raw materials are allocated in accordance with the national importance of the firms applying for them, the effect which these allocations will have upon the Italian economy and the efficiency of the manufacturing plants to which they are allocated.

Allocation of motor vehicle and bicycle tyres, for the production of which 75 per cent. of the rubber imported by UNRRA is used, is controlled throughout until the actual tyres are sold to individual buyers. For the remaining 25 per cent. of UNRRA rubber, used in the production of rubber articles where distribution is not directly controlled, monthly records are forwarded by each firm receiving UNRRA supplies. By this means, it is possible to follow closely the production and movement to the market of essential goods.

Steady Rise in Production

From February up to the end of October, 1946, Italy's production of truck, automobile and motor cycle tyres tended steadily to increase. The total output of motor vehicle tyres in February was:— 20,803 covers and 10,518 tubes. In April, following the arrival of the first UNRRA supplies, production of covers rose to 50,815 and tubes to 25,541. The October figures were 69,620 covers (about 800 less than in September) and 67,744 tubes (about 1,000 less than in July). Truck tyre production increased from 5,794 covers and 2,573 tubes in February to 24,798 covers and 24,958 tubes in October, the best month during 1946 for which figures are available.

The 25 per cent. of UNRRA-imported rubber which is not used in the production of motor vehicle tyres is for the manufacture of electrical, industrial and communication equipment, mechanical rubber articles, sanitary articles and footwear. The provision of belt conveyors, transmission belting, gaskets and insulating material for electrical cables is contributing substantially towards Italy's industrial recovery.

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(19 - 25 DECEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Asterion	Genoa	19 December	UNRRA	General	21
Crest of the Wave	"	20 "	"	Greasy Wool	1,983
Sfinge	Piombino	21 "	It. Government	Minerals	6,350
Uskside	Genoa	23 "	UNRRA	General	2,354
William Cox	Castellammare	" "	"	Cereals	8,277
Ulisse	Brindisi	" "	It. Government	Minerals	3,300
Walt Whitman	Genoa	24 "	UNRRA	General	230
Sutherland	"	25 "	"	"	245
Lys	Leghorn	" "	"	Minerals	2,228
Apollo	Naples	" "	It. Government	"	5,500
Alcee Fortier	"	" "	UNRRA	General	846
Middlebury Victory	Venice	" "	"	"	1,214
				Total tonnage	32,548

LATEST COAL SHIPMENTS

(19 - 25 DECEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Thomas Nelson (1)	Piombino	19 December	United States	UNRRA	4,267
James Roy Wells	Genoa	20 "	Bahrein	It. Govt.	9,083
Uskport	Civitavecchia	" "	Germany	UNRRA	3,703
Edera	Savona	22 "	"	"	7,454
Waigstill Avery	La Spezia	24 "	United States	"	8,729
Newberry Victory	Genoa	25 "	" "	"	8,700
Gaeta	Venice	" "	Germany	"	7,463
				Total tonnage	49,399

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NOTE: (1) Also discharged at Civitavecchia.

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ECONOMIC NOTES

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2. UNRRA Italian Programme
3. Basic Slag Allocations
4. Movements of Ships

SIXTH UNRRA COUNCIL MEETING

At the Sixth Session of the UNRRA Council in Washington during the second week of December, Mr. Fiorello LaGuardia, the outgoing Director General, reported that by 18 November 72 per cent of UNRRA's world-wide programme had been fulfilled. Total shipments to all receiving countries had risen to over 18,000,000 metric tons, worth 2,117,053,000 dollars (£529,413,250 sterling).

Giving the figures for individual countries, Mr. LaGuardia stated that the Italian programme was by 18 November 64 per cent. fulfilled. The programme for Finland was 91 per cent. fulfilled, for Greece and the Dodecanese Islands 90 per cent. and 88 per cent. respectively, for Poland 83 per cent., for Austria 74 per cent., for Hungary 68 per cent., for Albania 67 per cent. and for China 44 per cent.

Task Is Not Finished

Mr. LaGuardia reported that "in all UNRRA-assisted countries production is still well below pre-war levels and consumption is precariously maintained. Thus, the task of relief and rehabilitation, although well advanced, is not finished."

He added that the final UNRRA reports were scheduled to be made by the end of January.

The Council resolved that the final disposition of UNRRA's remaining supplies—worth 626,000,000 dollars (£156,500,000 sterling)—should be decided by the Central Committee, which is authorized to shift allocations of relief supplies from one assisted country to another "when circumstances clearly warrant" such a course being taken.

The Central Committee, now charged with the responsibility of making the final allocations, is composed of representatives of the following nine nations: Australia, Brazil, Canada, China, France, the United Kingdom, the Union of Socialist Soviet Republics, the United States of America and Yugoslavia.

It was resolved that UNRRA should make every effort to complete procurements and shipments to receiving countries in Europe. If supplies were not delivered by the scheduled dates, UNRRA was authorized to turn over the contracts for undelivered supplies to the receiving countries and provide the necessary funds to pay both for the goods and for the cost of transport. The United States is not, however, prepared to sign any contracts for the delivery of supplies after 30 June.

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Task Is Not Finished

Mr. LaGuardia reported that "in all UNRRA-assisted countries production is still well below pre-war levels and consumption is precariously maintained. Thus, the task of relief and rehabilitation, although well advanced, is not finished. In view of the unprecedented destruction brought about by war, it could not be expected that, with the funds at UNRRA's disposal and with the crying need for the provision of immediate relief supplies, the rehabilitation of agriculture and industry could be completed by this time."

He added that the final UNRRA reports were scheduled to be made by the end of January.

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F. A. O. World Food Plans

Warning delegates of a world grain shortage, Mr. LaGuardia urged that all UNRRA nations should support the world food plans of

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the United Nations Food and Agriculture Organization. He appealed to Soviet Russia to join the F.A.O. which he described as "the hope of the world", adding that "all the people of the world never have had enough food."

Referring to long term plans for Europe's reconstruction, Mr. LaGuardia expressed the hope that the International Bank would meet credit needs and begin a credit organization soon.

Help for 50,000,000 Children

The first of UNRRA's various health activities, Mr. La Guardia reported, were turned over to the World Health Organization under the United Nations, with effect from 1 December, this year. He said that UNRRA's health work had saved hundreds of thousands of lives, and had given 50,000,000 children in Europe some chance of living. Among UNRRA's other health activities, he listed control of malaria, tuberculosis, and venereal disease.

UNRRA's work for Displaced Persons will continue until 30 June next, after which this responsibility will be transferred to the proposed United Nations International Refugee Organization.

Following a proposal by the Soviet delegate to hold a final conference to wind up UNRRA's affairs, it was resolved that a seventh meeting of the UNRRA Council should be called before 30 June, unless the Central Committee decided by unanimous vote that such a meeting was unnecessary. The resolution also stipulated that, if no further meeting of the Council was held, all its powers should be transferred to the Central Committee.

New Director General

Delegates joined at the final session in paying tribute both to the outgoing Director General, Mr. LaGuardia, and to the new Director General, Major-General Lowell W. Rooks. Major-General Rooks served in the war as Deputy Chief of Staff to General Eisenhower. He participated in the landing

President Truman, in a message to Mr. La Guardia, spoke of his "valiant and strenuous efforts" to overcome the recent food crisis and of his strong and vigorous leadership of a "great humanitarian organization."

UNRRA ITALIAN PROGRAMME

The table, published on pages 3 and 4 of this issue, gives figures of UNRRA deliveries up to 10 December. The columns for each commodity, or group of commodities, represent the percentage actually delivered of the total shipments planned. Thus, in the first column (Grain and Grain Products) the 1,020,000 tons delivered up to 10 December represent 68 per cent. of the total quantity which UNRRA has programmed to ship to Italy, namely 1,500,000 tons. Deliveries of sugar (53,000 tons) and cotton (34,300 tons), to take two other examples, are now 100 per cent. complete.

Comparison between the columns for each commodity, or group of commodities, can be made only in regard to the percentage of deliveries. For instance the programme for solid fuel (i.e. coal) was, at 10 December, 76 per cent. complete, while the programme for rubber was 46 per cent. complete.

Delivery Percentages

The columns do *not* indicate the relative quantities imported of each commodity, or group of commodities. For example, the total quantity of raw wool programmed for delivery by UNRRA to Italy is 39,150 tons. But the column indicating the percentage of delivery (76 per cent.) is as great as the corresponding column for solid fuel (deliveries of which also amounted on 10 December to 76 per cent.), although the quantity of solid fuel already delivered by that date amounted to 4,350,000 tons, and a further 1,848,000 tons had still to arrive.

The single column on the extreme right indicates the *tonnage* (not the percentage) of UNRRA goods delivered up to 10 December. UNRRA's goal is 10,206,000 tons, of which,

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reconstruction, Mr. LaGuardia expressed the hope that the International Bank would meet credit needs and begin a credit organization soon.

Help for 50,000,000 Children

The first of UNRRA's various health activities, Mr. La Guardia reported, were turned over to the World Health Organization under the United Nations, with effect from 1 December, this year. He said that UNRRA's health work had saved hundreds of thousands of lives, and had given 50,000,000 children in Europe some chance of living. Among UNRRA's other health activities, he listed control of malaria, tuberculosis, and venereal disease.

UNRRA's work for Displaced Persons will continue until 30 June next, after which this responsibility will be transferred to the proposed United Nations International Refugee Organization.

Following a proposal by the Soviet delegate to hold a final conference to wind up UNRRA's affairs, it was resolved that a seventh meeting of the UNRRA Council should be called before 30 June, unless the Central Committee decided by unanimous vote that such a meeting was unnecessary. The resolution also stipulated that, if no further meeting of the Council was held, all its powers should be transferred to the Central Committee.

New Director General

Delegates joined at the final session in paying tribute both to the outgoing Director General, Mr. LaGuardia, and to the new Director General, Major-General Lowell W. Rooks. Major-General Rooks served in the war as Deputy Chief of Staff to General Eisenhower. He participated in the landing at Oran, Algeria, on 8 November, 1942, and after the Allied landing in Normandy was in command of the 90th Division in the "Battle of the Bulge." He has been on loan to UNRRA from the United States Army for the past year as Deputy Director General and Executive Officer.

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Continued on Page 5

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THE UNRRA ITALIAN PROGRAMME

A Comparison of the Current Programme with Receipts for S
Corrected up to 10 December, 1946

(For Explanatory Notes See Opposite Pa

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RA ITALIAN PROGRAMME, 1945-46

e Current Programme with Receipts for Selected Commodities, Corrected up to 10 December, 1946

(For Explanatory Notes See Opposite Page)

BASIC SLAG ALLOCATIONS

An allocation is being made to farmers in Northern Italy and Tuscany of 2,078 tons of basic slag imported by UNRRA, and given free to the Italian Government to help to rehabilitate Italy's agriculture.

This distribution completes UNRRA supplies of basic slag, totalling over 10,000 tons. Previous distributions took place in July and October. These imports of basic slag are designed to supplement Italy's own production of superphosphates, which are now being distributed throughout Italy.

Farmers may procure basic slag from the Consorzi Agrari Provinciali, which will sell it according to the regulations already laid down. Basic slag is to be equitably distributed and must be used on appropriate crops, in accordance with the needs and the conditions of local agriculture. The price is 11,000 lire per ton, f.o.b. Consorzio Agrario warehouse.

The 2,078 tons for Northern Italy and Tuscany are being allocated as follows:

Venezia	1,050	quintals
Lombardy	2,770	,,
Piedmont	4,530	,,
Liguria	300	,,
Emilia	10,150	,,
Tuscany	1,250	,,

An allowance of 130 quintals has been made for possible shipping shortages and losses in offloading. The allocation plans have been agreed upon between the Ministry of Agriculture and the UNRRA Italian Mission, and are based on the average pre-war consumption of each zone, and the present effective demand.

These supplies of basic slag are in addition to the supplies of nitrate fertilizer (ammonium nitrate and sodium nitrate) already imported by UNRRA which have been, or will be distributed—for bread cereal crops only—to farmers throughout Italy, to supplement home-produced fertilizers. Farmers may obtain nitrate fertilizers, where they are available, upon presentation of the proper coupons issued by the Communal Agricultural Committees.

Distribution and sale of all supplies imported on the UNRRA Agricultural Rehabilitation Programme will be carried out in accordance with the regulations laid down in the Ministry of Agriculture Circular No. 239, of 28 October, to all provincial and departmental inspectors for agriculture, and in the Federconsorzi Circular No. 636/122, of 23 November, to all Provincial Consorzi Agrari.

Continued from Page 2

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It is to be noted that, while nearly 8,000,000 tons of UNRRA commodities have already arrived in Italy, by no means all of these commodities have yet been consumed. Only a small percentage of the 34,300 tons of UNRRA cotton, already delivered, and a still smaller percentage of the 29,900 tons of UNRRA greasy wool so far received, have yet been spun or woven. Only part of the 9,500 tons of UNRRA rubber brought in have been converted into tyres and other consumer goods. UNRRA steel, pig iron, copper and similar commodities are very largely still in process of manufacture.

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(15 - 18 DECEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Cape Kumukaki	Venice	15 December	UNRRA	General	1,307
Monarch of the Seas (1)	Bari	16 »	»	Cereals	1,476
Diamantis	Genoa	17 »	»	Minerals	2,000
Asterion	»	18 »	»	General	21
				Total tonnage	4,804

NOTE: (1) Also discharged at Leghorn and Trieste

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LATEST COAL SHIPMENTS

(15 - 18 DECEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Vittorio Veneto	Venice	15 December	Germany	UNRRA	6,031
O. L. Bodenhamer	Palermo	17 »	United States	»	9,282
Fort Turtle	Venice	18 »	South Africa	»	8,796
				Total tonnage	24,109

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ECONOMIC NOTES

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3. Basic Slag Allocations
4. Movements of Ships

SIXTH UNRRA COUNCIL MEETING

At the Sixth Session of the UNRRA Council in Washington during the second week of December, Mr. Fiorello LaGuardia, the outgoing Director General, reported that by 18 November 72 per cent of UNRRA's world-wide programme had been fulfilled. Total shipments to all receiving countries had risen to over 18,000,000 metric tons, worth 2,117,653,000 dollars (£529,413,250 sterling).

Giving the figures for individual countries, Mr. LaGuardia stated that the Italian programme was by 18 November 64 per cent. fulfilled. The programme for Finland was 91 per cent. fulfilled, for Greece and the Dodecanese Islands 90 per cent. and 88 per cent. respectively, for Poland 83 per cent., for Austria 74 per cent., for Hungary 68 per cent., for Albania 67 per cent. and for China 44 per cent.

Task Is Not Finished

Mr. LaGuardia reported that "in all UNRRA-assisted countries production is still well below pre-war levels and consumption is precariously maintained. Thus, the task of relief and rehabilitation, although well advanced, is not finished."

He added that the final UNRRA reports were scheduled to be made by the end of January.

The Council resolved that the final disposition of UNRRA's remaining supplies—worth 626,000,000 dollars (£156,500,000 sterling)—should be decided by the Central Committee, which is authorized to shift allocations of relief supplies from one assisted country to another "when circumstances clearly warrant" such a course being taken.

The Central Committee, now charged with the responsibility of making the final allocations, is composed of representatives of the following nine nations: Australia, Brazil, Canada, China, France, the United Kingdom, the Union of Socialist Soviet Republics, the United States of America and Yugoslavia.

It was resolved that UNRRA should make every effort to complete procurements and shipments to receiving countries in Europe. If supplies were not delivered by the scheduled dates, UNRRA was authorized to turn over the contracts for undelivered supplies to the receiving countries and provide the necessary funds to pay both for the goods and for the cost of transport. The United States is not, however, prepared to sign any contracts for the delivery of supplies after 30 June.

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F. A. O. World Food Plans

Warning delegates of a world grain shortage, Mr. LaGuardia urged that all UNRRA nations should support the world food plans of

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the United Nations Food and Agriculture Organization. He appealed to Soviet Russia to join the F.A.O. which he described as "the hope of the world", adding that "all the people of the world never have had enough food."

Referring to long term plans for Europe's reconstruction, Mr. LaGuardia expressed the hope that the International Bank would meet credit needs and begin a credit organization soon.

Help for 50,000,000 Children

The first of UNRRA's various health activities, Mr. La Guardia reported, were turned over to the World Health Organization under the United Nations, with effect from 1 December, this year. He said that UNRRA's health work had saved hundreds of thousands of lives, and had given 50,000,000 children in Europe some chance of living. Among UNRRA's other health activities, he listed control of malaria, tuberculosis, and venereal disease.

UNRRA's work for Displaced Persons will continue until 30 June next, after which this responsibility will be transferred to the proposed United Nations International Refugee Organization.

Following a proposal by the Soviet delegate to hold a final conference to wind up UNRRA's affairs, it was resolved that a seventh meeting of the UNRRA Council should be called before 30 June, unless the Central Committee decided by unanimous vote that such a meeting was unnecessary. The resolution also stipulated that, if no further meeting of the Council was held, all its powers should be transferred to the Central Committee.

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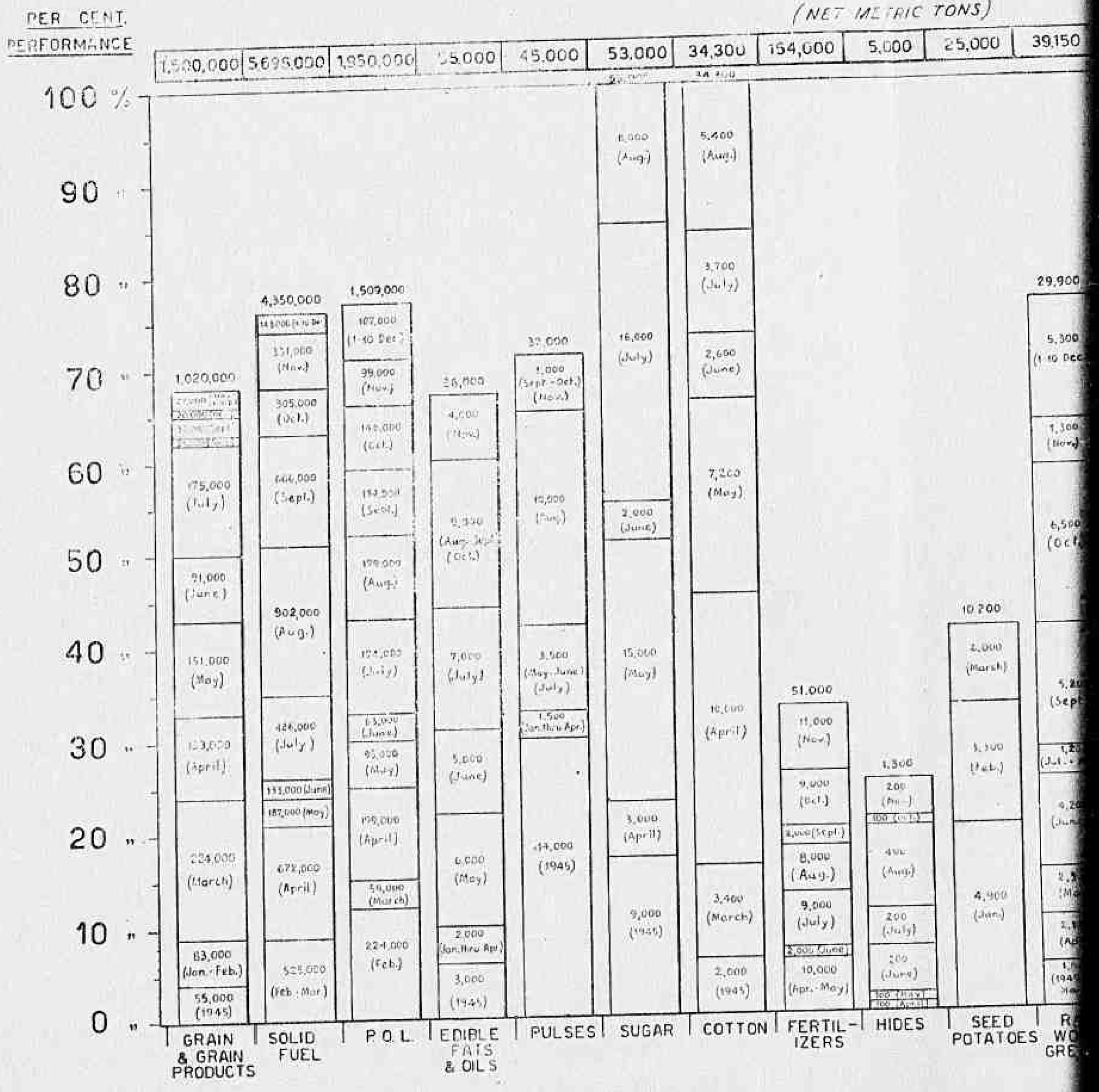
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THE UNRRA ITALIAN PROGRAMM

A Comparison of the Current Programme with Receipts for
Corrected up to 10 December, 1946



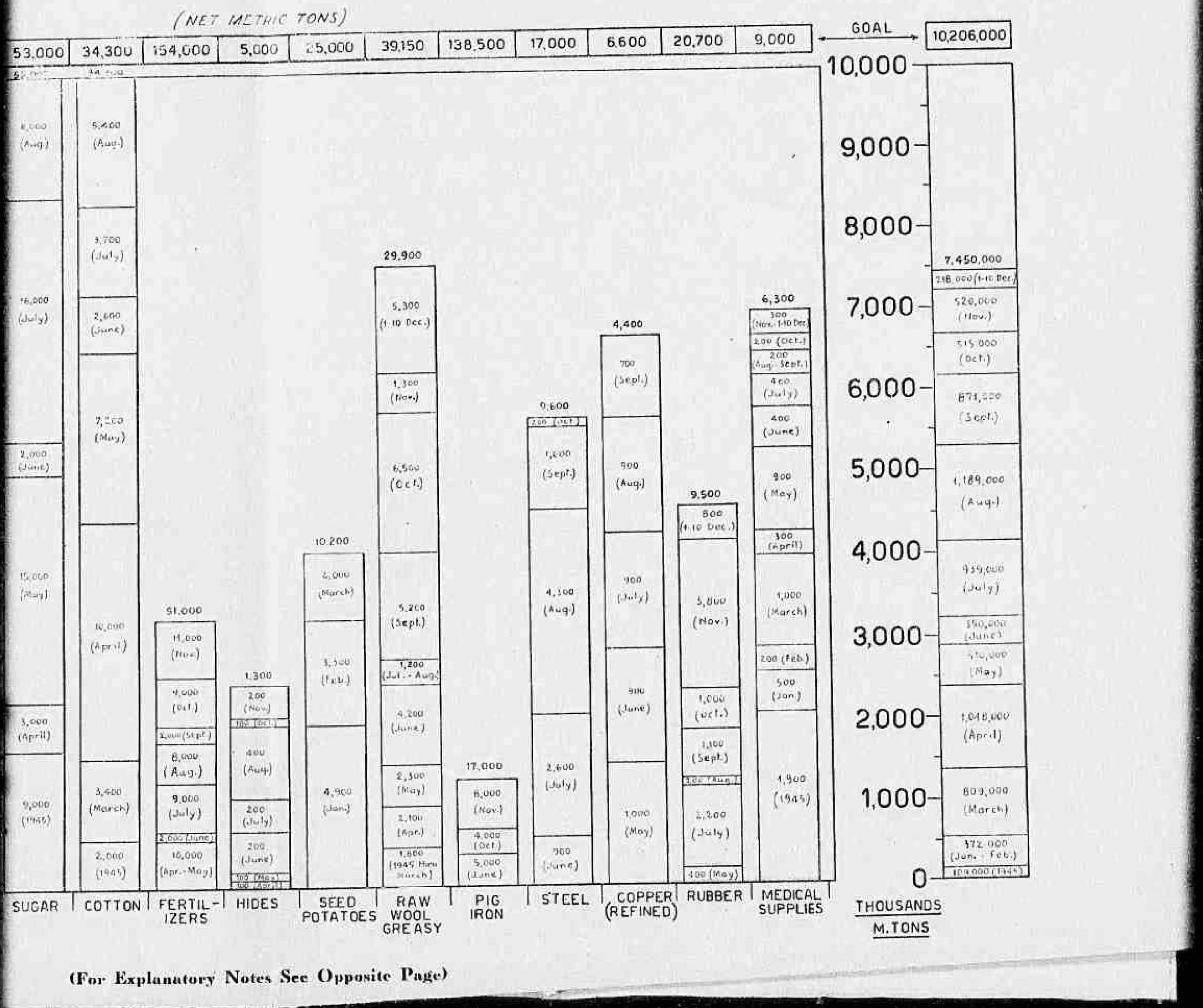
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IRRA ITALIAN PROGRAMME, 1945-46

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(For Explanatory Notes See Opposite Page)

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(15 - 18 DECEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Cape Kumukaki	Venice	15 December	UNRRA	General	1,307
Monarch of the Seas (1)	Bari	16 »	»	Cereals	1,476
Diamantis	Genoa	17 »	»	Minerals	2,000
Asterion	»	18 »	»	General	21
				Total tonnage	4,804

NOTE: (1) Also discharged at Leghorn and Trieste

LATEST COAL SHIPMENTS

(15 - 18 DECEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Vittorio Veneto	Venice	15 December	Germany	UNRRA	6,031
O. L. Bodenhamer	Palermo	17 »	United States	»	9,282
Fort Turtle	Venice	18 »	South Africa	»	8,796
				Total tonnage	24,109

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LABOR, PRICES, COST OF LIVING AND WAGES (Section 2)

PART THREE - WHOLESALE AND RETAIL PRICES IN ITALY (2)

(A) *MAIN PRICE CHANGES FROM 1922 TO 1946*

From 1922 to 1943.

194. In Table (graph) 21 the wholesale price trend and monetary circulation are compared. From 1922 to 1938 the general price curve runs close to the monetary circulation curve, and is sensitive to international economic events (in spite of the efforts made to disengage the Italian market from the outside world). The so-called monetary stabilization policy, on which the fascist government embarked in 1926, developed into a deflationary process when the 1929 world depression started. At this juncture the price curve falls substantially below the monetary level (see graph - Table 21). The fascist government endeavoured to disengage the Italian economy from dependence on the international market, and intervened more and more in the country's economic life. Controls were set on retail (3) and wholesale prices, on rates of exchange, on foreign trade, on foreign currencies, on credit, and on wages. Notwithstanding these regulatory measnres the Government was forced to adjust the domestic market to the international situation. In October 1936 the lira was aligned to the dollar by setting a new gold parity. The price curve moved substantially upwards.

195. As this pre-war State intervention in the Italian economy became more marked, a black market of goods, gold and foreign currencies appeared. For this reason the index numbers (of the cost of living, of wholesale prices, of foreign exchange rates, etc.) based on official quotations became more and more distant from reality and lost their significance. When Italy entered the war (June 1940) steps were immediately taken for a general freezing of prices (blocco), services, wages and rents.

196. In this period it became more and more difficult to hold these fixed prices. The scarcity of raw material and of finished products (especially for civilian consumption), the increasing spread between the quantities of goods available and the currency in circulation, the urge to increase prices to stimulate production by every means, resulted in an increased difficulty of control. The difference between official prices (which remained below the inflation curve - see Table 21) and real prices on the black market (which move much above the curve) became wider and wider. The collection of data on black market prices was, however, practically impossible at this time.

197. Up to mid 1943 inflation was however kept within relatively modest limits. The index rose to 379 in December 1942 (1938 = 100) and to 463 in June 1943.

198. With the Allied landings in Italy and the ensuing political and military events, the price control system in Central and Southern Italy was shattered. To a growing inflation was added the break up of a national market into a large number of local, provincial and regional markets. This was facilitated, apart from war operations, by a serious destruction of land and sea transportation facilities and by scarcity of fuel, rubber, spare parts, etc. The black market, outside the few rationed food commodities (available irregularly and in insufficient quantities), ruled the whole economic activity in Central and Southern Italy. There were

(2) See Note (1) page 11 for Price Terminology.

(3) Control of retail prices as part of the "campaign against rising prices" was begun in 1927 by the fascist party, through a central committee and a number of provincial organizations. The work was subjected to political coercion. In 1930 the fascist party was forced to admit the failure of its price control policy, which has been confined to the regulation of retail prices and not of distribution. Control was then extended to cover all marketing stages from the production to the consumption point. The task proved to be too vast for the organization created and in the following year (1937), the whole problem was referred to the corporative boards of the Ministry of Corporations which had, in the meantime been set up. Prices of a whole range of goods and services were frozen as at 5 October 1936. These were to remain [illegible] could be

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PART THREE - WHOLESALE AND RETAIL PRICES IN ITALY (2)

(A) *MAIN PRICE CHANGES FROM 1922 TO 1946*

From 1922 to 1943.

194. In Table (graph) 21 the wholesale price trend and monetary circulation are compared. From 1922 to 1938 the general price curve runs close to the monetary circulation curve, and is sensitive to international economic events (in spite of the efforts made to disengage the Italian market from the outside world). The so-called monetary stabilization policy, on which the fascist government embarked in 1926, developed into a deflationary process when the 1929 world depression started. At this juncture the price curve falls substantially below the monetary level (see graph - Table 21). The fascist government endeavoured to disengage the Italian economy from dependence on the international market, and intervened more and more in the country's economic life. Controls were set on retail (3) and wholesale prices, on rates of exchange, on foreign trade, on foreign currencies, on credit, and on wages. Notwithstanding these regulatory measures the Government was forced to adjust the domestic market to the international situation. In October 1936 the lira was aligned to the dollar by setting a new gold parity. The price curve moved substantially upwards.

195. As this pre-war State intervention in the Italian economy became more marked, a black market of goods, gold and foreign currencies appeared. For this reason the index numbers (of the cost of living, of wholesale prices, of foreign exchange rates, etc.) based on official quotations became more and more distant from reality and lost their significance. When Italy entered the war (June 1940) steps were immediately taken for a general freezing of prices (blocco), services, wages and rents.

196. In this period it became more and more difficult to hold these fixed prices. The scarcity of raw material and of finished products (especially for civilian consumption), the increasing spread between the quantities of goods available and the currency in circulation, the urge to increase prices to stimulate production by every means, resulted in an increased difficulty of control. The difference between official prices (which remained below the inflation curve - see Table 21) and real prices on the black market (which move much above the curve) became wider and wider. The collection of data on black market prices was, however, practically impossible at this time.

197. Up to mid 1943 inflation was however kept within relatively modest limits. The index rose to 379 in December 1942 (1938 = 100) and to 463 in June 1943.

198. With the Allied landings in Italy and the ensuing political and military events, the price control system in Central and Southern Italy was shattered. To a growing inflation was added the break up of a national market into a large number of local, provincial and regional markets. This was facilitated, apart from war operations, by a serious destruction of land and sea transportation facilities and by scarcity of fuel, rubber, spare parts, etc. The black market, outside the few rationed food commodities (available irregularly and in insufficient quantities), ruled the whole economic activity in Central and Southern Italy. There were black market transactions in all available commodities, valuables, and foreign currencies and capital investments. The prices of commodities and services got out of hand.

(2) See Note (1) page 11 for Price Terminology.

(3) Control of retail prices as part of the "campaign against rising prices" was begun in 1927 by the fascist party, through a central committee and a number of provincial organizations. The work was subjected to political coercion. In 1933 the fascist party was forced to admit the failure of its price control policy, which has been confined to the regulation of retail prices and not of distribution. Control was then extended to cover all marketing stages from the production to the consumption point. The task proved to be too vast for the organization created and in the following year (1937), the whole problem was referred to the corporative boards of the Ministry of Corporations which had, in the meantime been set up. Prices of a whole range of goods and services and wages were frozen as at 5 October 1938. These were to remain in force as a whole until 31 December 1940. Changes could be made in individual items after investigation. With the entry of Italy into the war (1940), this freezing arrangement was confirmed and extended. Part of the duties of control was transferred from the Ministry of Corporations to the Ministry of Agriculture, while, for military supplies, a number of agencies were given price fixing powers.

(1) *See Supplement to Vol. I 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; No. 34 for Survey of Health and Welfare in Italy; and No. 37 for Labor, Prices, Cost of Living and Wages in Italy (Section I). Part one Employment and Labor Problems. Part two Social Insurance and Security). The present Supplement is the eighth in the series.*

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File GHQ Personnel

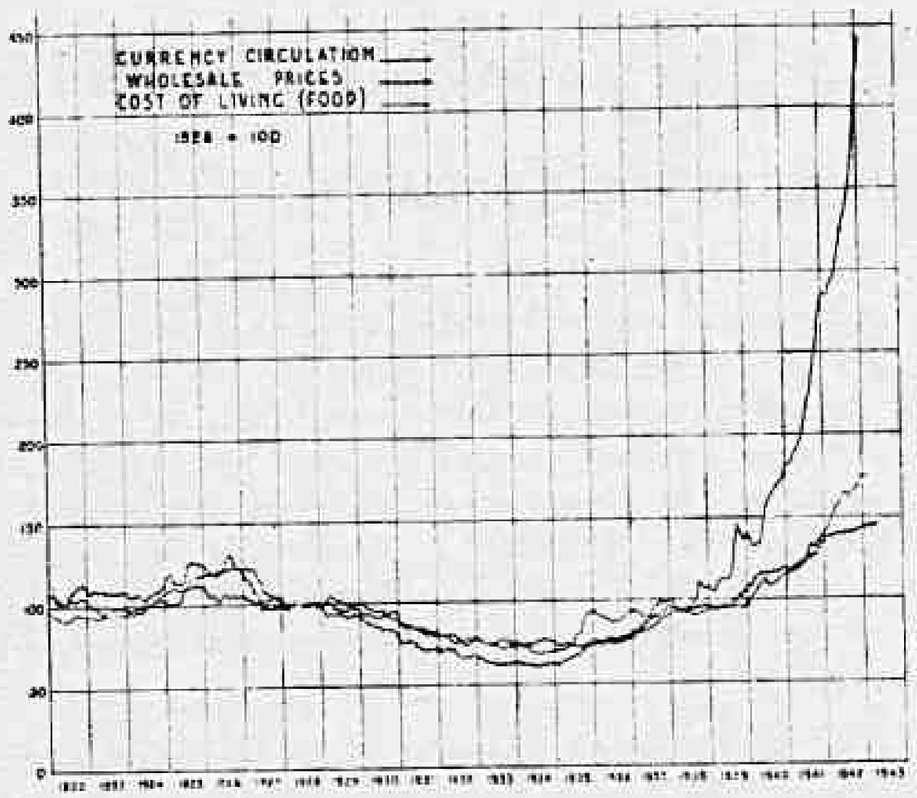
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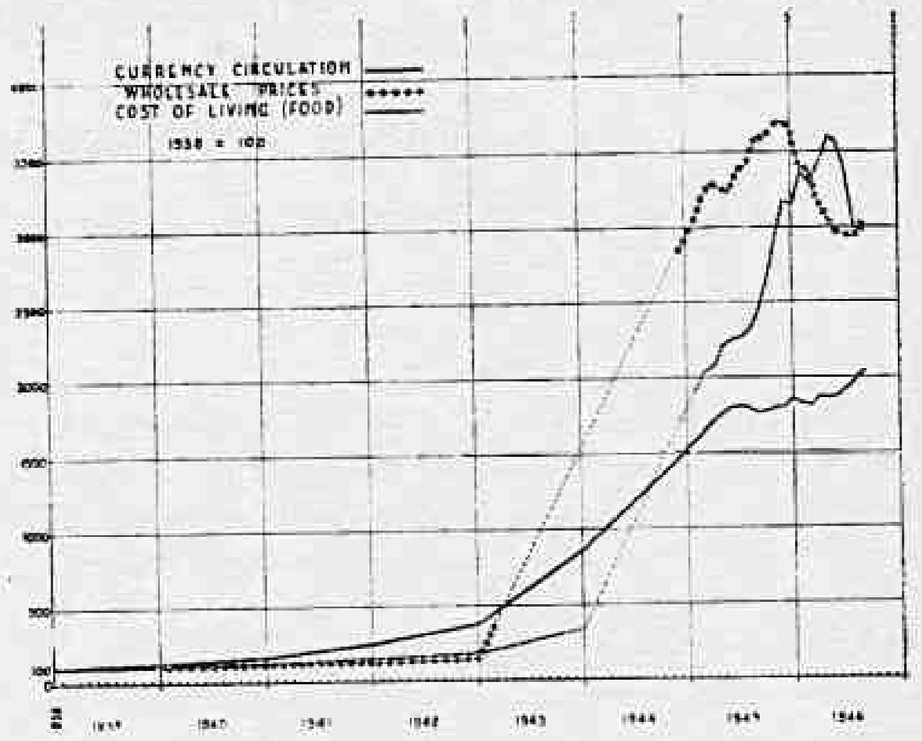
TABLE 21

Wholesale Price Trend

(a)



(b)



Prices Below and Above the Gothic Line.

199. The investigations by the Allied Commission in August 1944 in Central and Southern Italy confirmed not only the numerous differences in prices from the Gothic Line to Sicily, but differences within one region or one province (Sources: Censuses and Surveys for the National Reconstruction - Allied Commission February 1945). The black market price for bread was 12 lire per kilogram in Perugia, 120 lire in Avellino and 150 lire in Frosinone; the olive oil price was 80 lire per kilogram in Brindisi, 500 lire in Rome and 600 lire in Viterbo and Rieti; the price of sugar was 140 lire in Brindisi, 400 in Rome and 420 in Naples.

Within the Lazio region, bread was priced at 20 lire in Rieti and 150 lire in Frosinone. In Sicily the price of bread varied from 42 lire in Agrigento to 114 lire in Messina. Within the Terni province, bread varied from 20 lire in Terni to 50 lire in the smaller towns. In the Frosinone province bread varied from 150 lire in Frosinone to 81 lire in small towns.

A pair of men's winter boots was sold for 4,500 lire in Trapani and 2,000 lire in Pescara. Gasoline was sold for 100 lire per liter in Trapani, 45 lire in Rome and 75 lire in Naples. Truck transportation cost was

201. Official prices in Northern Italy, fixed for a greater number of commodities, were kept much lower than in Central and Southern Italy. The official retail prices of rationed foods in Milan and Rome in October 1944, March and May 1945 were as follows:

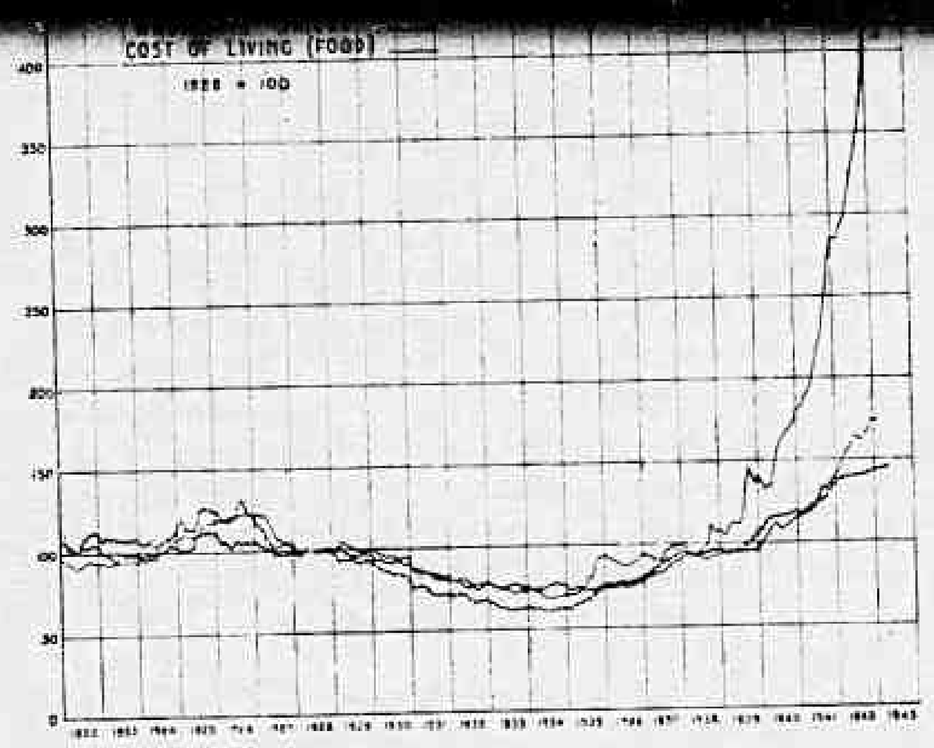
Official retail prices of rationed foods in lire per kilogram

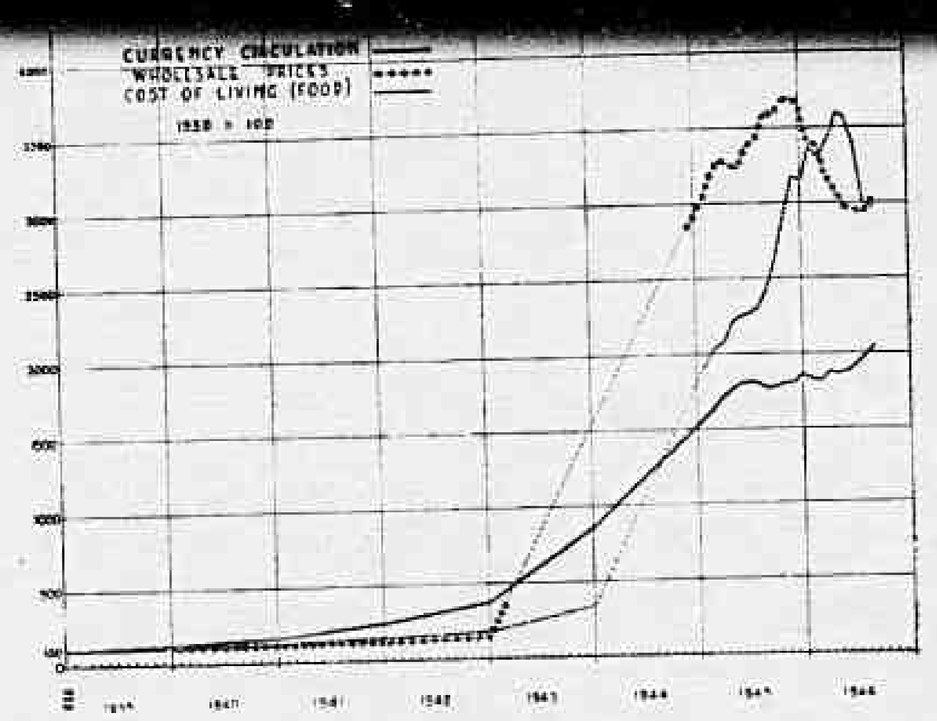
	October 1944		March 1945		May 1945	
	Milan	Rome	Milan	Rome	Milan	Rome
Bread (1)	2.60	5.—	5.—	18.—	5.—	18.—
Pasta (1)	3.80	7.—	3.80	22.50	3.80	22.50
Rice	3.70	25.—	7.20	—	—	—
Sugar	12.50	16.25	27.30	20.	27.30	—
Beef	28.50	160.—	41.—	340.—	41.—	—
Potatoes	10.—	15.—	13.—	—	13.—	—
Dry Beans	6.—	39.—	6.—	95.—	6.	95.
Milk (per liter)	4.—	7.—	6.—	30.—	6.—	30.—

(1) In Milan the subsidized (or «political») price of bread and pasta was retained, while in Central and Southern Italy it was modified in March 1945.

Note: Prices for olive oil not available.

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Prices Below and Above the Gothic Line.

199. The investigations by the Allied Commission in August 1944 in Central and Southern Italy confirmed not only the numerous differences in prices from the Gothic Line to Sicily, but differences within one region or one province (Sources: Censuses and Surveys for the National Reconstruction - Allied Commission February 1945). The black market price for bread was 12 lire per kilogram in Perugia, 120 lire in Avellino and 150 lire in Frosinone; the olive oil price was 80 lire per kilogram in Brindisi, 500 lire in Rome and 600 lire in Viterbo and Rieti; the price of sugar was 140 lire in Brindisi, 400 in Rome and 420 in Naples.

Within the Lazio region, bread was priced at 20 lire in Rieti and 150 lire in Frosinone. In Sicily the price of bread varied from 12 lire in Agrigento to 114 lire in Messina. Within the Terni province, bread varied from 20 lire in Terni to 50 lire in the smaller towns. In the Frosinone province bread varied from 150 lire in Frosinone to 81 lire in small towns.

A pair of men's winter boots was sold for 4,500 lire in Trapani and 2,000 lire in Pescara. Gasoline was sold for 100 lire per liter in Trapani, 45 lire in Rome and 35 lire in Naples. Truck transportation cost was 5.25 lire per quintal-kilometer in Rome and 11-13 lire in the towns of the Rome province, while in the small towns of the Lecce and Messina provinces it was higher than 14 lire.

200. Above the Gothic Line the machinery of price control and of commodity distribution remained reasonably efficient.

201. Official prices in Northern Italy, fixed for a greater number of commodities, were kept much lower than in Central and Southern Italy. The official retail prices of rationed foods in Milan and Rome in October 1944, March and May 1945 were as follows:

Official retail prices of rationed foods in lire per kilogram

	October 1944		March 1945		May 1945	
	Milan	Rome	Milan	Rome	Milan	Rome
Bread (1)	2.60	5.—	5.—	18.—	5.—	18.—
Pasta (1)	3.80	7.—	3.80	22.50	3.80	22.50
Rice	3.70	25.—	7.20	—	—	—
Sugar	12.50	16.25	27.30	20.	27.30	—
Beef	28.50	160.—	41.—	340.—	41.—	—
Potatoes	10.—	15.—	13.—	—	13.—	—
Dry Beans	6.—	39.—	6.—	95.—	6.	95.
Milk (per liter)	4.—	7.—	6.—	30.—	6.—	30.—

(1) In Milan the subsidized (or «political») price of bread and pasta was retained, while in Central and Southern Italy it was modified in March 1945.
Note: Prices for olive oil not available.

202. The differences in prices not set officially, became wider between North and South especially for locally produced goods (chiefly for finished products which are mainly manufactured in the North). The official price for soft wheat (for wheat delivered to the amassing points) was 350 lire per quintal in the North and 900 lire in the South. The price of superphosphates

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amounted to 3.40 lire (for one unit of P_2O_5) in the North and 35 lire in the South. The price of ammonium sulphate was 138.20 per quintal in the North and 394.5 in the South. (See paras. 274 and 275 and Tables 38 and 39). In Northern Italy the price level (except for the special products found mainly in Central and Southern Italy) remained substantially lower than below the Gothic line.

203. As the fighting moved North and the end of the war approached, the same phenomenon of high regional black market price differences (although not so marked) occurred also in Northern Italy. The black market price of bread in March 1945 was 10 lire per kilogram in Modena, 18 in Novara, 35 in Turin, 45 in Milan. The price of olive oil was 450 lire per kilogram in Modena, 1,300 lire in Milan, 1,500 in Piacenza. The price of sugar varied from 350 lire in Padua and Piacenza to 550 lire in Milan to 1,000 lire in Vercelli, etc.

Prices after the Liberation of Italy.

204. When the whole of the national territory was liberated, it was intended at first to keep Northern Italy separated economically from the rest (and thus to keep the higher price region separate), but it was clear that this economic barrier could be maintained only for a few months. The lower prices—official and others—in the north moved rapidly upwards to the higher price level prevailing in Central and Southern Italy (see Tables 22 and 23 - graph).

205. Prices in Milan, substantially lower (except for olive oil) than in Rome, rose rapidly, so that after January 1944 the rise is substantially higher in Milan than in Rome (see Table 22, (B)). From July 1944 (immediately after the liberation of Rome) to March 1945 (one month before the liberation of Milan) prices in Rome were much higher than in Milan (except for olive oil), but the price difference diminished substantially after the liberation of Northern Italy (see Table 22, (C)).

206. From this time a disorderly adjustment process began, due largely to the delay in restoration of transport. The restoration of a national market was slow and unplanned. In this newly-forming national market, price control and commodity distribution mechanism generally needed overhauling. (Exception must be

207. Prices were affected in the meantime by increasing inflation, evidenced in the index figures of currency circulation (1,532 in December 1944—(1938=100)—1,815 in June 1945 and 1,871 in December 1945). Lack of confidence in the lira, grave uncertainty concerning the future, the difficult political situation of the Government, the fear that the large profits taken by manufacturers and trade-men and by farmers (mostly hoarded in currency) might be absorbed by the Government (mainly by currency conversion), caused a rush to commodity or other more stable values. The effect was that prices rose rapidly up to the end of 1945.

208. The position at the end of 1945 was thus:

(a) Open market prices had increased over pre-war, varying in degree from product to product. All prices had increased much more than the increase in circulation.

(b) For the same product the prices were widely divergent between province and province and region and region.

(c) Official prices—set by two separate and independent central price organizations, one in Milan (having authority in the regions north of what was known as the "Gothic Line") and the other in Rome—above and below the Gothic Line, were markedly different, and adjustment was a slow process.

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All these factors contributed to a confused situation and a slowing up in the improvement of price control measures. Contributing to this situation were also uncertainties of Government policy and the inefficiency of the central and local controlling agencies (official amassing prices for soft wheat were about six times as high as pre-war, for wool twelve times as high, hemp 14 times, olive oil and sugar beet 20 times, cocoons 32 times).

209. The existence of an official market side by side with an increasingly operating black market, added to the economic disorder. Some of the official prices were only nominal, since no transactions took place at the quoted prices: official prices of commodities, for which the official distributing agencies were responsible, were effective for large consumer transactions (e.g. railways and large industrial companies).

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the special products found mainly in Central and Southern Italy) remained substantially lower than below the Gothic line.

203. As the fighting moved North and the end of the war approached, the same phenomenon of high regional black market price differences (although not so marked) occurred also in Northern Italy. The black market price of bread in March 1945 was 10 lire per kilogram in Modena, 18 in Novara, 35 in Turin, 45 in Milan. The price of olive oil was 450 lire per kilogram in Modena, 1.300 lire in Milan, 1.500 in Piacenza. The price of sugar varied from 350 lire in Padua and Piacenza to 550 lire in Milan to 1.000 lire in Vercelli, etc.

Prices after the Liberation of Italy.

204. When the whole of the national territory was liberated, it was intended at first to keep Northern Italy separated economically from the rest (and thus to keep the higher price region separate), but it was clear that this economic barrier could be maintained only for a few months. The lower prices—official and others—in the north moved rapidly upwards to the higher price level prevailing in Central and Southern Italy (see Tables 22 and 23 - graph).

205. Prices in Milan, substantially lower (except for olive oil) than in Rome, rose rapidly, so that after January 1944 the rise is substantially higher in Milan than in Rome (see Table 22, (B)). From July 1944 (immediately after the liberation of Rome) to March 1945 (one month before the liberation of Milan) prices in Rome were much higher than in Milan (except for olive oil), but the price difference diminished substantially after the liberation of Northern Italy (see Table 22, (C)).

206. From this time a disorderly adjustment process began, due largely to the delay in restoration of transport. The restoration of a national market was slow and unplanned. In this newly-forming national market, price control and commodity distribution mechanism generally needed overhauling. (Exception must be made as regards the early arrival of relief goods imported and efficiently distributed by the Allied armies). In the North, the organizations set up by the Committees of National Liberation had been retained by the Allies—and there the control of prices and distribution was better than in the Center and the South and black market transactions less prevalent.

ernment, the fear that the large profits taken by manufacturers and tradesmen and by farmers (mostly hoarded in currency) might be absorbed by the Government (mainly by currency conversion), caused a rush to commodity or other more stable values. The effect was that prices rose rapidly up to the end of 1945.

208. The position at the end of 1945 was thus:

(a) Open market prices had increased over pre-war, varying in degree from product to product. All prices had increased much more than the increase in circulation.

(b) For the same product the prices were widely divergent between province and province and region and region.

(c) Official prices—set by two separate and independent central price organizations, one in Milan (having authority in the regions north of what was known as the "Gothic Line") and the other in Rome—above and below the Gothic Line, were markedly different, and adjustment was a slow process.

All these factors contributed to a confused situation and a slowing up in the improvement of price control measures. Contributing to this situation were also uncertainties of Government policy and the inefficiency of the central and local controlling agencies (official amassing prices for soft wheat were about six times as high as pre-war, for wool twelve times as high, hemp 14 times, olive oil and sugar beet 20 times, cocoons 32 times).

209. The existence of an official market side by side with an increasingly operating black market, added to the economic disorder. Some of the official prices were only nominal, since no transactions took place at the quoted prices; official prices of commodities, for which the official distributing agencies were responsible, were effective for large consumer transactions (e.g. railways and large industrial companies).

210. Rent and public utility charges (transportation, electric power and gas) were still determined by price control regulations and remained practically unchanged. These prices were thus not affected by the general upward movement.

211. Wages lost 60 to 70 % of their purchasing power.

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TABLE 23

Black market retail prices in Milan and in Rome

		1944			1945		
		January	July	December	March	July	December
A) RETAIL PRICES							
Bread (per kilogram)	Milan	20	20	25	45	45	60
	Rome	30	90	80	90	78	120
Pasta (per kilogram)	Milan	25	25	40	60	90	120
	Rome	60	190	183	165	116	155
Rice (per kilogram)	Milan	20	22	22	45	50	60
	Rome	80	250	—	500	165	144
Beef (per kilogram)	Milan	80	180	230	480	400	350
	Rome	152	352	420	700	362	550
Butter (per kilogram)	Milan	180	370	600	650	700	800
	Rome	375	718	825	875	780	938
Olive Oil (per liter)	Milan	400	600	900	1,300	700	700
	Rome	310	563	357	447	477	605
Eggs (each)	Milan	8	9	16	11.5	21	27
	Rome	13	40	34	27	23	30
Sugar (per kilogram)	Milan	80	130	400	550	550	1,000
	Rome	195	450	812	1,212	745	975
B) INDEX NUMBERS (January 1944 = 100)							
Bread	Milan	100.0	100.0	125.0	225.0	225.0	300.0
	Rome	100.0	300.0	266.7	300.0	260.0	400.0
Pasta	Milan	100.0	100.0	160.0	240.0	360.0	480.0
	Rome	100.0	316.7	305.0	275.0	193.3	258.3
Rice	Milan	100.0	110.0	110.0	225.0	250.0	300.0
	Rome	100.0	312.5	—	625.0	206.3	180.0
Beef	Milan	100.0	225.0	287.5	600.0	500.0	437.5
	Rome	100.0	231.6	276.3	460.5	238.2	361.8
Butter	Milan	100.0	205.6	333.3	361.1	388.9	444.4
	Rome	100.0	191.5	220.0	233.3	208.0	250.1
Olive Oil	Milan	100.0	150.0	225.0	325.0	175.0	175.0
	Rome	100.0	181.6	108.7	144.2	153.9	195.2
Eggs	Milan	100.0	112.5	200.0	181.3	262.5	337.5
	Rome	100.0	307.7	261.5	207.7	176.9	230.8
Sugar	Milan	100.0	162.5	500.0	687.5	687.5	1,250.0
	Rome	100.0	283.8	416.4	621.5	382.1	500.0
C) ROME PRICES (Milan prices = 100)							
Bread		150	450	320	200	173	200
Pasta		240	760	458	275	129	129
Rice		400	1,136	—	1,111	330	257
Beef		190	196	183	146	91	157
			181	178	185	111	117

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		January	July	December	March	July	December
A) RETAIL PRICES							
Bread (per kilogram)	Milan	20	20	25	45	45	60
	Rome	30	90	80	90	78	120
Pasta (per kilogram)	Milan	25	25	40	60	90	120
	Rome	60	190	183	165	116	155
Rice (per kilogram)	Milan	20	22	22	45	50	60
	Rome	80	250	—	500	165	144
Beef (per kilogram)	Milan	80	180	230	480	400	350
	Rome	152	332	420	700	362	550
Butter (per kilogram)	Milan	180	370	600	650	700	800
	Rome	375	718	825	875	780	938
Olive Oil (per liter)	Milan	400	600	900	1,300	700	700
	Rome	310	563	337	447	477	605
Eggs (each)	Milan	8	9	16	14.5	21	27
	Rome	13	40	34	27	23	30
Sugar (per kilogram)	Milan	80	130	400	550	550	1,000
	Rome	195	450	812	1,212	745	975
B) INDEX NUMBERS (January 1944 = 100)							
Bread	Milan	100.0	100.0	125.0	225.0	225.0	300.0
	Rome	100.0	300.0	266.7	300.0	260.0	400.0
Pasta	Milan	100.0	100.0	160.0	240.0	360.0	480.0
	Rome	100.0	316.7	305.0	275.0	193.3	258.3
Rice	Milan	100.0	110.0	110.0	225.0	250.0	300.0
	Rome	100.0	312.5	—	625.0	206.3	180.0
Beef	Milan	100.0	225.0	287.5	600.0	500.0	437.5
	Rome	100.0	231.6	276.3	460.5	238.2	361.8
Butter	Milan	100.0	205.6	333.3	361.1	388.9	444.4
	Rome	100.0	191.5	220.0	233.3	208.0	250.1
Olive Oil	Milan	100.0	150.0	225.0	325.0	175.0	175.0
	Rome	100.0	181.6	108.7	144.2	153.9	195.2
Eggs	Milan	100.0	112.5	200.0	181.3	262.5	337.5
	Rome	100.0	307.7	261.5	207.7	176.9	230.8
Sugar	Milan	100.0	162.5	500.0	687.5	687.5	1,250.0
	Rome	100.0	203.8	416.4	621.5	382.1	500.0
C) ROME PRICES (Milan prices = 100)							
Bread		150	450	320	200	173	200
Pasta		240	760	158	275	129	129
Rice		400	1,136	—	1,111	330	257
Beef		190	196	183	146	91	157
Butter		208	194	138	135	111	117
Olive Oil		78	94	37	34	68	84
Eggs		163	444	213	186	110	111
Sugar		244	346	203	220	135	98

(See also Table 23 graph)

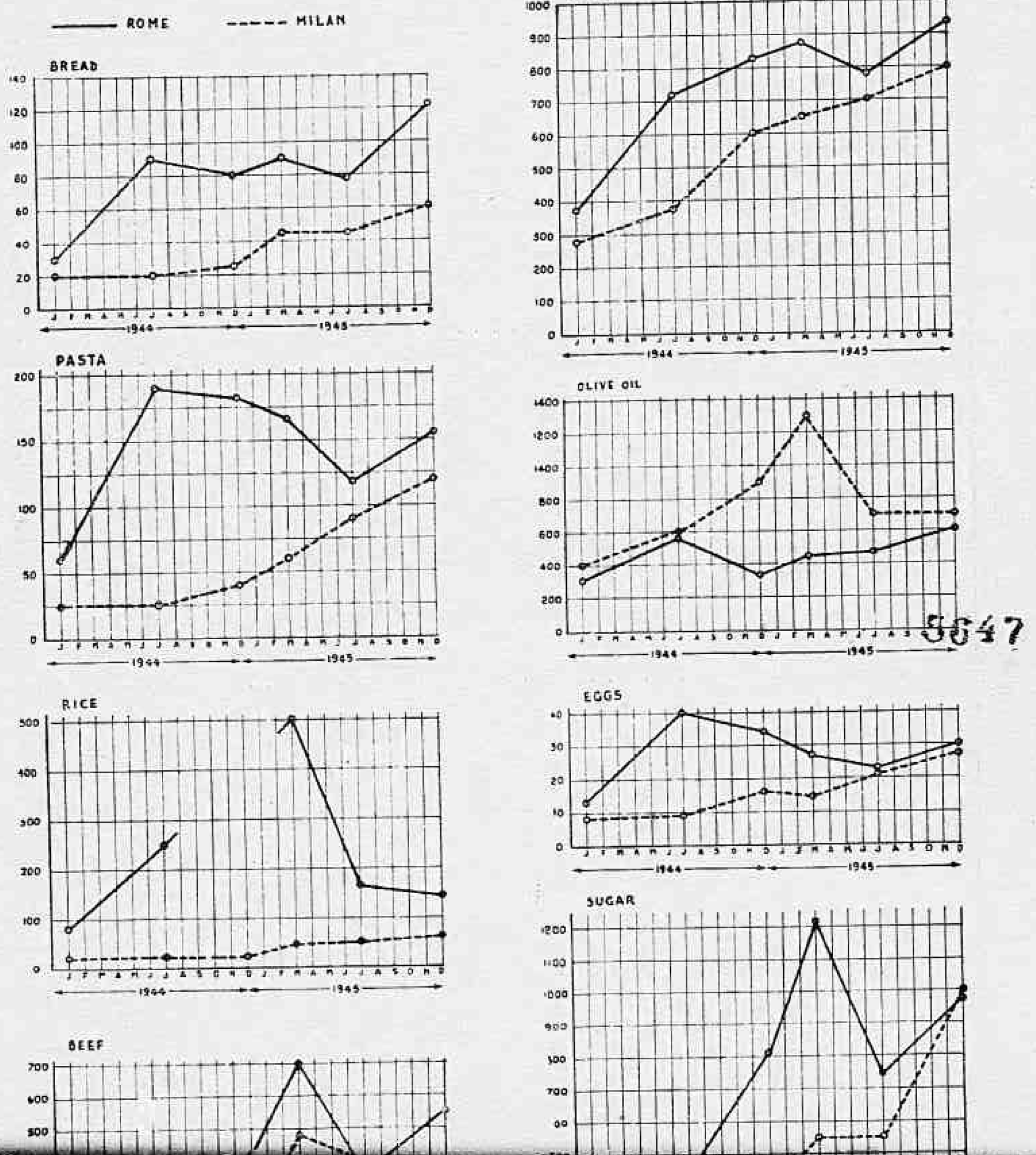
Source: Ministero per la Costituente (Reports of Economic Commission Part III Monetary Problems)

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TABLE 23

OPEN MARKET RETAIL PRICES IN LIRE IN ROME & MILAN IN 1944 - 1945

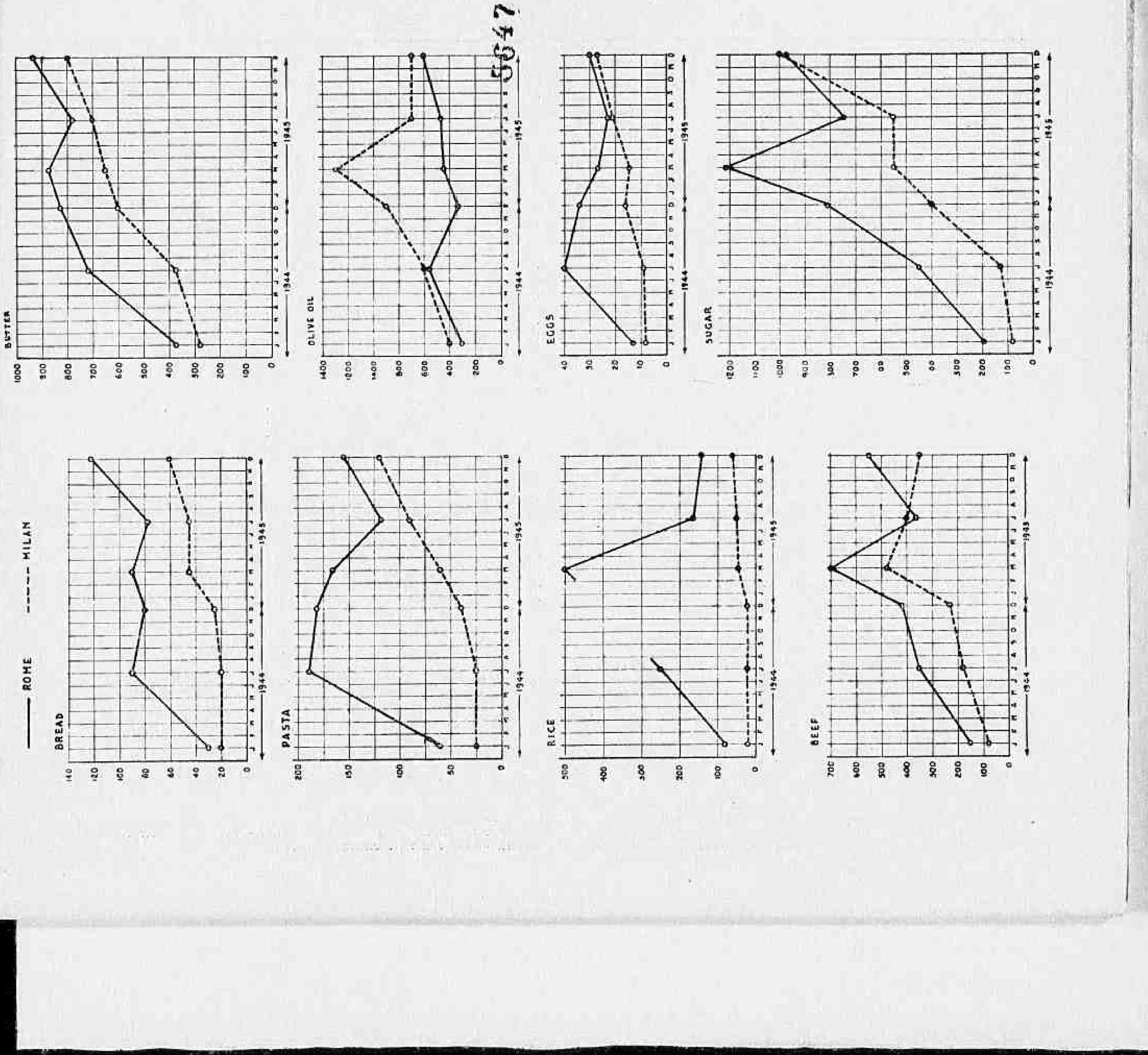


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Some Indices of Inflation in Italy: 1938 to 1946

(Index numbers: 1938=100)

End of Year or Month	Currency Circulation (1)	Public Debt		State Budget		Bank Deposits (4)			Open Market Gold Prices (6)	Open Market Dollars Rates (7)	Open Market Wholesale Prices (8)	Retail Prices (9)	Cost of Food (10)	Cost of living (10)	Industrial Shares (11)	House Rents	Public Services			
		Total Consolidated & Floating (2)	Floating (2)	Revenue (3)	Expenditure (3)	Current Account & Deposits (4)	Time Deposits	Correspondents (5)									Railway Rates (12)	Post & Telegraph Fee	Gas Rates (12)	Electr. Power Rates (12)
1938	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1940	164	136	175	118	156	124	106	151	131		122		123		119	108				100
1942	379	250	374	150	307	200	151	285	542		153		174		213	110				103
1943: June	463	290	468	178	350	—	—	—	1,385				214		348	110				105
Dec.	869	292	480	—	—	213	169	292	2,116						425	110				105
1944: June	—	312	559	151	393	—	—	—	3,769						538	110				108
Dec.	1,332	350	716	—	—	294	203	375	2,327	1,321					901	110	240	—	—	236
1945: Jan.	1,590	—	—	—	—	—	—	—	3,108	1,758	3,017				733	110	—	—	—	236
Feb.	1,651	—	—	—	—	—	—	—	3,962	2,200	3,204				747	110	—	—	—	236
Mar.	1,719	—	—	—	—	—	—	—	4,151	2,158	3,303				736	110	480			305
Apr.	1,768	—	—	—	—	—	—	—	4,185	2,003	3,260				769	110	480			305
May	1,805	601	1,607						3,192	1,489	3,250				—	110	480			305
June	1,815	605	1,616	175	859	367	223	416	3,327	1,532	3,392				673	110	480			305
July	1,808	621	1,609			376	223	413	3,985	1,632	3,430	5,099	2,387		549	110	480			322
Aug.	1,770	648	1,590			383	214	426	3,663	1,563	3,607	5,176	2,579		518	110	480			322
Sept.	1,788	653	1,608			402	214	485	3,581	1,752	3,604	5,264	2,792		508	110	480			322
Oct.	1,805	660	1,626			424	218	515	3,312	1,779	3,698	5,685	2,901		607	110	480			322
Nov.	1,816	665	1,647			447	221	551	3,462	1,942	3,718	6,077	3,443		581	110	480			322
Dec.	1,871	670	1,664			478	229	618	3,165	2,426	3,666	6,235	3,288		517	110	480	400	649	322
1946: Jan.	1,837	682	1,711			519	238	583	2,981	2,011	3,404	5,983	3,557	—	445	110	480	400	649	322
Feb.	1,825	697	1,774			543	246	587	2,438	1,842	3,401	5,338	3,015	2,195	411	201	840	800	788	322
Mar.	1,881	706	1,833			559	255	605	2,169	1,600	3,184	5,119	3,247	2,308	345	201	840	800	788	322
Apr.	1,876	725	1,883			591	261	672	2,019	1,479	3,087	5,491	3,256	2,295	337	201	840	800	788	322
May	1,888	743	1,932			611	271	713	2,500	1,753	2,985	5,603	3,406	2,348	487	201	840	800	788	322
June	1,932	761	2,023	473*	1,319*	631	276	804	2,673	1,926	2,965	4,975	3,337	2,326	586	201	840	800	788	322
July	1,993	774	2,072	—	—	675	280	976	2,738	2,111	2,949	4,707	2,883	2,097	635	201	840	800	788	322
Aug.	2,042	—	—	—	—	—	—	—	3,251	2,495	3,016	4,381	2,566	1,929	781	201	840	800	788	322
Sept.	2,111	—	—	—	—	—	—	—	3,642	2,616	3,209	4,744	2,579	1,968	786	201	840	800	788	322

* Provisional.

(1) Bank-notes, State currency, Am-Lire.
(2) Consolidated, redeemable debt, State notes and floating debt (ordinary Treasury Bonds - Advances by Bank of Italy - Current account at interest; interest account: *a*) Cassa Depositi e Prestiti, *b*) Institutes of Social Insurance administered by the "Cassa Depositi e Prestiti", c) Bank of Naples).
(3) Revenue and expenditure (excluding movement of capital) as of end of fiscal year (bilancio di competenza).
(4) Private saving deposits (bank and correspondent deposits excluded) with Banks and Saving Banks and Postal Saving Banks.
(5) Correspondent accounts of the main banks.
(6) Open market gold price in Rome (1938 basis= 26 lire per gram open market price).
(7) Open market dollar price in Rome (1938 basis: 19 lire per dollar).
(8) National official indices up to June 1943; open market price indices of the Centro Aziendale of Florence for 1945 and 1946.
(9) Retail prices in Rome.
(10) In Rome.
(11) Industrial share quotations (see also Table 28 and 29 (graphs) in Milan (as calculated by Edison Combine).
(12) For railway: fare indices for passenger and cargo transportation. Gas and electric power: prices of 1 cubic meter and of 1 kwh, respectively, in Rome.
(13) Wages and salaries in a large industrial company of Milan for a semi-skilled worker and for a clerical worker.

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Some Indices of Inflation in Italy: 1938 to 1946

(Index numbers: 1938=100)

Currency Circulation (1)	Public Debt		State Budget		Bank Deposits			Open Market Gold Prices (6)	Open Market Dollars Rates (7)	Open Market Wholesale Prices (8)	Retail Prices (9)	Cost of Food (10)	Cost of living (10)	Industrial Shares (11)	House Rents	Public Services				Wages and salaries (13)	
	Total Consolidated & Floating (2)	Floating (2)	Revenue (3)	Expenditure (3)	Current Account & Deposits (4)	Time Deposits	Correspondents (5)									Railway Rates (12)	Post & Telegraph Fee	Gas Rates (12)	Electr. Power Rates (12)	Manual Workers	Clerical Workers
100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
164	136	175	118	156	121	166	151	131		122		123		149	108				100	131	127
379	250	474	150	307	260	151	285	542		153		174		213	110				103	168	143
463	290	468	178	350	—	—	—	1,385				214		348	110				103		
869	292	480	—	—	213	169	252	2,116						425	110				103	312	205
—	312	559	151	593	—	—	—	3,769						738	110				103		
1,532	330	716	—	—	294	203	375	2,327	1,321					904	110	210	—	—	238	465	219
1,590	—	—	—	—	—	—	—	3,108	1,758	3,047				733	110	—	—	—	238	498	327
1,651	—	—	—	—	—	—	—	3,962	2,200	3,204	—	—		747	110	—	—	—	238	498	327
1,719	—	—						4,151	2,158	3,393				736	110	480			303	498	327
1,768	—	—						4,185	2,083	3,260				769	110	480			303	498	327
1,805	601	1,607						3,192	1,489	3,240				—	110	480			303	498	327
1,815	605	1,646	175	859	367	223	416	3,327	1,532	3,392				673	110	480			303	606	364
1,808	624	1,609			376	223	443	3,985	1,632	3,430	5,099	2,387		519	110	480			322	1,140	546
1,770	648	1,590			383	214	426	3,663	1,563	3,607	5,176	2,579		518	110	480			322	1,210	575
1,788	653	1,608			402	211	485	3,581	1,752	3,604	5,264	2,792		508	110	480			322	1,317	731
1,805	660	1,626			424	218	515	3,312	1,779	3,698	5,585	2,901		607	110	480			322	1,375	754
1,816	665	1,647			447	221	551	3,462	1,942	3,718	6,077	3,413		584	110	480			322	1,439	748
1,871	670	1,664			478	229	618	3,465	2,026	3,666	6,235	3,286		517	110	480	400	649	322	1,505	810
1,837	682	1,714			519	238	583	2,981	2,011	3,404	5,983	3,557		445	110	480	400	649	349	1,566	831
1,825	697	1,774			543	246	587	2,438	1,842	3,401	5,338	3,015	2,195	441	201	840	800	788	349	1,566	831
1,881	706	1,833			559	255	605	2,169	1,680	3,184	5,119	3,247	2,368	345	201	840	800	788	384	1,566	831
1,876	725	1,883			591	261	672	2,019	1,479	3,087	5,491	3,256	2,295	337	201	840	800	788	384	1,603	949
1,888	743	1,952			611	271	713	2,300	1,753	2,985	5,603	3,406	2,318	487	201	840	800	788	424	1,869	1,040
1,932	761	2,023	473*	1,319*	631	276	804	2,673	1,926	2,965	4,975	3,337	2,326	586	201	840	800	788	424	1,880	1,047
1,993	774	2,072	—	—	675	280	976	2,738	2,111	2,949	4,707	2,883	2,097	635	201	840	800	788	450	1,907	1,056
2,042	—	—	—	—	—	—	—	3,251	2,195	3,016	4,381	2,566	1,929	781	201	840	800	788	450	2,011	1,091
2,111	—	—	—	—	—	—	—	3,642	2,616	3,209	4,744	2,379	1,988	786	201	840	800	788	432	—	—

...te currency, Am-Lire.
...edeemable debt, State notes and floating debt (ordinary Treasury Bonds - Advances by Bank of Italy - Current account at interest: interest-bearing current ...Cassa Depositi e Prestiti, *b*) Institutes of Social Insurance administered by the "Cassa Depositi e Prestiti", *c*) Bank of Naples).
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...deposits (bank and correspondent deposits excluded) with Banks and Saving Banks and Postal Saving Banks.
...ecounts of the main banks.
...old price in Rome (1938 basis = 26 lire per gram open market price).
...llar price in Rome (1938 basis: 19 lire per dollar).
... indices up to June 1943; open market price indices of the Centro Aziendale of Florence for 1945 and 1946.
... Rome.

... quotations (see also Table 28 and 29 (grnphs) in Milan (as calculated by Edison Combine).
...re indices for passenger and cargo transportation, Gas and electric power: prices of 1 cubic meter and of 1 kwh, respectively, in Rome.
...ries in a large industrial company of Milan for a semi-skilled worker and for a clerical worker.

Price Movements in 1946.

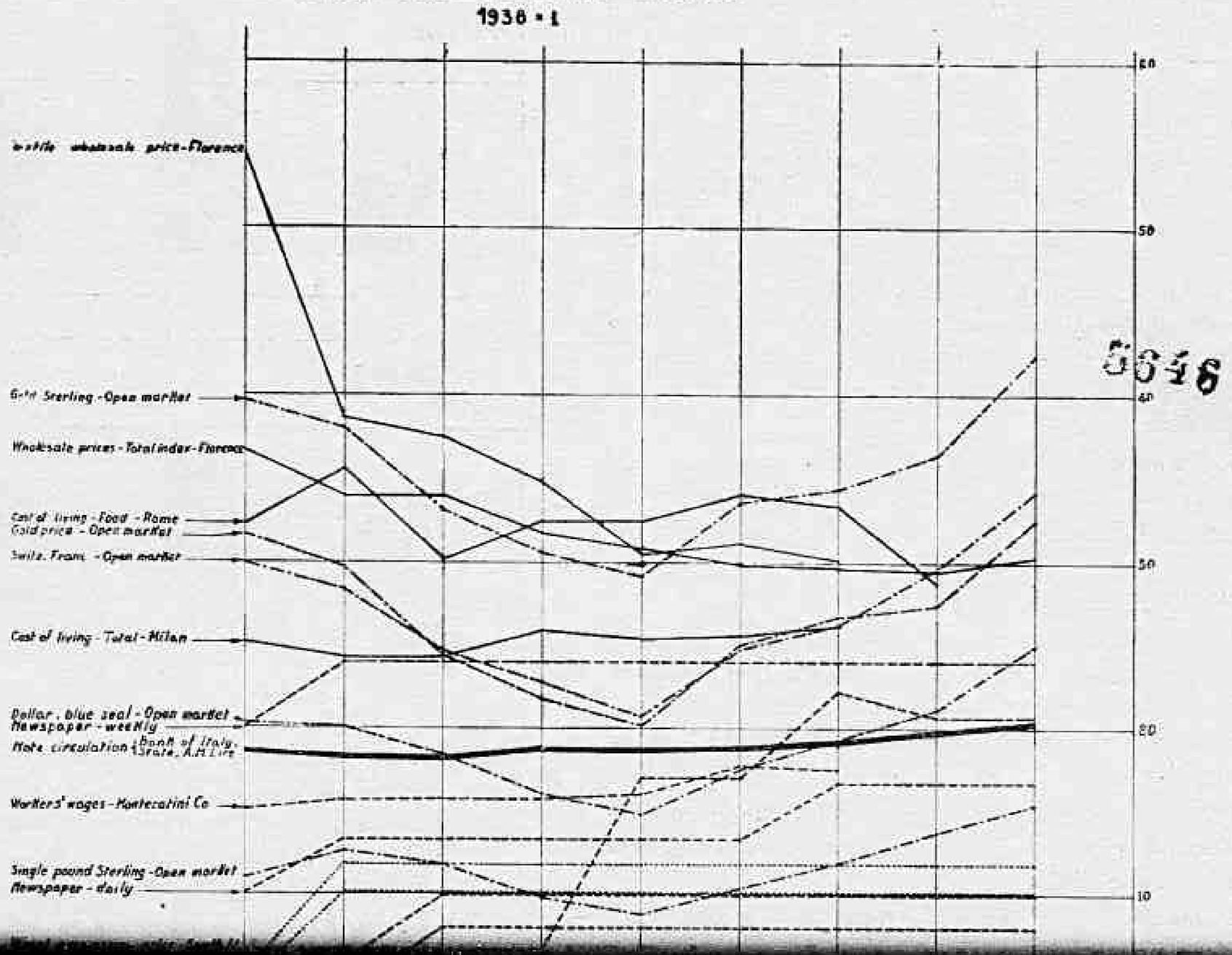
212. In 1946, with the carrying into effect of the UNRRA importation plan, the gradual improvement of transportation facilities, the astute anti-inflationary monetary policy and the postponement of currency conversion, a movement towards some stability began. This resulted in a marked flattening out of the high points of the black market prices. Tables 24 and 25 (graph) show that in the first half of 1946 the price trend moves towards the monetary circulation level.

213. The price adjustment process caused a reduction of the high price differences existing from region to region in the same commodities. This is illustrated in Tables 26 and 27 (graph) showing the retail prices on the open market of bread, pasta, and dry beans in Milan, Rome, Naples, in 1938, 1945 and 1946. Much progress was thus made in 1946 along the road towards the unification of the national market. But much ground has yet to be covered before the pre-war situation of uniform prices is reached.

TABLE 25

PRICE AND MONETARY INDICES

1938 = 1



5546

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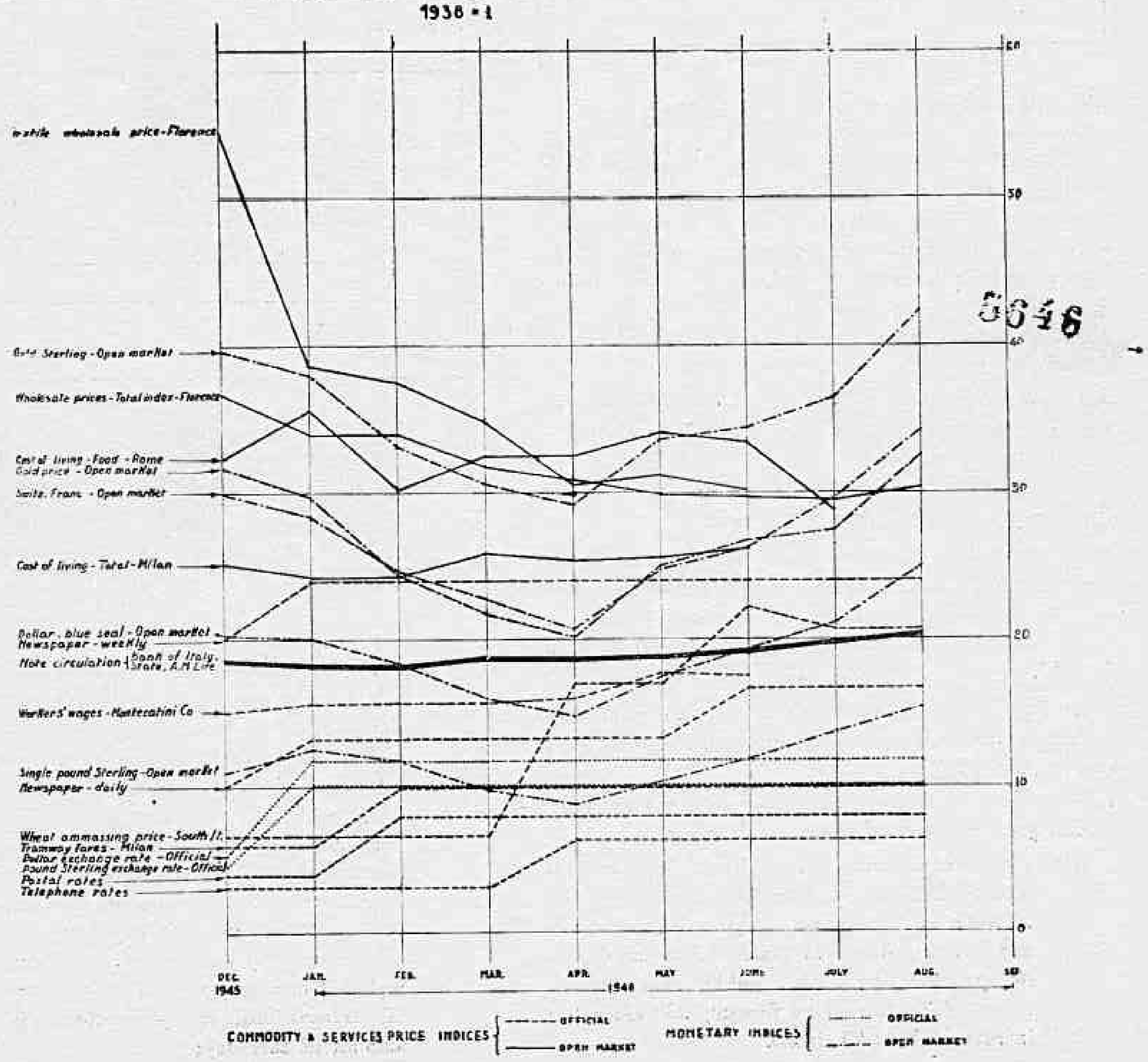
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TABLE 25

PRICE AND MONETARY INDICES

1938 = 1



5546

0140

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TABLE 26

Regional differences in Free Market retail prices

(Prices in Milan = 100)

Date	Milan		Rome		Naples	
	Lire per kg.	Index Num.	Lire per kg.	Index Num.	Lire per kg.	Index Num.
Bread						
1938	2.27	100	2.20	97	1.77	78
1945, Sept.	48.00	100	100.00	208	109.00	227
1946, June	81.00	100	127.00	157	112.00	138
1946, August	81.00	100	57.00	70	87.00	107
Pasta						
1938	2.91	100	2.53	87	2.75	95
1945, Sept.	75.00	100	177.00	236	217.00	289
1946, June	134.00	100	216.00	161	254.00	190
1946, August	144.00	100	177.00	123	203.00	141
Dry beans						
1938	2.01	100	2.33	116	2.03	101
1945, Sept.	103.00	100	160.00	155	171.00	166
1946, June	151.00	100	170.00	113	212.00	140
1946, August	141.00	100	160.00	113	139.00	99

(See also Table 27 graph)

214. In this first check to the long upward price rush, official prices, particularly public utility charges (transportation, communications, gas, etc.), were gradually increased and the wide margin between these prices and the economic level reduced. This price adjustment—begun by UNRRA through the working out in conjunction with the Government of an objective price policy (see para. 291)—appeared to have been the starting point towards a more normal economic and financial situation.

215. Political, monetary and economic causes, internal and external, after July 1946 tended, however, to reverse this trend.

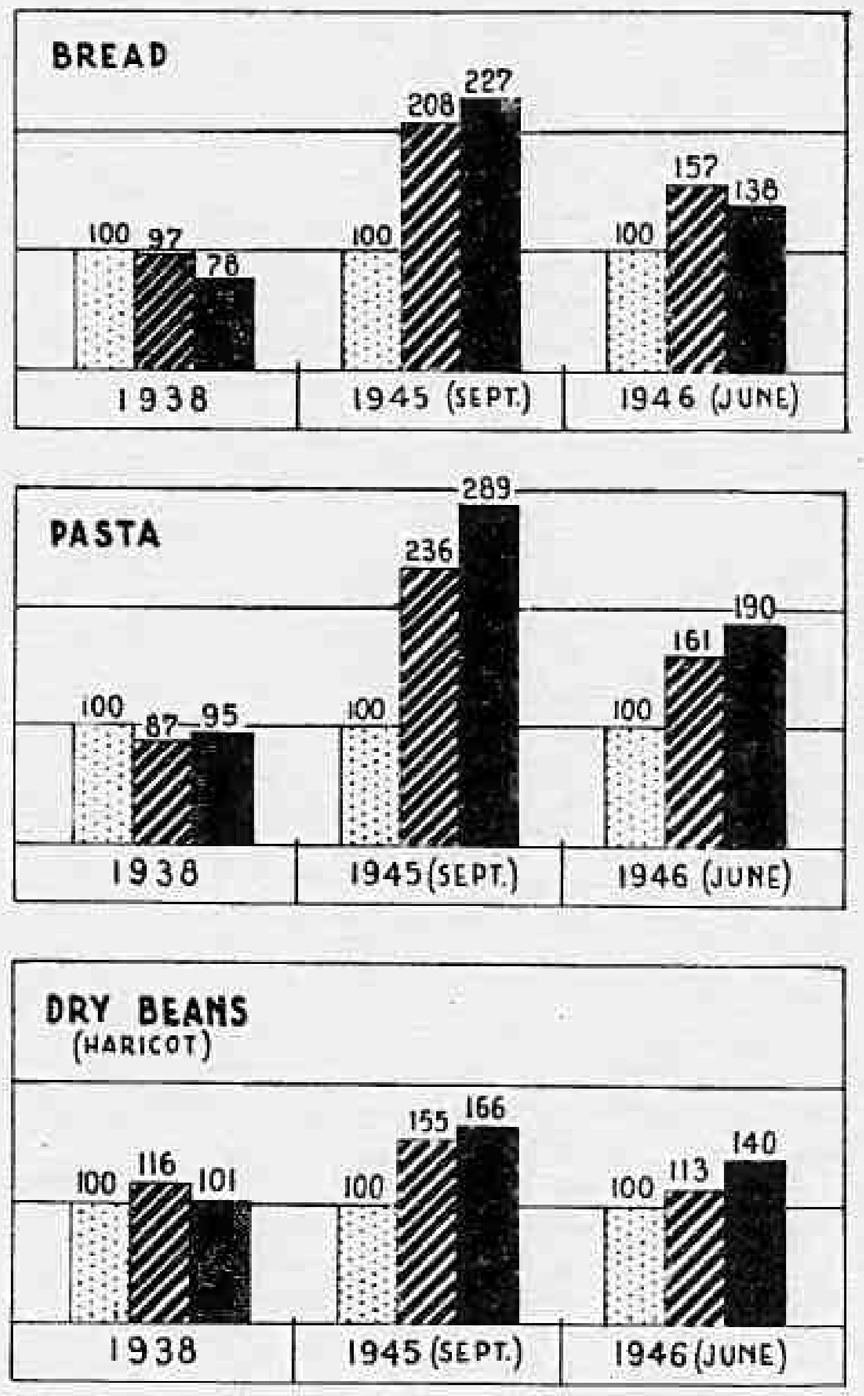
Summary of Main Price Changes.

216. Disturbed monetary, financial and economic structure, price disequilibrium and distortion from pre-war in inter-price relationship, are shown, in broad lines, in Tables 24, 28 (graph), 29 (graph) and 30 (graph).

217. The following is a summary of the main considerations prompted by the examination of these data (up to June 1946):

(a) *Monetary and financial system* (which largely affects price movements):

TABLE 27



(ii) bank deposits have increased only 6 to 8 times: this mainly results from: (a) the considerable decrease in the flow of savings from workers and fixed income categories (real wages and salaries have fallen, on the average, to about 50 % of 1938); (b) hoarding of the lira has been a noteworthy development, especially by

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	Lire per kg.	Index Num.	Lire per kg.	Index Num.	Lire per kg.	Index Num.
Bread						
1938	2.27	100	2.20	97	1.77	78
1945, Sept.	48.00	100	100.00	208	109.00	227
1946, June	81.00	100	127.00	157	112.00	138
1946, August	81.00	100	57.00	70	87.00	107
Pasta						
1938	2.91	100	2.53	87	2.75	95
1945, Sept.	75.00	100	177.00	236	217.00	289
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1938	2.01	100	2.33	116	2.03	101
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(See also Table 27 graph)

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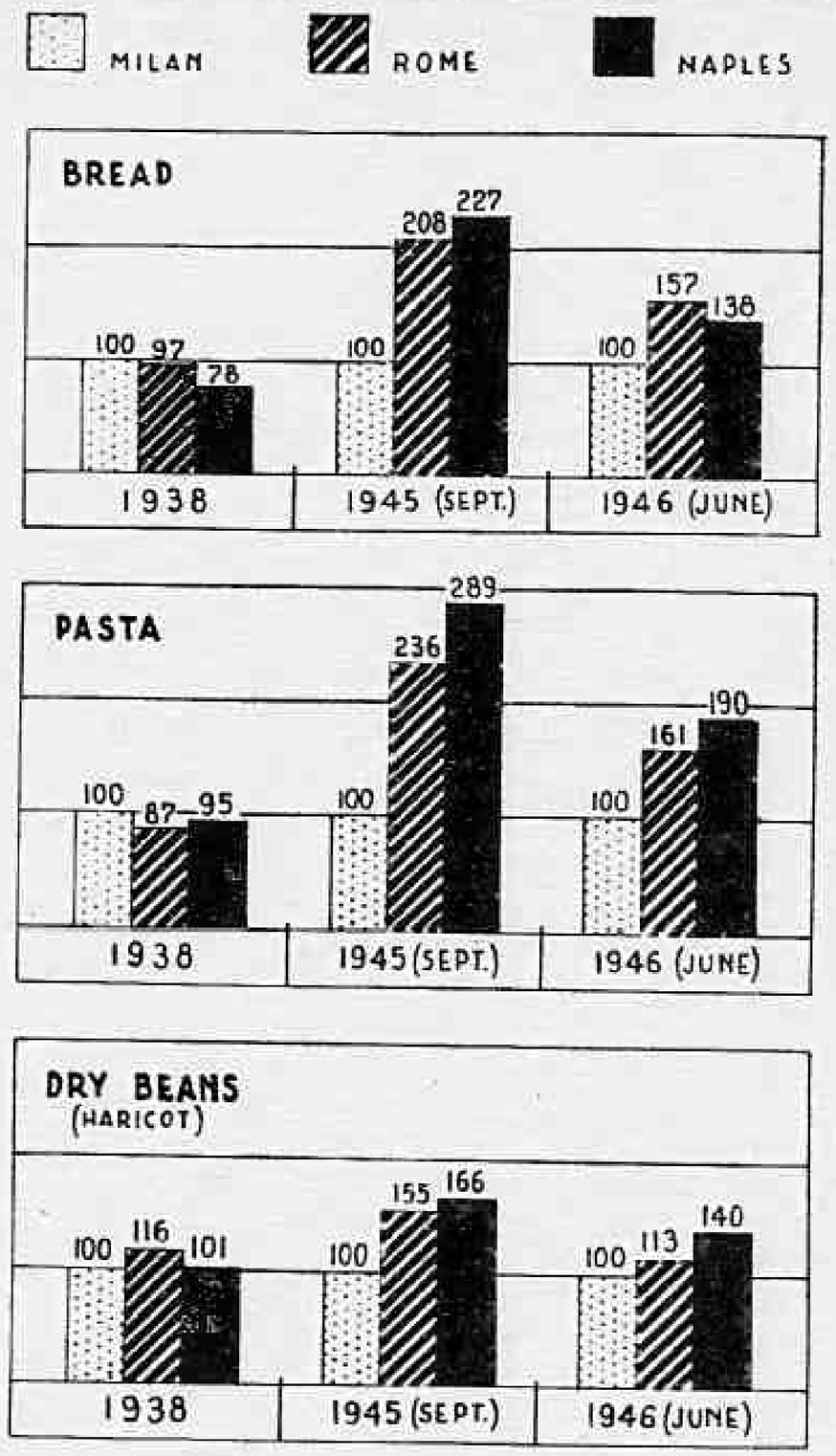
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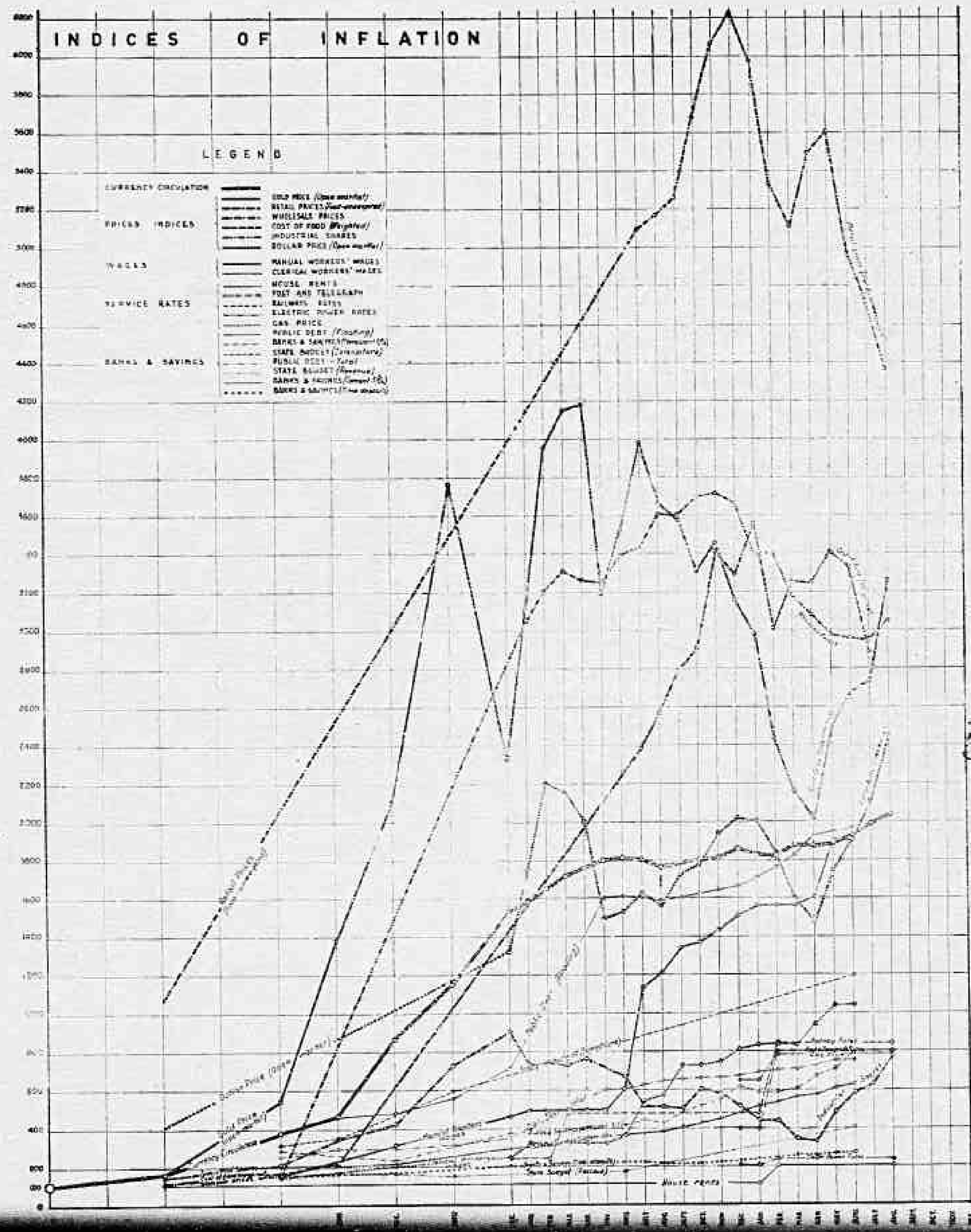
(i) while the monetary circulation in Italy has increased 19.3 times since 1938, ordinary State revenue has increased only five times and expenditure about 13 times (thus causing a heavy financial deficit): public debt has increased 7.5 times (the floating debt alone has increased about 20 times).



(ii) bank deposits have increased only 6 to 8 times: this mainly results from: (a) the considerable decrease in the flow of savings from workers and fixed income categories (real wages and salaries have fallen, on the average, to about 50 % of 1938); (b) hoarding of the lira has been a noteworthy development, especially by farmers; (c) many transactions (especially black market transactions) have taken place outside the banks; (d) the disparity between the level of the currency circulation and the price level makes it necessary to use, for the same volume of transactions, a proportionately greater amount of currency;

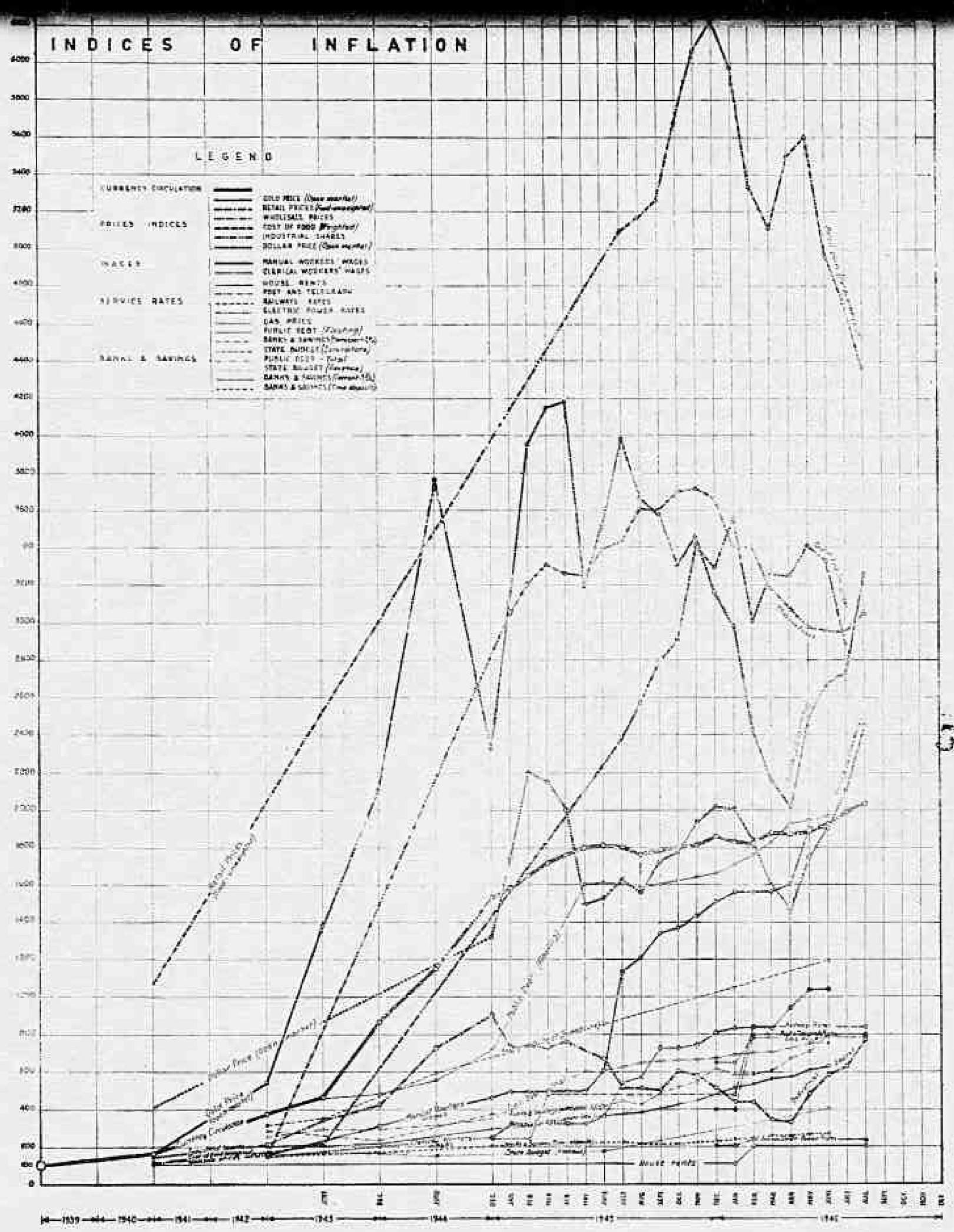
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TABLE 28



0143
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6545

INDICES OF INFLATION



(Note : Electric Power Index Revised since Graph Prepared See Table 24).

3045

0144
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(iii) prices of gold and of foreign currencies have remained at a higher level than the currency circulation; the variations in these prices reflect, in a certain degree, the greater or lesser confidence in the lira, although these prices are influenced also by merely speculative activities or by commercial considerations which involve the holding of foreign currencies (e.g. for imports received without disbursement of foreign currencies - franco valuta).

(b) *Prices*:

(i) retail price indices (1938 = 1) show in June 1946 the highest increase (about 50 times). This can be explained by (a) the scarcity of food (in 1945 crop production was at the lowest point) and the low level of official rations, against which should be set, on the one hand, a high daily demand by an undernourished population and, on the other, a less effective price and consumption control; (b) higher road transportation costs (as a result of the exploitation by truck owners of the risk involved e.g., in carrying food illegally);

(ii) wholesale prices increased to June 1946 about 30 times. The slower rise of wholesale prices as compared with the rise in the retail price index can be explained by the greater elasticity of the demand for industrial products;

(iii) cost of living (food only) increased to June 1946 33 times, which is less than the rise in open market retail prices. Of Italy's food consumption more than one-half is made up of official food rations (i.e., bread, pasta, fats, sugar), sold at official prices (in the case of bread at subsidized prices), which have increased much less than open market prices. Total cost of living (including food, clothing, heat, light and miscellaneous items) shows in June 1946 a lesser increase (23 times) because family expenditures for non-food items (and in particular for rent) have increased less than those for food.

In July and August 1946 the increased official rations (bread, pasta and sugar) have resulted in a cost of living (food only) increased to June 1946 33 times, which is less than the rise in open market retail prices. Of Italy's food consumption more than one-half is made up of official food rations (i.e., bread, pasta, fats, sugar), sold at official prices (in the case of bread at subsidized prices), which have increased much less than open market prices. Total cost of living (including food, clothing, heat, light and miscellaneous items) shows in June 1946 a lesser increase (23 times) because family expenditures for non-food items (and in particular for rent) have increased less than those for food.

In July and August 1946 the increased official rations (bread, pasta and sugar) have resulted are for houses occupied by the same tenants since 1940. For leases, there is a very effective black market, particularly in large cities, where a severe housing shortage exists.

TABLE 29

INDICES OF INFLATION
IN AUGUST 1946 (1938 = 100)

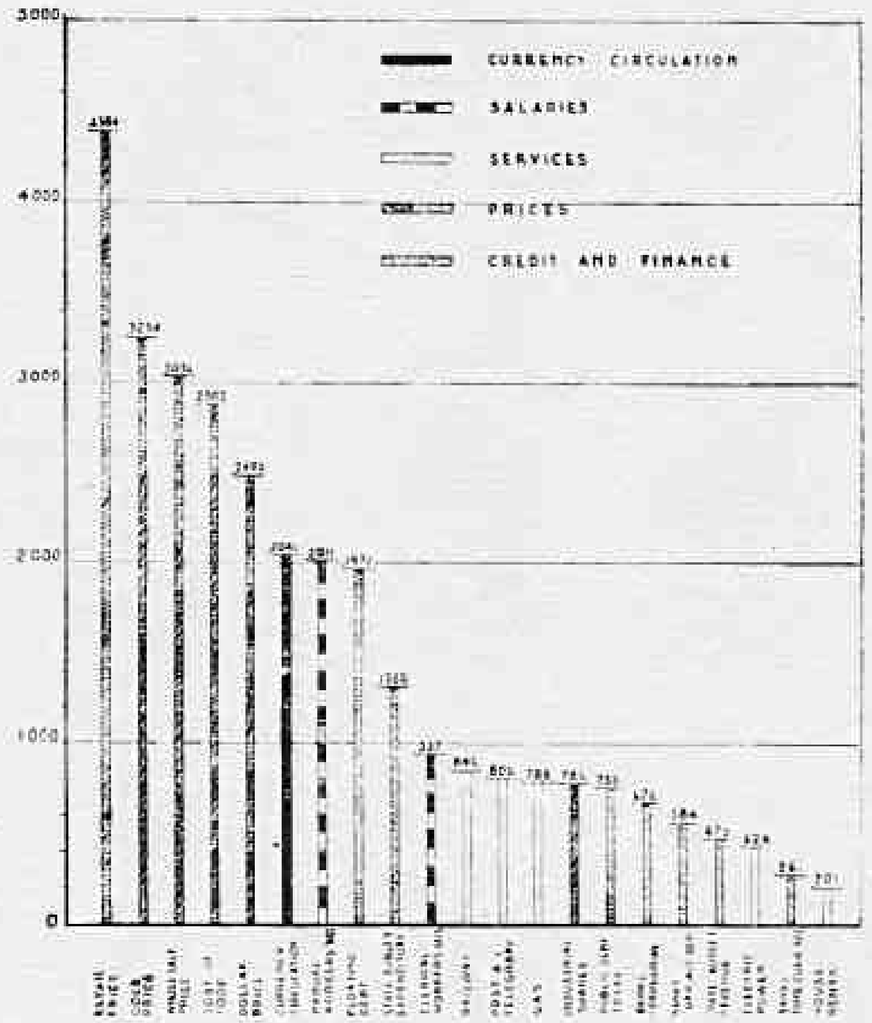


TABLE 30

SHARE PRICE INDICES IN THE MILAN STOCK EXCHANGE
DECEMBER 1938 = 100



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confidence in the lira, although these prices are influenced also by merely speculative activities or by commercial considerations which involve the holding of foreign currencies (e.g. for imports received without disbursement of foreign currencies - franco valuta).

(b) *Prices*:

(i) retail price indices (1938 = 1) show in June 1946 the highest increase (about 50 times). This can be explained by (a) the scarcity of food (in 1945 crop production was at the lowest point) and the low level of official rations, against which should be set, on the one hand, a high daily demand by an undernourished population and, on the other, a less effective price and consumption control; (b) higher road transportation costs (as a result of the exploitation by truck owners of the risk involved e.g., in carrying food illegally);

(ii) wholesale prices increased to June 1946 about 30 times. The slower rise of wholesale prices as compared with the rise in the retail price index can be explained by the greater elasticity of the demand for industrial products;

(iii) cost of living (food only) increased to June 1946 33 times, which is less than the rise in open market retail prices. Of Italy's food consumption more than one-half is made up of official food rations (i.e., bread, pasta, fats, sugar), sold at official prices (in the case of bread at subsidized prices), which have increased much less than open market prices. Total cost of living (including food, clothing, heat, light and miscellaneous items) shows in June 1946 a lesser increase (23 times) because family expenditures for non-food items (and in particular for rent) have increased less than those for food.

In July and August 1946 the increased official rations (bread, pasta and sugar) have resulted in a reduction of expenditure on black market purchases made at high prices. This explains the substantial fall in the cost of living index in those two months;

(iv) rents and services charges, easily controllable, show a smaller increase: rents twice, electric power 2.4, gas 7.9, transportation fares 8.1 times those in 1938. The index numbers for rents

TABLE 29

INDICES OF INFLATION
IN AUGUST 1946 (1938 = 100)

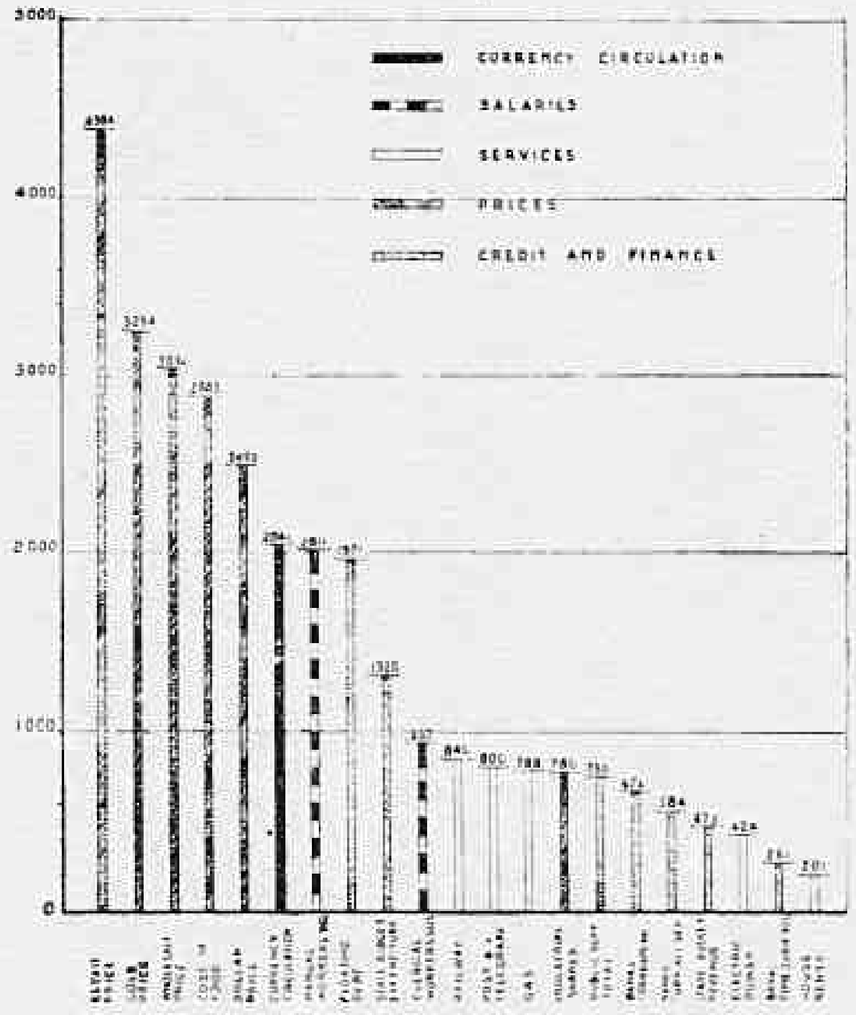
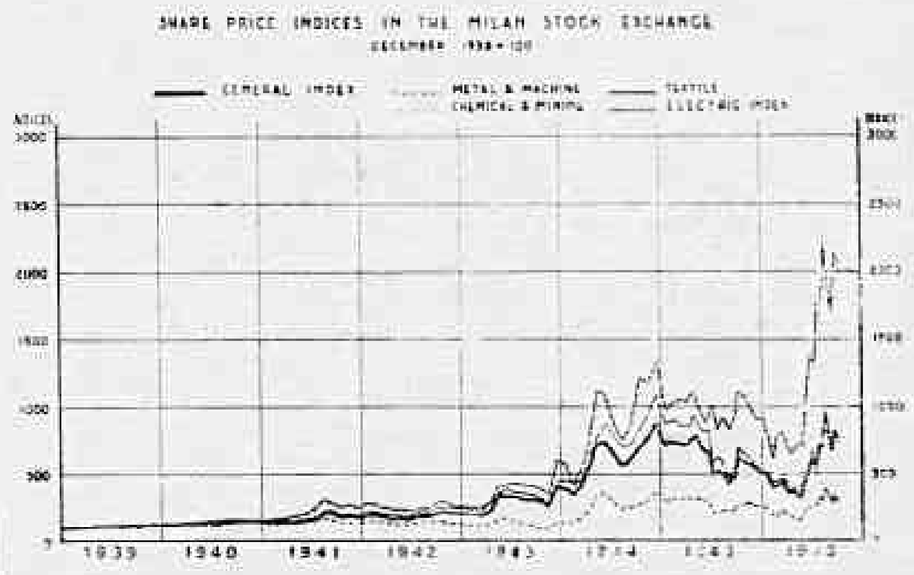


TABLE 30



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PRICE POLICY (1)

Determination and Control of Official Wholesale Prices.

218. The problem of the establishment and control of prices is in the foreground of the program of the Government and related to this problem is the fixing of prices by UNRRA in conjunction with the Government for the important quantities of foodstuffs, raw materials and goods brought to Italy by UNRRA in 1946. The history of price control in Italy is of interest as showing the results at the time, having regard to the current economic and political circumstances, and as providing a record of experience for future guidance. Price control has been accepted, in war-time or in times of economic instability, by all advanced countries and especially when potential or actual inflation threatens to disturb the national economy and social equilibrium. In such periods price control policy has the following aims:

(a) to deal equitably as between different income categories in the consumption of essential needs;

(b) to keep down prices to a low level, to avoid sharp rises in the cost of living and wages (2).

(c) to check inflation (in a time of scarcity of goods, this means preventing supply and demand having their effect on prices).

219. Price policy will be one of the Government's principal tasks until the economies of the various countries and international economic relations have returned to something like normal. In countries with a "directed" or "planned" economy, such a policy of control is a permanent instrument of Governmental action even in normal times.

(1) Throughout this survey, to avoid misinterpretation the following terminology has been consistently applied:

(a) *Official Prices*
Prices fixed and controlled by Government agencies (both when these agencies distribute or control the distribution of the goods involved, and when the agencies establish ceiling prices).

(b) *Black Market Prices*
Prices operating in violation of official prices.

(c) *Open Market Prices*
Prices for commodities for which there is no official price and distribution control as in (a)

(d) *Legal Prices*: These include both official and open market prices.

(e) *Free Prices*: These include black market prices and open market prices.

(2) "The control of consumption is a necessary condition . . .

(i) *Establishing of Prices during the War.*

220. During the war, as a result of recurrent changes in cost of production owing to the inflation, to shortages in a number of products, and to economic and financial conditions arising from the war, it became necessary in Italy to vary more and more frequently, the official wholesale prices, which had been frozen in 1940 (see para. 195). Any departure from the frozen prices (limited at the outset to a small number of products) made changes necessary in many other prices. Since the rise of prices continued to be affected by monetary and economic influences, more and more official prices were set. Thus the interests concerned concluded that official prices should be subject to frequent revision. They were also aware that there was (and is at present) a considerable time-lag in the adjustments of official prices to actual cost variations.

221. There was thus an increasing incentive to multiply the number of transactions made at prices (i.e., black market prices) higher than those set officially and to engage in fraudulent transactions which the Departments were ill-equipped to check or stop.

222. During the war the establishment of official prices at the producer stage was the task of the Ministries concerned (Agriculture, Corporations, War Ministries, and the Ministry of Finance and their agencies). Their action was based on:

(a) official surveys of actual costs of production and of raw material processing (for a limited number of commodities);

(b) studies of variations, occurring from time to time, in the main elements of cost (raw materials, labor, transportation).

No account was taken of the increase in black market prices which was due to the natural play of demand and supply. In 1942 an Interministerial Committee on the coordination of supplies, distribution and prices was set up and entrusted with the task of framing broadly a general policy on prices, and a system of procurement and distribution of commodities. The Committee also had the task of reducing to a minimum disequilibria and maladjustments arising from a multiplicity of military and civilian agencies, all charged with the establishment of official prices.

223. The prices established by central agencies were,

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of prices is in the foreground of the program of the Government and related to this problem is the fixing of prices by UNRRA in conjunction with the Government for the important quantities of foodstuffs, raw materials and goods brought to Italy by UNRRA in 1946. The history of price control in Italy is of interest as showing the results at the time, having regard to the current economic and political circumstances, and as providing a record of experience for future guidance. Price control has been accepted, in war-time or in times of economic instability, by all advanced countries and especially when potential or actual inflation threatens to disturb the national economy and social equilibrium. In such periods price control policy has the following aims:

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(2) "The control of consumption is a necessary condition . . . also of the enforcement of price control, some form or degree of which all belligerent governments have in fact introduced for the purpose of checking or preventing rises in the cost of production and the cost of living. No price controls can withstand, unaided, the pressure of an increasing demand on dwindling supplies. Such controls, indeed, by holding prices at an artificially low level, tend to stimulate demand; the stricter the price control, therefore, the more rigorous must be the restrictions on demand." ("Wartime rationing and consumption," Economic Intelligence Service, League of Nations, Geneva, 1942.)

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223. The prices established by central agencies were, usually, either national prices applying to the whole national territory, or prices effective over large zones. Local and provincial prices were set by a percentage addition to the regional or national price. To avoid the creation of a multiplicity of local prices, especially for important foodstuffs, which would have made control

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difficult the State, in 1942 and in 1943, went so far as to lay down in detail conditions of sale. In some cases, the same price of goods was established for all provinces or for groups of provinces within a wide area (as was done, for example, for flour, pasta and bread).

(ii) *State Control of Distribution up to 1943.*

224. In periods of economic emergency, however, the policy of establishing prices (and of ensuring maximum observance and application) for essential products, involves a parallel control of distribution, which can only be carried out by the State or by Government-controlled agencies. This involves the regulation and control of distribution from raw material to finished product through the chain of production and distribution (1).

225. These measures were taken in Italy before the war and the control was strengthened during the war. State intervention was in some cases extended to include the disciplining of production (e.g., standardization and unification in textile production, utility standard products, amalgamation of industrial companies etc.) (2).

226. To exercise control over distribution the State usually decreed that all agricultural and industrial stocks and imported supplies in the hands of producers or distributors, should be held at the disposal of the State (or of the appropriate agencies), and their sale considered unlawful except when permitted under Ministerial order (3).

227. For the distribution of *domestically produced goods* (internally and, sometimes, goods allocated for export) two systems were in force; i.e.:

(a) In the collection (*amassing*) of wheat and cereals, olives, oil, cattle (4), cocoons, metallic ore etc. the producer had to transport and deliver his products to the State amassing warehouses (or to warehouses of agencies especially appointed by the State). The products were then allocated, at the established prices, to the processing or consuming industries, according to Ministerial order or the order of the appointed agencies.

(b) Commodities in the hands of producers or distributers were blocked and made subject to a declaration of quality and quantity. The blocked goods were then released under an "allocation" (assegnazioni) order by the Government or appropriate agencies and were free for sale at the set price.

The amassing system applied mainly to agricultural produce, while the "block" and the allocation systems applied to industrial products and to some agricultural raw materials.

228. The State-controlled allocation system governed all main *commodities imported from abroad* (the State having a monopoly of foreign trade and control of currencies). For the import trade and even the export trade before the war some special "central agencies" ("Enti accentratori") were set up, charged with the task of allocating imported goods to manufacturers or consumers under regulations issued by the appropriate ministerial agencies.

229. These agencies screened the requirements put forward by individual firms or appointed committees (central and local committees) or by representatives of the various branches of industry and commerce (or by representatives of purchasing firms) to draw up quota ("contingente") plans showing the allocations to each branch of industry.

230. At the beginning of 1942 about thirty "Enti accentratori" (governmental or quasi-governmental agencies, companies, consortia, associations etc.) had a monopoly of imports (and frequently a monopoly of the export of the same goods). These organizations in some cases also controlled internal distribution of the

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(1) "But, while price controls are not likely to prove effective for long if unaccompanied by quantitative controls over demand and supply, they continue to be required even after the imposition of such quantitative controls." ("Wartime rationing and consumption" c.f.)

(2) "The most drastic measure . . . is the total prohibition of the manufacture of certain consumers' goods. Other measures commonly enforced include the compulsory restriction of the range of types and varieties produced, the limitation of output to a given percentage of pre-war output (as under the Limitation of Supply Order in the United Kingdom), the prohibition of the use of certain raw materials and the restriction of the quantities released for the manufacture of consumers' goods. The scale of such manufacture is also directly influenced by the withdrawal of labour from the consumers' goods industries." ("Wartime Rationing and Consumption" c.f.)

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(3) To ensure continuous control in agricultural production a special organization was created (and still exists) in all communes in all provinces, as well as central agencies (e.g., Ufficio Nazionale Statistico Economico dell'agricoltura - UNSEA - National Statistical and Economic Office for Agriculture), for the purpose of receiving from farmers, and checking, schedules of agricultural production. The organization was financed through fees (aliquota di maggiorazione) collected on each quintal of cereals entering the "people's granaries" (amassing centres).

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(4) For livestock, compulsory "raduni" (livestock assembly centers) were organized and held weekly or periodically. Cattle breeders and feeders were compelled to take to the livestock assembly centers a specified percentage of their livestock. The highest percentage was set at 35 per cent. The percentages varied from province to province (from 15 to 35 %) according to local conditions and the type of cattle (milk and meat), with exemptions and limitations for small breeders. The livestock assembly system came to an end in Central and Southern Italy after liberation but continued, north of the Gothic line, until April 1945.

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commodities under their charge (1). Whenever the import price (with the addition of distribution expenses) was higher than the official price, as set by the appropriate agencies, the State, after a check had been made by inspectors of actual costs, reimbursed the difference to the importers. This expenditure was borne on the State budget.

(iii) *State Control of Distribution after July 1943.*

231. South of the Gothic line, most of these agencies had by July 1943 ceased to function, while north of the line, they continued to operate until the early months of 1945. In 1946, with the return of State-control in foreign trade, a number of agencies (which had not been legally dissolved) have resumed or are resuming their former functions (Italian State Railways, Federation of Agricultural Consortia, A.M.M.I., etc.)

232. When the Allies landed in Italy, official prices governed the sale of all agricultural products (according to quality grades) and of a substantial number of industrial products (both home produced or imported), including raw materials, and finished and semi-finished products.

233. When Southern and Central Italy were liberated, the only control system in operation in 1944, and that not efficient, was for the amassing of wheat and other main cereals in granai del popolo (the people's granaries). Reorganization of grain collection was put in hand in Central and Southern Italy in October 1944, with the setting up—as a result of the pressure brought by the Allied Commission—of the "Interministerial Price Committee" (2) and, in the provinces, of the associated "Provincial Price Committees."

234. North of the Gothic line the price control and the distribution system continued to be operative (in December 1943, a "General Commissariat of Prices" and subsidiary "Provincial Committees" were set up). These bodies which were supervised, after the liberation, by the "Committee of Liberation for Northern Italy" (representative of the underground struggle against nazis and fascists), carried on the work of control. The Committee of Liberation created a "Comitato Prezzi Alta Italia" (C.P.A.I. - Northern Italy Price Committee) with headquarters in Milan, for the periodical publication of official prices. The C.P.A.I. remained in operation until early in 1946.

235. Thus from April 1945 onwards, there have been in existence two different systems of price control (and various schemes of distribution): one system in Northern Italy and the other in Central and Southern Italy. The inefficiency of the latter and the wavering price control policy of the Government were responsible in Central and Southern Italy for a comparatively larger extension of black market activities which were less concealed than in Northern Italy. The black market was not slow to take advantage of the presence of the Allied Armies stationed in Italy. Failures to comply with the regulations were in most cases tolerated.

236. It was not until the beginning of the second quarter of 1946 that the price controls were unified and restored to a national basis. This led, in May 1946, to the revision of the items of reference and duties of the "Interministerial Price Committee." Its jurisdiction now covers the whole of Italy (including Sicily and Sardinia) (3). For UNRRA imported commodities the UNRRA Mission, in conjunction with the Italian Government, set up a Price Committee (see paras. 292 to 302).

237. There is still much to be done to improve the efficiency of the price control system and there has been a lack of clear direction from the authorities. The Government has, on the one hand, been actuated by a desire to remove all war-time hindrances and to grant gradually freedom of production and trade, in a large number of products (a policy which would imply the removal of the existing control offices and agencies), while, on the other hand, there has been an appreciation of the need to maintain at least during the

(1) Thus the "Ufficio Monopolio Carboni" (Office for the Coal Monopoly), which also had a monopoly on tin, nickel and copper, was, for instance, put under the administration of the State Railways. The "Ente Distribuzione Rottami" (ENDIROT - Agency for the distribution of iron and steel scrap) imported scrap iron and steel, pig-iron and rags, and was responsible for internal distribution of imported scrap metals and nationally produced scrap. The "Azienda Mineraria Metalli Italiana" (AMMI - Italian Agency for ores and metals) was concerned with the importation and distribution of metal ore, iron alloys etc. The "Società Approvvigionamento Industrie Saponi" (S.A.I.S. - Society for Supplies for the Soap-Industries) imported soap and the "Società Anonima Im-

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(2) This committee was charged with the establishment of prices for all kinds of goods, at all stages of distribution (acting on the basis of "proposals" already screened by the Ministries concerned). The committee could make recommendation for the regulation of procurement and distribution of the more important commodities. A central board, responsible to the committee, was charged with the preliminary screening work.

(3) The new committee, which is presided over by the President of the Council of Ministers, is considering the possibility of creating separate Sub-commissions—central or local commissions—for various branches of production and for foreign trade.

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tion for essential products and services (1). A real difficulty is a lack of officials of the right experience and quality equipped to carry on efficiently the price control offices.

238. For these reasons the disorder in price and distribution control increased. There was an expansion of black market activities and a gradual weakening of the authority of central and local offices charged with the control of prices and production. The UNRRA price policy was not assisted in this environment.

239. UNRRA's policy, limited to the fixing of prices of UNRRA-imported goods, was designed to favor within reasonable limits, the natural downward tendency of the price level (shortage of goods had caused all prices to rise to abnormal levels). In Italy's situation in 1946, any plan for setting prices at a lower level than those ruling on the domestic market, would almost inevitably result in an advantage for the first buyer of the imported goods (with some exceptions such as fuel sold to the State Railways). In the absence of proper control the first buyer could continue to charge the old prices for finished products and thus would be the only one to profit from the price difference. There would be therefore no benefit for the consumer and no influence on the price level.

240. Since the end of August, in the face of nation-wide labor unrest and discontent, the Government has need of a clearly thought-out and consistent policy of price control and distribution.

Efficacy of Price Control.

241. Past experience in some European countries has shown that the intervention of the State in the control of prices—especially in times of inflation and of shortage—leads (as a result of a not easily-avoidable process) to the gradual spreading of governmental action to all sectors of the national economy. This in turn, to be efficient, entails a direct control on distribution (sometimes on production) for an increasing number of products. State control has been more effectively exercised in those cases where production of controlled commodities is highly concentrated, e.g., the steel, textile, leather and glass industries.

242. The experience of the past also suggests that disadvantages resulting from State intervention can be minimized only (a) by the preparation of well-defined plans and (b) by the appointment of skilled, experienced and incorruptible personnel working in the central and local agencies charged with price control and distribution. Only thus can the organization have the necessary authority and respect to carry through the responsible and delicate operations involved.

243. Whatever may be the judgment on the price control policy adopted in Italy in the past, it can be said that the organization of price control and of price regulation, despite some serious shortcomings, succeeded in checking a rise of the general price level, of the cost of living and of wages, up to the moment when the Italian economy was entirely disrupted by rising inflation and by actual fighting in Italy itself. The State also ensured the rationed distribution of a barely adequate physiological food intake to the population, and of raw materials and products to industry (coal, fuel, ores, metals, etc.), at prices which were reason-

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(1) Many raw materials and many finished products, formerly "frozen," were gradually released. They could thus be sold freely and at free prices. The price control on agricultural products is now confined to cereals, for bread and pasta, and to sugar, and, to a limited extent, also to olive oil.

For industrial products the "block" applies to the following list of products (September 1946):

A. *Blocked products at the disposal of the Ministry of Industry and Commerce:*
   1. Thin metal sheets (up to 4 mm.): tin plates, magnetic thin metal sheets.
   2. Olive oil with a percentage of acid higher than 30 %.
   3. Oleine and vegetable oils, pasta, dregs and grounds of oil (produced before the date of the decree coming into force).
   4. Calcium carbide.

B. *Blocked products at the disposal of the Ministry of Agriculture and Forests:*
   1. Chemical fertilizers (simple and compound) (except superphosphates).
   2. Cryptogram antidotes and insecticides used for agriculture (except sulphur, copper sulphate, arseniates, arsenites, oxichloride and copper cryptogram's antidotes with a small content of copper).

C. *Controlled products with a specified control:*
   1. Solid fossil fuel (national and imported coal; lignites; gas and metallurgic coke).
   2. Products obtained from the distillation of coal (gas for industrial consumption - raw tar - light oils obtained from tar and from gas - heavy, semi-heavy and anthracene oils - pitch - naphthalene - anthracene).
   3. Petrol products, solid and liquid fuel; lubricants and solvents.
   4. Raw hemp and hemp semi-finished products.
   5. White newsprint in rolls.
   6. Automobile and motorcycle tires.
   7. Leather - leather soles and upper-parts of shoes. (Only for stocks with the producers, frozen and kept at the

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238. For these reasons the disorder in price and distribution control increased. There was an expansion of black market activities and a gradual weakening of the authority of central and local offices charged with the control of prices and production. The UNRRA price policy was not assisted in this environment.

239. UNRRA's policy, limited to the fixing of prices of UNRRA-imported goods, was designed to favor within reasonable limits, the natural downward tendency of the price level (shortage of goods had caused all prices to rise to abnormal levels). In Italy's situation in 1946, any plan for setting prices at a lower level than those ruling on the domestic market, would almost inevitably result in an advantage for the first buyer of the imported goods (with some exceptions such as fuel sold

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(1) Many raw materials and many finished products, formerly "frozen," were gradually released. They could thus be sold freely and at free prices. The price control on agricultural products is now confined to cereals, for bread and pasta, and to sugar, and, to a limited extent, also to olive oil.

For industrial products the "block" applies to the following list of products (September 1946):

A. *Blocked products at the disposal of the Ministry of Industry and Commerce:*
   1. Thin metal sheets (up to 1 mm.); tin plates, magnetic thin metal sheets.
   2. Olive oil with a percentage of acid higher than 30 %.
   3. Oleine and vegetable oils, pasta, dregs and grounds of oil (produced before the date of the decree coming into force).
   4. Calcium carbide.

B. *Blocked products at the disposal of the Ministry of Agriculture and Forests:*
   1. Chemical fertilizers (simple and compound) (except superphosphates).
   2. Cryptogram antidotes and insecticides used for agriculture (except sulphur, copper sulphate, arseniates, arsenites, oxichloride and copper cryptogram's antidotes with a small content of copper).

C. *Controlled products with a specified control:*
   1. Solid fossil fuel (national and imported coal; lignites; gas and metallurgic coke).
   2. Products obtained from the distillation of coal (gas for industrial consumption - raw tar - light oils obtained from tar and from gas - heavy, semi-heavy and anthracene oils - pitch - naphthalene - anthracene).
   3. Petrol products, solid and liquid fuel; lubricants and solvents.
   4. Raw hemp and hemp semi-finished products.
   5. White newsprint in rolls.
   6. Automobile and motorcycle tires.
   7. Leather - leather soles and upper-parts of shoes. (Only for stocks with the producers, frozen and kept at the disposal of the Ministry of Industry and Commerce.)
   8. Cement, steel blooms, steel ingots, billets, sectioned steel of all sizes; steel rods; metal sheets (more than 4 mm. thick); pigs of lead of all sizes, just smelted; only for the production quota needed to meet essential needs of the Administration and of the agencies, which deal specifically with reconstruction, in accordance with the plans approved by the Ministry of Industry and Commerce.

The industrial products (foodstuffs excluded) not included in the list shown above, may however be "blocked" by the Ministry of Industry and Commerce (even for particular lots), when their allocation within a rationing system becomes necessary on account of their shortage.

therefore no benefit for the consumer and no influence on the price level.

240. Since the end of August, in the face of nation-wide labor unrest and discontent, the Government has need of a clearly thought-out and consistent policy of price control and distribution.

Efficacy of Price Control.

241. Past experience in some European countries has shown that the intervention of the State in the control of prices—especially in times of inflation and of shortage—leads (as a result of a not easily-avoidable process) to the gradual spreading of governmental action to all sectors of the national economy. This in turn, to be efficient, entails a direct control on distribution (sometimes on production) for an increasing number of products. State control has been more effectively exercised in those cases where production of controlled commodities is highly concentrated, e.g., the steel, textile, leather and glass industries.

242. The experience of the past also suggests that disadvantages resulting from State intervention can be minimized only (a) by the preparation of well-defined plans and (b) by the appointment of skilled, experienced and incorruptible personnel working in the central and local agencies charged with price control and distribution. Only thus can the organization have the necessary authority and respect to carry through the responsible and delicate operations involved.

243. Whatever may be the judgment on the price control policy adopted in Italy in the past, it can be said that the organization of price control and of price regulation, despite some serious shortcomings, succeeded in checking a rise of the general price level, of the cost of living and of wages, up to the moment when the Italian economy was entirely disrupted by rising inflation and by actual fighting in Italy itself. The State also ensured the rationed distribution of a barely adequate physiological food intake to the population, and of raw materials and products to industry (coal, fuel, ores, metals, etc.), at prices which were reasonably stable or, at least, not widely divergent from the normal costs of production and distribution. Thus it has been possible to curb psychological inflation, which, in times of emergency, is a main factor in stimulating actual inflation.

244. Since price control and commodity allocation were adopted before and during the war, by many countries, the views of the Bank of International Settlements

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(B.I.S.), as stated in its 16th report (1 April 1945 to 31 March 1946), are of interest:

"Countries which for administrative or other reasons have not applied effective control measures and in some cases, had to cope with exceptionally heavy spending within their borders have experienced considerable price increase, with the result that their price levels have sometimes been raised to, or even beyond, the high points reached during the first world war. That has been the case in, for instance, Portugal, Egypt, Palestine, Syria and British India—all countries which made large sales to foreign troops stationed in their territories or had large export surpluses, thus being able to accumulate substantial additions to their monetary reserves of gold and foreign exchange. Finally, it should be mentioned that in some countries, and most disastrously in China, Greece and, recently, Hungary, a full-blown inflation got the upper hand, prices soaring to astronomical figures. But these were exceptions; from a general point of view, the verdict must be that the price control reinforced by rationing and government subsidies introduced during the second world war proved successful in preventing wild price rises and did so in spite of huge spending by the governments.

"It is, however, important that the efficacy of a system of price control should not be overrated, in forgetfulness of the conditions which have to be fulfilled for its satisfactory functioning.

"In *the first place*, a high standard of administrative ability is required if the system is to be adequately run. It is not only a question of finding officials who are reliable and otherwise qualified to handle the problems arising but also of seeing that the administration as such commands sufficient authority to ensure among the public at large respect for the regulations in force. There are signs that in peacetime the behaviour of the public is going to differ from what it was during the war. While a nation is engaged in a deadly struggle for its very existence, individual citizens can be counted upon to lend their aid willingly to the authorities, it being a point of honour to fall into line as regards both civilian and military tasks.

"But, when the national emergency has passed and everyday life begins again, the attitude often changes into one sharp criticism whenever mistakes are committed, together with a distinct inclination to safeguard private interests; the task of the officials then becomes more difficult. Another reason is that with a return to peace there is no longer any definite objective (like the winning of the war) which has a clear priority over other considerations. From a psychological point of view the danger is that regulations may be broken without any condemnation by public opinion, the reaction of the public providing a test of general sentiment and a deterrent often more by purchasing outside the official system of distribution and to do that even when very high prices had to be paid.

"In *the third place*, account must be taken of certain important international aspects of the price control problem. If there is a fair measure of stability in the general level of prices on world markets, it may not be too difficult for an individual country to maintain stable prices. Thus after 1933 Germany benefited from the relatively stable level of prices within the wide sterling area; and, although the individual countries did not realise it, the generalised effort of 1942 to introduce an effective price control was, no doubt, a prerequisite for the success which they achieved in checking sharp rises during the latter stages of the war.

"*Fourthly*, it is well to remember that a freezing of prices, such as happened in Germany during the war, eliminates some valuable forces making for economic adaptation and thus hinders rather than helps economic progress. An elastic price system has received more vindication during the second world war than is generally realised.

"*Fifthly*, more should not be claimed for the price control than it has really achieved."

Political (subsidized) Prices.

245. Before, during and after the war, the State intervened by granting subsidies of various kinds and their cost was registered in the Italian State budget (1). In times of moderate inflation, or when inflation is only in its first stages, and in times of high psychological sensitivity of the public, the political prices have been designed, on the one hand, to curb a rise in the cost of living and to stabilize wages (and thus avert the beginning, or the intensification, of s[illegible]

(1) Many countries have adopted political prices, before and after the war. The "Bank of International Settlements" published, in its 1942/43 report, the following figures:

Subsidies of the State for price integration announced for the year 1942-43:

Countries	Millions of currency national units		Millions of Swiss francs
Argentina . .	Pesos	240	230
Canada . . .	Canadian dol.	70	260
Croatia . . .	Kune	2,000	170
Eire . . .	Irish pound	3,6	60
Finland . .	Finnish marks	1,600	140

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"It is, however, important that the efficacy of a system of price control should not be overrated, in forgetfulness of the conditions which have to be fulfilled for its satisfactory functioning.

"In *the first place*, a high standard of administrative ability is required if the system is to be adequately run. It is not only a question of finding officials who are reliable and otherwise qualified to handle the problems arising but also of seeing that the administration as such commands sufficient authority to ensure among the public at large respect for the regulations in force. There are signs that in peacetime the behaviour of the public is going to differ from what it was during the war. While a nation is engaged in a deadly struggle for its very existence, individual citizens can be counted upon to lend their aid willingly to the authorities, it being a point of honour to fall into line as regards both civilian and military tasks.

"But, when the national emergency has passed and everyday life begins again, the attitude often changes into one sharp criticism whenever mistakes are committed, together with a distinct inclination to safeguard private interests; the task of the officials then becomes more difficult. Another reason is that with a return to peace there is no longer any definite objective (like the winning of the war) which has a clear priority over other considerations. From a psychological point of view the danger is that regulations may be broken without any condemnation by public opinion, the reaction of the public providing a test of general sentiment and a deterrent often more effective than sanctions of the law.

"In *the second place*, it must be underlined that no country has been able to maintain an orderly distribution and stable prices without having at its disposal a sufficient supply of commodities to meet the vital needs of the population in regard of food, clothing and other utility goods. Wherever there was an acute shortage in the supply of necessary commodities, it proved impossible to prevent the population from trying to satisfy its imperative needs certain important international aspects of the price control problem. If there is a fair measure of stability in the general level of prices on world markets, it may not be too difficult for an individual country to maintain stable prices. Thus after 1933 Germany benefited from the relatively stable level of prices within the wide sterling area; and, although the individual countries did not realise it, the generalised effort of 1942 to introduce an effective price control was, no doubt, a prerequisite for the success which they achieved in checking sharp rises during the latter stages of the war.

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Subsidies of the States for price integration announced for the year 1942-43:

Countries	Millions of currency national units		Millions of Swiss francs
Argentina	Pesos	240	280
Canada	Canadian dol.	70	260
Croatia	Kune	2,000	170
Eire	Irish pound	3.6	60
Finland	Finnish marks	1,600	140
France	French francs	3,000	300
Germany	Reichsmarks	1,000	1,730
Japan	Yens	400	400
Great Britain	Pounds sterling	180	3,100
Italy	*Lire*	*12.000*	*2,700*
Slovakia	Slovakian Crowns	300	50
Sweden	Swedish Crowns	220	330

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of inflation, which is always aggravated by psychological reactions of the public) and, on the other, to keep sale prices at a stable level.

246. Political prices have been applied, in different forms, to agricultural products, and also to essential industrial products (1). In some cases the State, in granting a subsidy, is prompted by the desire of maintaining efficiency in a domestic production which would not otherwise be economic, owing to the lower cost of imported goods. Such has been recently the case with Italian coal (one fifteenth to one tenth of the total Italian consumption) since its cost of production is higher than the price established by UNRRA for UNRRA-imported coal. (The difference of price is paid out of the lira fund.) (2)

247. The expenditure involved in the political price of bread has recently so increased that the State is not able to bear the burden. For the wheat produced in Italy (and excluding UNRRA-imported wheat or the quantities of wheat imported from abroad by the Government to meet Italy's wheat requirements) the political subsidy in a year amounted to 50,000 million lire (3).

248. Should the establishment of a political price cause, in its turn, an inflation, its purpose would be clearly defeated. The Bank of International Settlement has the following to say on this point:

"To make such a policy successful, however, it was necessary for the amount paid out in subsidies to be raised *without inflationary effects*, since such effects, if they had occurred, could easily have cancelled out the advantages accruing from the relatively low prices charged for food. It was, indeed, a necessary condition for the success of a policy of subsidies that financial stability should not be profoundly shaken and that, in particular, government credit should remain intact. When that was not the case, when, for instance, the price rise had already gone so far that current prices had lost all contact with pre-war levels (having risen not forty or fifty per cent, but four or five times), when, in fact, the depreciation in the real value of the currency made it impossible to place large loans among the public, then the device of large-scale subsidising would no longer arrest but only accelerate the inflationary movement.

"Another condition for success in the application of subsidies as well as in the application of price control was that sufficient supplies should be available to the public under the rationing system; otherwise the public would be driven to black markets and the workers, by demanding increased wages to enable them to buy on such markets, would upset the wage policy. In many countries, however, conditions were present for an effective working of a system of subsidies and, so long as the emergency lasted, the governments were anxious to use the subsidies in order to keep the increase in wages as moderate as possible, well knowing that a wage rise would be followed by a price rise and necessitate greater and greater additions to the public debt. Only when the true nature of the wartime achievements is realised does it become clear what a difficult problem faces the authorities at present.

"The remaining large subsidies constitute a heavy burden on the budget, limiting the amount available for fiscal relief or social reform. Subsidies are a most uneconomic way of helping the needy, for they give low prices also to groups of citizens for whom the basic cost of food is of no substantial consequence and who could therefore afford to defray the full cost directly instead of being subjected to the complication of paying via the tax system (including turnover and sales taxes, which fall on all classes).

"A sudden rise in the cost of living as a result of a cut in the subsidies may, however, have political and other consequences not easily overcome.

"After the last war there was an abrupt fall in agricultural prices and this brought with it a fall in the cost of living from the high levels reached in the first world war. Whether a similar fall in the prices of agricultural products will occur this time is open to doubt. The agricultural sector in many countries has been promised price support and

(1) The Italian Government, for instance, for the agricultural year 1947-8, paid premiums and integrative quotas to farmers for wheat (soft and hard wheat), maize, husked rice, oats, barley, rye, and olive oil. The State also paid the difference between the prices (which were frozen in 1938) and the actual cost of imported, or of nationally-produced raw-materials (e.g. lead or tin). The State, also, set political prices through the granting of subsidies on production.

(2) For a description of the Lira Fund, see Supplement to "Economic Notes" Vol. I No. 31, pages 59 to 61.

(3) Such a high burden results from:

(a) the difference between the average price of wheat paid for the year 1946-47 by the State to the producer (about 2,300 lire per quintal) and the price of wheat sold by the State to the mills (average price=900 lire). The difference, of about 1,700 lire per quintal, for a total of 22 to 23 million quintals of amassed wheat, represents from 38,000 to 39,000 million lire.

(b) higher additional expenses averaging 590 lire per quintal (the transportation cost averaged 400 lire per quintal as against 110 lire in the previous agricultural year; cost of processing averaged 240 lire as against 60; taxes averaged

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(1) The Italian Government, for instance, for the agricultural year 1942-3, paid premiums and integrative quotas to farmers for wheat (soft and hard wheat), maize, husked rice, oats, barley, rye, and olive oil. The State also paid the difference between the prices (which were frozen in 1938) and the actual cost of imported, or of nationally-produced raw-materials (e.g. lead or tin). The State, also, set political prices through the granting of subsidies on production.

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(b) higher additional expenses averaging 590 lire per quintal (the transportation cost averaged 400 lire per quintal as against 110 lire in the previous agricultural year; cost of amassing averaged 240 lire as against 60; taxes averaged 175 as against 25).

(c) premiums for quality improvement (specific weight) of the amassed wheat (78 lire per quintal). The subsidy on home produced wheat per quintal is estimated at 2,370 lire, representing on the total deliveries about 50,000 million lire. For wheat which before the 1947 crop is harvested, should be imported from abroad outside the UNRRA program (price 2,230 lire per quintal C.I.F.) on 30 million quintals, represents an expenditure of about 67,000 million of lire. The total burden of the political price therefore amounts to 70,000 to 80,000 million lire, i.e., more than 20 % of total State revenues in 1946-47 budget.

of subsidies that financial stability should not be profoundly shaken and that, in particular, government credit should remain intact. When that was not the case, when, for instance, the price rise had already gone so far that current prices had lost all contact with pre-war levels (having risen not forty or fifty per cent, but four or five times), when, in fact, the depreciation in the real value of the currency made it impossible to place large loans among the public, then the device of large-scale subsidising would no longer arrest but only accelerate the inflationary movement.

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"After the last war there was an abrupt fall in agricultural prices and this brought with it a fall in the cost of living from the high levels reached in the first world war. Whether a similar fall in the prices of agricultural products will occur this time is open to doubt. The agricultural sector in many countries has been promised price support and it is likely that almost everywhere great political resistance would be directed against a price decline, were it to come as a result of changes in supply and demand on the markets for farm products. But the question whether it will prove possible to continue for any length of time a more pronounced increase of prices within the agricultural sector than in other sectors, is not easy to answer. In this as in some other respects there are distinct elements of uncertainty pertaining to future price developments."

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(B) *WHOLESALE PRICES*

(a) *Collection of Data on Prices.*

249. For the collection of wholesale price data for commodities not under State control, the main sources are quotations from the markets which are dispersed over the whole of Italy and have a centuries-old tradition. Quotations ruling in the chief towns of the communes (i.e. the smallest territorial division) are taken as representative of the price ruling in the whole province. Prior to the war the data on prices in important markets were collected and published in "price-lists" (listini) by Chambers of Commerce, municipalities and the commercial press.

250. For commodities sold on food and agricultural markets under the control of municipalities (fruit and vegetable and livestock markets), the price lists were compiled by municipalities or by Chambers of Commerce, assisted by especially-appointed boards of experts. For commodities (chiefly industrial commodities) not sold on these markets, the principal Chambers of Commerce collected price data from producers and distributors.

251. In some cases and for the main products, both agricultural and industrial, the data were collected as often as twice a week and covered prices at all stages in the marketing chain from producer to wholesaler and semi-wholesaler and jobber, down to the price charged to the retailer. (The published returns indicated the marketing stage at which transactions took place.) Most prices were published in official monthly bulletins, issued by the Provincial Economic Councils. Some of the more important provinces published the prices in weekly bulletins.

252. The Central Institute of Statistics (I) in 1930 in the interest of uniformity, established rules for the collection in all provincial capitals by the Consigli Provinciali dell'Economia (Provincial Economic Councils) of wholesale prices for the more important commodities. The more important prices on the various markets were later published in a "Bulletin of Prices" (at first, a fortnightly and then a monthly publication) issued by the Central Institute of Statistics, which also published a yearly summary of prices.

para. 194 note (3)) and the fixing of national prices centralized for foodstuffs and for industrial products. It was at this time that illegal (black market) prices began to circulate.

254. At the outbreak of war, prices were fixed for some commodities without any steps being taken to control distribution. The results were (a) the creation of a more extended black market and (b) a level of prices quite out of line with official prices published in the official Gazette and in Bulletins. It should of course be appreciated that for some other commodities i.e., wheat and other cereals, flour, coal, metals, ore and iron and steel products, the control was rigid. There was one price, the official price. A black market price existed only for small quantities of those products for which it had been possible to evade the regulations regarding distribution.

255. The collection of official data on wholesale prices and their publication came to an end in July 1943. It was not resumed until 1946 and then only by a few "Consigli Provinciali dell'Industria e Commercio" (Provincial Councils for Industry and Trade) which publish official prices together with a few black market prices.

256. Any systematic collection of data on black market prices by these Government agencies is in fact very difficult, since these agencies are often entrusted with the task of ensuring observance of the official prices. A comprehensive collection of black market prices for a wide range of products can be carried out practically and with exactitude only by large industrial and commercial companies (which make purchases on the black market) and by banks. This explains why the first attempts made in 1946 to calculate index numbers of wholesale prices, were made mostly by private organizations and agencies (see para. 260).

(b) *Index Numbers of Wholesale Prices.*

(i) *Pre-War Period.*

257. Three different series of index numbers of wholesale prices were calculated monthly in Italy before the [illegible] was calculated privately by a well-

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commodities not under State control, the main sources are quotations from the markets which are dispersed over the whole of Italy and have a centuries-old tradition. Quotations ruling in the chief towns of the communes (i.e. the smallest territorial division) are taken as representative of the price ruling in the whole province. Prior to the war the data on prices in important markets were collected and published in "price-lists" (listini) by Chambers of Commerce, municipalities and the commercial press.

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253. Collection of price data became more difficult when the central governmental agencies were charged with price control and price regulation (1936) (see

(1) See note to Table 51

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(b) *Index Numbers of Wholesale Prices.*

(i) *Pre-War Period.*

257. Three different series of index numbers of wholesale prices were calculated monthly in Italy before the war. One series was calculated privately by a well-known professor, R. Bachi,—the series ended in 1939. A second series was calculated by the "Camera di Commercio e Industria di Milano" (the Milan Chamber of Commerce and Industry). Prof. G. Tagliacarne was responsible for these calculations which were suspended in February 1942. The third series was undertaken by the Central Institute of Statistics, Rome, and ended in

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June 1943. The base year, for the first two series was 1913 and for the third, 1928 (1).

258. The calculations of the Central Institute of Statistics were considered as official and preferred by commercial and academic users because of their nation-wide application, their comprehensiveness and the precision with which the data were collected and the care with which their accuracy was checked. Scientific statistical methods were used in elaborating and weighting the data. The calculation of this series ended in 1943 and has not yet been resumed.

(ii) *Existing index-numbers.*

259. The lack of satisfactory index-numbers of wholesale prices greatly reduces the possibility of analyzing accurately economic and monetary movements, and this when, at a time such as the present, reliable data are more imperative than ever to the consideration and national solution of many of the economic problems with which Italy is faced. This explains why, at present, economists and statisticians, in the absence of governmental agencies charged with the work, are themselves doing what they can to fill the gap. There have, in fact, been five generally-known series of index-numbers of wholesale prices calculated in this way. Each is based on different technical and methodological criteria, but broadly interpreted, together they afford a sufficiently clear picture of the changes in the price level and, consequently, in the purchasing power of the lira.

260. The index numbers of wholesale prices being calculated in November 1946 are the following:

(a) The first index-numbers of wholesale prices to be calculated in the post-war period, were the index-numbers (base year, 1938) of the "Centro Aziendale di Firenze" (Prof. Livi). This index which is named "indice d'avanguardia" (vanguard index) covers only open market prices (thoroughly checked) for Florence, of 16 commodities (of which only two are foodstuffs) selected from among those most representative and sensitive. (The indices for 1938 thus calculated had a trend only slightly divergent from the comparable trend of the official indices, made on a national scale, by the Rome Central Institute of Statistics.) The Livi index-number is calculated by finding the geometric mean (unweighted) of the index-numbers calculated for each of the 16 commodities under consideration. The series started in January 1945.

(b) The second index-number, having 1938 as base year, was calculated for internal use (not published) by the Milan Chamber of Commerce, from September 1915 onwards, on the basis of actual prices and with criteria similar to those of the past (see para. 257 note (1)). 41 commodities were taken into consideration (22 foodstuffs and 19 industrial products). For commodities, for which there is an official price, the price considered is the weighted mean of the official and black market prices. The weight applied to the black market price is determined from appropriate surveys designed to ascertain the importance of black market transactions in the total volume of transactions.

(c) The third index, much more complete and elaborated, with 1938 as base year, has been calculated by the Edison Company of Milan (Giunta Tecnica) and reflected the official and open market prices in Milan. The method used in the calculation is briefly:

(i) The calculation is confined to 51 commodities (13 raw materials, 19 semi-finished products and 19 finished products) and follows the method used, before the war, for the national indices by the Rome Central Institute of Statistics. The data on prices are painstakingly collected and screened. The actual purchase prices of commodities are supplied by the Edison Company and by other important companies (Montecatini, Istituto Cotoniero etc.) The general index is calculated by ascertaining the arithmetic weighted mean and using the same "weights," as those adopted by the Rome Central Institute of Statistics for 1938.

(ii) Three distinct indices are calculated:

One series ("official prices") covers the official prices of all controlled commodities (for which an official price exists) and the open market prices for commodities for which the State does not set a price.

A second series is calculated under the name

(1) Prof. Bachi's series, beginning in 1916 (base 1913=100), covered 113 commodities with 130 quotations collected in Genoa, Milan, Turin and Rome. The index resulted from the calculation of an arithmetic mean (unweighted). The calculation of the Milan Chamber of Commerce series was started in 1925, with 1913 taken as base year. It covered 98 commodities and 125 quotations col-

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Statistics were considered as official and preferred by commercial and academic users because of their nation-wide application, their comprehensiveness and the precision with which the data were collected and the care with which their accuracy was checked. Scientific statistical methods were used in elaborating and weighting the data. The calculation of this series ended in 1943 and has not yet been resumed.

(ii) *Existing index-numbers.*

259. The lack of satisfactory index-numbers of wholesale prices greatly reduces the possibility of analyzing accurately economic and monetary movements, and this when, at a time such as the present, reliable data are more imperative than ever to the consideration and national solution of many of the economic problems with which Italy is faced. This explains why, at present, economists and statisticians, in the absence of governmental agencies charged with the work, are themselves doing what they can to fill the gap. There have, in fact, been five generally-known series of index-numbers of wholesale prices calculated in this way. Each is based on different technical and methodological criteria, but broadly interpreted, together they afford a sufficiently clear picture of the changes in the price level and, consequently, in the purchasing power of the lira.

260. The index numbers of wholesale prices being calculated in November 1946 are the following:

(a) The first index-numbers of wholesale prices to be calculated in the post-war period, were the index-numbers (base year, 1938) of the "Centro Aziendale di Firenze" (Prof. Livi). This index which is named "indice d'avanguardia" (vanguard index) covers only open market prices (thoroughly checked) for Florence, of 16 commodities (of which only two are foodstuffs) selected from among those most representative

(1) Prof. Bachi's series, beginning in 1916 (base 1913=100), covered 113 commodities with 150 quotations collected in Genoa, Milan, Turin and Rome. The index resulted from the calculation of an arithmetic mean (unweighted). The calculation of the Milan Chamber of Commerce series was started in 1925, with 1913 taken as base year. It covered 98 commodities and 125 quotations collected only for Milan. The index number resulted from the calculation of a geometric mean (unweighted). The index calculated by the Central Institute of Statistics of Rome which began, as a series, in 1931, had 1928 as its base year. It was computed on the basis of 1510 quotations, relating to 125 commodities, collected by official agencies (Consigli Provinciali dell'Economia - Provincial Economic Councils) at 72 different points, spread over the whole of Italy. The Central Institute's index was a weighted index made on the basis of geometric means (the "weights" were ascertained by adding home production to the quantity imported. For products passing through various stages of production the weighting of the calculation is made once only).

Institute of Statistics.) The Livi index-number is calculated by finding the geometric mean (unweighted) of the index-numbers calculated for each of the 16 commodities under consideration. The series started in January 1945.

(b) The second index-number, having 1938 as base year, was calculated for internal use (not published) by the Milan Chamber of Commerce, from September 1945 onwards, on the basis of actual prices and with criteria similar to those of the past (see para. 257 note (1)). 41 commodities were taken into consideration (22 foodstuffs and 19 industrial products). For commodities, for which there is an official price, the price considered is the weighted mean of the official and black market prices. The weight applied to the black market price is determined from appropriate surveys designed to ascertain the importance of black market transactions in the total volume of transactions.

(c) The third index, much more complete and elaborated, with 1938 as base year, has been calculated by the Edison Company of Milan (Giunta Tecnica) and reflected the official and open market prices in Milan. The method used in the calculation is briefly:

(i) The calculation is confined to 51 commodities (13 raw materials, 19 semi-finished products and 19 finished products) and follows the method used, before the war, for the national indices by the Rome Central Institute of Statistics. The data on prices are painstakingly collected and screened. The actual purchase prices of commodities are supplied by the Edison Company and by other important companies (Montecatini, Istituto Cotoniero etc.) The general index is calculated by ascertaining the arithmetic weighted mean and using the same "weights." as those adopted by the Rome Central Institute of Statistics for 1938.

(ii) Three distinct indices are calculated:

One series ("official prices") covers the official prices of all controlled commodities (for which an official price exists) and the open market prices for commodities for which the State does not set a price.

A second series is calculated under the name of "actual prices" series (prezzi effettivi). This series covers black market prices for commodities with an official price and the open market prices for all other commodities.

A synthetic index is obtained by calculating the unweighted arithmetic mean of the indices of the two series. The assumption is therefore made that the commodities, which are sold at an official price and which can at the same time be purchased from the black market, are actu-

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ally bought half from the black market and half from the open market (1).

(d) A further index has recently been calculated and published by the "Istituto Statistica degli Affari" (I.S.A. - Institute of Business Statistics) in Milan, and published in the review "Negotia." This index is based on prices ruling in Northern Italy, and the data refer to prices collected for 225 commodities (raw materials, semi-finished and manufactured products) for 10 sectors of industry and commerce. The index does not include agricultural products, e.g. cereals, cattle and cocoons. The data for the index are supplied by large and middle-sized enterprises. Although the base year adopted is 1916, the I.S.A. index is also calculated with 1938 as base year. Two different series are made: (a) legal prices (controlled or free prices), (b) free prices (black market or open market prices). The two series are not synthetized in one series.

The indices for each of the 10 sectors are calculated by ascertaining the unweighted geometric mean of the individual indices of the various prices in each sector.

(e) The Genoa Chamber of Commerce has provided, as from April 1946, another index of wholesale prices of 155 commodities by combining three separately calculated indices of (a) official prices; (b) black market prices; (c) open market prices. The series (a) covers commodities for which there are official quotations (in July 1946, for instance, 72 commodities). The series (b) covers the same commodities as series (a) when there are official and black market prices (in July 1946 for example, for 61 commodities). The series (c) covers commodities sold on the open market (in July 1946, for instance, 83 commodities). The average index of each of the three series is made from the geometric mean (unweighted) of the indices of prices included in each series. The general index is the geometric mean of the indices of the three series.

(1) The distribution of a certain number of commodities is fairly effectively controlled by the Government (appreciable quantities of such commodities cannot therefore be purchased on the [illegible] and their official prices are also the actual prices

(iii) *Movement of Index Numbers of Wholesale Prices.*

261. The multiplicity of the indices calculated, their limitation to individual towns or areas and the disparity in methods of calculation, reflect the present abnormal internal situation in Italy.

262. The difficulties are: (a) the absence of a unified national market, with no possibility of carrying out reliable and continued collection of data at established market centres throughout the country; (b) Italy's present price structure is a mixed one, and official prices exist side by side with free prices and black market prices; (c) a noticeable irregularity in the procurement of commodities, in domestic and foreign trade, in demand and supply.

263. As statistics of actual transactions are not available, it is difficult:

(a) to determine the "weights" (which should be ascertained according to the importance of the commodities in the actual transactions and which are subject to substantial changes over a period of time). The "weights" are needed for the calculation of the index-numbers of prices for the various classes of commodities. The "weights" used in 1938 are, on the other hand, out of line with to-day's experience and their use would give rise to error (2).

(b) to select, for any one commodity, the weights to be given to black market prices and to official prices;

(c) to account for the deterioration in quality, which occurred, for some commodities after 1938.

264. To realize more clearly the nature and movement of wholesale prices in Italy it is advisable to make a separate survey of:

(a) the index-numbers of free prices (open market and black market) (Table 31);

(b) the index-numbers of legal prices (official and open market prices) (para. 267);

(c) the general index (Table 33). In some cases there is no difference between the general index and (a). (This is so for the indices calculated in Florence.) In other cases, the general index is the mean of indices of the three existing types of prices (official, black market and open market prices). Examples are the two Milan indices calculated by the Edison Combine and [illegible] Chamber of Commerce and the index

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in Milan, and published in the review "Negotia." This index is based on prices ruling in Northern Italy, and the data refer to prices collected for 225 commodities (raw materials, semi-finished and manufactured products) for 10 sectors of industry and commerce. The index does not include agricultural products, e.g. cereals, cattle and cocoons. The data for the index are supplied by large and middle-sized enterprises. Although the base year adopted is 1946, the I.S.A. index is also calculated with 1938 as base year. Two different series are made: (a) legal prices (controlled or free prices), (b) free prices (black market or open market prices). The two series are not synthetized in one series.

The indices for each of the 10 sectors are calculated by ascertaining the unweighted geometric mean of the individual indices of the various prices in each sector.

(e) The Genoa Chamber of Commerce has provided, as from April 1946, another index of wholesale prices of 155 commodities by combining three separately calculated indices of (a) official prices; (b) black market prices; (c) open market prices. The series (a) covers commodities for which there are official quotations (in July 1946, for instance, 72 commodities). The series (b) covers the same commodities as series (a) when there are official and black market prices (in July 1946 for example, for 61 commodities). The series (c) covers commodities sold on the open market (in July 1946, for instance, 83 commodities). The average index of each of the three series is made from the geometric mean (unweighted) of the indices of prices included in each series. The general index is the geometric mean of the indices of the three series.

(1) The distribution of a certain number of commodities is fairly effectively controlled by the Government (appreciable quantities of such commodities cannot therefore be purchased on the black market) and their official prices are also the actual prices (e.g., coal). Black market quotations and their weights are in this case, of negligible importance. The quantity purchased on the black market consists, for some other commodities (while controlled distribution exists), only of a minor proportion of the total (e.g., 10 to 20 % for wheat and derivative products).

The effect of these considerations is that neither of the two mentioned series mirrors the real situation; the first gives a picture of a lower theoretical limit (closer to reality) and the second of a higher theoretical limit.

262. The difficulties are: (a) the absence of a unified national market, with no possibility of carrying out reliable and continued collection of data at established market centres throughout the country; (b) Italy's present price structure is a mixed one, and official prices exist side by side with free prices and black market prices; (c) a noticeable irregularity in the procurement of commodities, in domestic and foreign trade, in demand and supply.

263. As statistics of actual transactions are not available, it is difficult:

(a) to determine the "weights" (which should be ascertained according to the importance of the commodities in the actual transactions and which are subject to substantial changes over a period of time). The "weights" are needed for the calculation of the index-numbers of prices for the various classes of commodities. The "weights" used in 1938 are, on the other hand, out of line with to-day's experience and their use would give rise to error (2).

(b) to select, for any one commodity, the weights to be given to black market prices and to official prices;

(c) to account for the deterioration in quality, which occurred, for some commodities after 1938.

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(a) the index-numbers of free prices (open market and black market) (Table 31);

(b) the index-numbers of legal prices (official and open market prices) (para. 267);

(c) the general index (Table 33). In some cases there is no difference between the general index and (a). (This is so for the indices calculated in Florence.) In other cases, the general index is the mean of indices of the three existing types of prices (official, black market and open market prices). Examples are the two Milan indices calculated by the Edison Combine and the Milan Chamber of Commerce and the index calculated by the Genoa Chamber of Commerce.

(2) S. Golzio after a survey of the course of wholesale prices in Turin, from 1938 until 1945, arrived for 1945, at an index number of 3,920 (1938=100) assuming as weights the quantities exchanged in 1938, and at an index number of 4,170, assuming as weights the quantities exchanged in 1945 (Rivista Bancaria - 1946 Nos. 7 and 8).

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265. The following Tables 31 and (graph) 32 illustrate the trend of the four index-numbers of wholesale *free* prices:

TABLE 31

Index Numbers of wholesale Free Prices (1): 1945-46

(1938=100)

Date	Florence (Centro Aziendale di Firenze)	Genoa Chamber of Commerce	Milan Edison Combine	North Italy (I.S.A.)
1945				
September	3,604	—	—	2,654
October	3,698	—	—	2,562
November	3,718	—	—	2,579
December	3,666	—	—	2,540
1946				
January	3,404	—	—	2,439
February	3,401	—	4,633	2,408
March	3,184	—	5,262	2,302
April	3,087	3,908	4,872	2,242
May	2,985	3,874	4,583	2,139
June	2,965	3,954	4,429	2,179
July	2,949	3,992	4,430	2,231
August	3,016	4,063	4,683	2,361 (2)
September	3,209	4,136	4,858	2,476 (2)

(See also Table 32 graph)

(1) Black market prices and open market prices.
(2) Provisional.

266. The considerable differences existing in the series shown above (see graph, Table 32) result from the difficulties inherent in their calculation, and show the need, in the use and interpretation of all indices at present calculated in Italy, for exercising care and making proper qualifications. The Florence series of the "Centro Aziendale di Firenze", because it is an intermediate series, appears to give, notwithstanding its simplicity, a clear picture of the level and of the movement of wholesale prices.

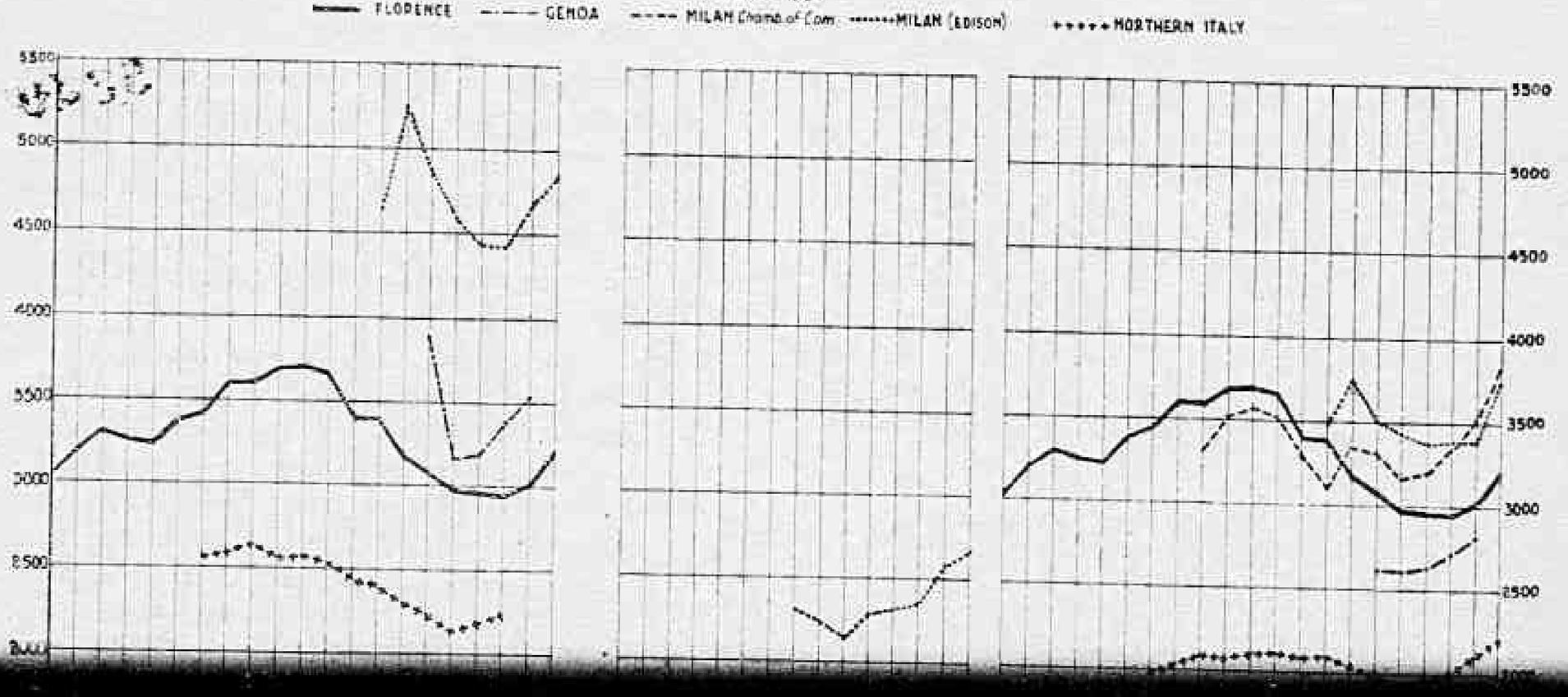
267. The three following series (1938=100) give a comparison of indices of legal prices (official prices and open market prices):

Date	Genoa Chamber of Commerce	Milan (1)	Northern Italy (2)
1945			
July	—	—	1,401
August	—	—	1,507
September	—	—	1,541
October	—	—	1,618
November	—	—	1,654
December	—	—	1,715
1946			
January	—	—	1,739
February	—	2,305	1,802
March	—	2,246	1,793
April	1,583	2,147	1,755
May	1,583	2,287	1,687
June	1,584	2,315	1,724
July	1,609	2,351	1,770
August	1,681	2,573	1,855
September	1,706	2,685	1,941

(1) Source: "Giunta Tecnica" of the Edison Combine, Milan.
(2) Source: Review "Negotia" Institute of Business Statistics, Milan.

TABLE 32

WHOLESALE PRICE INDICES IN 1945 - 1946
FROM DIFFERENT SOURCES
1938 = 100



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Date	Florence (Centro Aziendale di Firenze)	Genoa Chamber of Commerce	Milan Edison Combine	North Italy (I.S.A.)
1945				
September	3,604	—	—	2,654
October	3,698	—	—	2,562
November	3,718	—	—	2,579
December	3,666	—	—	2,540
1946				
January	3,404	—	—	2,439
February	3,401	—	4,633	2,408
March	3,184	—	5,262	2,302
April	3,087	3,908	4,872	2,242
May	2,985	3,874	4,583	2,139
June	2,965	3,954	4,429	2,179
July	2,949	3,992	4,430	2,231
August	3,016	4,063	4,683	2,361 (2)
September	3,209	4,136	4,858	2,476 (2)

(See also Table 32 graph)

(1) Black market prices and open market prices.
(2) Provisional.

266. The considerable differences existing in the series shown above (see graph, Table 32) result from the difficulties inherent in their calculation, and show the need, in the use and interpretation of all indices at

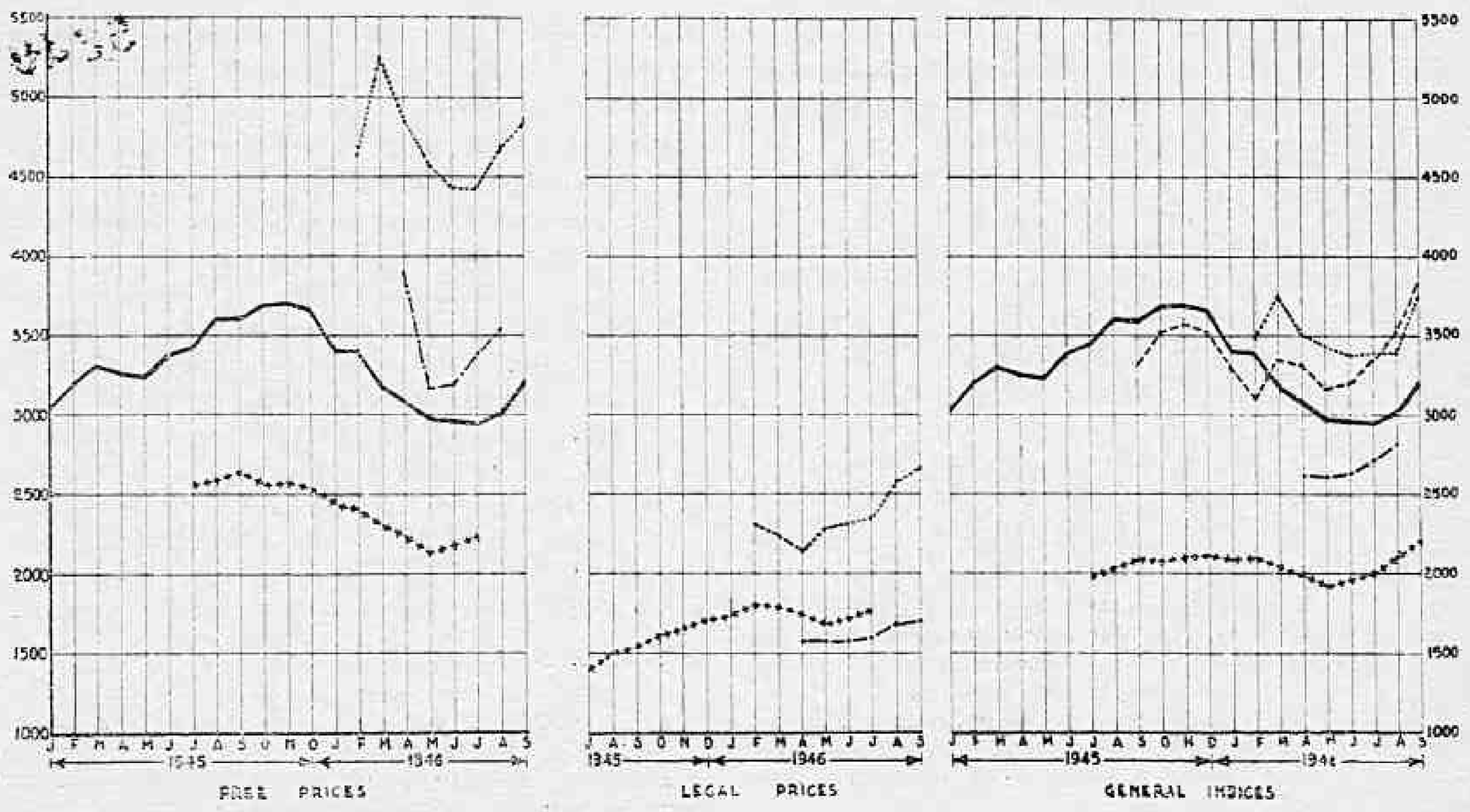
267. The three following series (1938=100) give a comparison of indices of legal prices (official prices and open market prices):

Date	Genoa Chamber of Commerce	Milan (1)	Northern Italy (2)
1945			
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November	—	—	1,654
December	—	—	1,715
1946			
January	—	—	1,739
February	—	2,305	1,802
March	—	2,246	1,793
April	1,583	2,147	1,755
May	1,583	2,287	1,687
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July	1,609	2,351	1,770
August	1,681	2,573	1,855
September	1,706	2,665	1,941

(1) Source: "Giunta Tecnica" of the Edison Combine, Milan.
(2) Source: Review "Negotia" Institute of Business Statistics, Milan.

TABLE 32

WHOLESALE PRICE INDICES IN 1945 - 1946
FROM DIFFERENT SOURCES
1938 = 100



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The substantial differences between the two series are in part explained by the different numbers and nature of the commodities considered (the index for Northern Italy does not include agricultural commodities) and partly by the difference in the method applied in weighting and in calculating the index.

268. Table 33 shows the index-numbers (1938=100) which (apart from differences of opinion on the statistical method of calculation and the prices selected) are considered by the authorities concerned as representative of the trend of the general level of wholesale prices from January 1945 to September 1946. (It will be seen that the Florence index-numbers are the same as those in Table 31.)

The trend of the Florence index and its level (intermediate between the others) do not differ much, having in mind the present situation, from the trend and level of the general index of the Milan calculation (Edison). The Edison index calculation is more elaborate and complex than the Florence index. The essential difference between the Florence index and the other indices is that the Florence index for a particular month (e.g. September) refers to changes which have taken place in the previous month (August). The other indices are for the same month's prices. All indices covering free and official prices (such as the Edison and the Genoa indices) are slower to move than the others owing to the influence of the official prices. They are therefore less sensitive than the Florence index which stresses promptly any variations which take place in free market prices.

269. The Northern Italy indices are of special interest. Tables 34 and 35 present two series of index-numbers for 10 groups of Italian industries, covering the period July 1945 to July 1946 and February to July 1946 respectively. The base for Table 34 is the year 1938 and for Table 35, January 1946. Table 36 (graph) illustrates the different level and trend of legal prices to July 1946. Examination of the series shown in Tables 34 and 35 shows:

(a) The legal prices with the highest increase since 1938 were: paper (35 times), textiles (31 times), and foodstuffs (25 times). The smallest increase was in sources of power (less than 9 times the 1938 level).

(b) For free prices, the highest increase was: for foodstuffs (43 times), textiles (38 times), paper (35 times), leather and skins (34 times).

(c) The spread between official and free prices has substantially diminished from July 1945 to July 1946.

(d) From January to July 1946 the legal prices (which were very low before January 1946) increased more than the free prices.

270. *The average general level of wholesale prices can safely be estimated for September 1946 as being 32 to 38 times higher than pre-war.*

TABLE 33

General Index Numbers 1938 = 100 of Wholesale Prices January 1945 to September 1946

MONTH	Florence	Milan		Genoa	Northern Italy
	"Avanguardia" Index	Chamber of Commerce	Edison Combine	Chamber of Commerce	
1945					
January	3,047	—	—	—	—
February	3,204	—	—	—	—
March	3,303	—	—	—	—
April	3,260	—	—	—	—
May	3,240	—	—	—	—
June	3,392	—	—	—	—
July	3,430	—	—	—	1,984
August	3,607	—	—	—	2,052
September	3,601	3,319	—	—	2,098
October	3,698	3,527	—	—	2,090
November	3,718	3,571	—	—	2,117
December	3,666	3,523	—	—	2,128

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applied in weighting and in calculating the index.

268. Table 33 shows the index-numbers (1938=100) which (apart from differences of opinion on the statistical method of calculation and the prices selected) are considered by the authorities concerned as representative of the trend of the general level of wholesale prices from January 1945 to September 1946. (It will be seen that the Florence index-numbers are the same as those in Table 31.)

The trend of the Florence index and its level (intermediate between the others) do not differ much, having in mind the present situation, from the trend and level of the general index of the Milan calculation (Edison). The Edison index calculation is more elaborate and complex than the Florence index. The essential difference between the Florence index and the other indices is that the Florence index for a particular month (e.g. September) refers to changes which have taken place in the previous month (August). The other indices are for the same month's prices. All indices covering free and official prices (such as the Edison and the Genoa indices) are slower to move than the others owing to the influence of the official prices. They are therefore less sensitive than the Florence index

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(a) The legal prices with the highest increase since 1938 were: paper (35 times), textiles (31 times), and foodstuffs (25 times). The smallest increase was in sources of power (less than 9 times the 1938 level).

(b) For free prices, the highest increase was: for foodstuffs (43 times), textiles (38 times), paper (35 times), leather and skins (34 times).

(c) The spread between official and free prices has substantially diminished from July 1945 to July 1946.

(d) From January to July 1946 the legal prices (which were very low before January 1946) increased more than the free prices.

270. *The average general level of wholesale prices can safely be estimated for September 1946 as being 32 to 38 times higher than pre-war.*

TABLE 33

General Index Numbers 1938 = 100 of Wholesale Prices, January 1945 to September 1946

MONTH	Florence	Milan		Genoa	Northern Italy
	"Avanguardia" Index	Chamber of Commerce	Edison Combine	Chamber of Commerce	
1945					
January	3,047	—	—	—	—
February	3,204	—	—	—	—
March	3,303	—	—	—	—
April	3,260	—	—	—	—
May	3,240	—	—	—	—
June	3,392	—	—	—	—
July	3,430	—	—	—	1,984
August	3,607	—	—	—	2,052
September	3,601	3,519	—	—	2,098
October	3,698	3,527	—	—	2,090
November	3,718	3,571	—	—	2,117
December	3,866	3,523	—	—	2,128
1946					
January	3,101	3,301	—	—	2,089
February	3,101	3,126	3,469	—	2,105
March	3,184	3,370	3,754	—	2,047
April	3,087	3,340	3,510	2,671	1,998
May	2,985	3,174	3,435	2,613	1,913
June	2,965	3,214	3,372	2,636	1,951
July	2,949	3,341	3,390	2,715	2,000
August	3,016	3,527	3,628	2,819	2,108
September	3,209	3,845	3,252	2,928	2,209

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TABLE 34

Index Numbers of Wholesale Prices of Industrial Products by Groups of Industries in North Italy 1945 and 1946

(1938=100)

Groups of Industries	1945						1946						
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Febr.	March	April	May	June	July (1)
A. LEGAL PRICES (See Note (1) Page 11)													
1. Sources of Power	415	549	680	688	698	759	781	889	840	836	849	880	880
2. Iron and steel and metallurgic industries	1,806	1,826	1,762	1,875	1,913	1,896	1,887	1,870	1,845	1,836	1,836	1,840	1,842
3. Machine and electro-engineering	1,167	1,230	1,342	1,421	1,464	1,461	1,433	1,482	1,449	1,439	1,439	1,436	1,434
4. Chemical and rubber industries	566	660	629	1,017	1,131	1,273	1,429	1,824	1,883	1,884	1,880	1,856	1,941
5. Hides and footwear	3,397	3,471	3,439	3,439	3,423	3,381	3,226	3,032	2,955	2,852	2,942	2,919	2,997
6. Paper	2,457	2,914	3,152	3,505	3,814	4,110	4,762	4,462	4,186	3,843	3,405	3,514	3,514
7. Textiles	4,812	4,708	4,519	4,084	3,874	3,406	3,226	2,923	2,745	2,613	2,497	2,948	3,116
8. Building and timber industries	1,636	1,653	1,778	1,835	1,860	1,833	1,818	1,773	1,758	1,716	1,695	1,658	1,738
9. Mines and quarries	1,207	1,310	1,211	1,091	1,096	1,429	1,421	1,677	1,800	1,587	1,294	1,314	1,340
10. Food	1,180	1,378	1,557	1,878	1,998	2,124	2,041	2,106	2,522	2,463	2,292	2,371	2,506
B. FREE PRICES													
1. Sources of Power	1,038	1,078	1,277	1,230	1,195	1,212	1,099	1,087	967	922	973	947	907
2. Iron and steel and metallurgic industries	2,202	2,210	2,212	1,969	2,052	2,091	2,083	2,025	1,965	1,954	1,954	1,958	1,980
3. Machine and electro-engineering	1,402	1,458	1,475	1,542	1,51.	1,54.	1,563	1,541	1,491	1,472	1,442	1,445	1,441
4. Chemical and rubber industries	5,156	4,600	4,541	4,367	4,196	3,967	3,704	3,674	3,463	3,337	3,285	3,078	3,196
5. Hides and footwear	3,812	4,119	4,246	4,24.	4,227	4,177	3,846	3,531	3,415	3,292	3,204	3,369	3,412
6. Paper	2,457	2,914	3,15.	3,505	3,814	4,110	4,762	4,462	4,186	3,813	3,405	3,514	3,514
7. Textiles	6,008	5,532	5,604	5,064	4,924	4,404	4,000	3,696	3,360	3,216	2,868	3,660	3,764
8. Building and timber industries	2,488	2,456	2,392	2,158	2,16.	2,06.	1,923	1,860	1,754	1,758	1,740	1,700	1,800
9. Mines and quarries	3,876	4,258	4,031	3,721	3,697	3,689	3,448	3,931	3,724	3,676	3,007	3,068	3,128
10. Food	2,970	3,15.	3,363	3,626	3,859	3,911	3,704	3,870	4,167	4,137	4,056	4,107	4,329

(1) Provisional indices.

TABLE 35

Index Numbers (January 1946=100) of Wholesale Prices of Industrial Products by Groups of Industries in North Italy: 1946

Groups of Industries	1946					
	February	March	April	May	June	July (1)
A. LEGAL PRICES						
1. Sources of Power	113.8	107.5	107.0	108.7	112.6	112.6
2. Iron steel and metal. industries	99.1	97.8	97.3	97.3	97.5	97.6
3. Machine and electro-engineering	99.3	97.1	96.4	96.4	96.2	96.1
4. Chemical and rubber industries	127.7	131.8	131.9	131.6	129.9	135.9
5. Hides and footwear	94.0	91.6	88.4	91.2	90.5	92.9
6. Paper	93.7	87.9	80.7	71.5	73.8	73.8
7. Textiles	90.6	85.1	81.0	77.4	91.4	96.6
8. Building and timber industries	97.5	96.7	94.4	93.2	91.2	95.6
9. Mines and quarries	117.4	112.0	111.1	90.6	92.0	93.8
10. Food	103.2	123.6	120.7	112.3	116.2	122.8
B. FREE PRICES						
1. Sources of Power	98.9	88.0	83.9	88.5	82.5	82.5

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Groups of Industries	1945						1946						
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Febr.	March	April	May	June	July (1)
A. LEGAL PRICES (See Note (1) Page 11)													
1. Sources of Power	415	549	680	688	698	759	781	889	840	836	849	880	880
2. Iron and steel and metallurgic industries	1,800	1,820	1,762	1,875	1,913	1,896	1,887	1,870	1,845	1,836	1,836	1,840	1,842
3. Machine and electro-engineering	1,167	1,290	1,342	1,424	1,464	1,461	1,493	1,482	1,449	1,439	1,439	1,436	1,434
4. Chemical and rubber industries	566	660	629	1,017	1,131	1,273	1,429	1,824	1,883	1,884	1,880	1,856	1,911
5. Hides and footwear	3,397	3,471	3,439	3,439	3,423	3,381	3,226	3,032	2,955	2,852	2,942	2,919	2,997
6. Paper	2,457	2,914	3,152	3,505	3,814	4,110	4,762	4,462	4,186	3,813	3,405	3,514	3,514
7. Textiles	4,842	4,768	4,519	4,084	3,874	3,406	3,226	2,923	2,745	2,613	2,497	2,948	3,116
8. Building and timber industries	1,636	1,653	1,778	1,835	1,860	1,833	1,818	1,773	1,758	1,716	1,695	1,658	1,738
9. Mines and quarries	1,207	1,310	1,211	1,091	1,096	1,429	1,421	1,677	1,600	1,587	1,291	1,314	1,340
10. Food	1,180	1,378	1,557	1,878	1,998	2,124	2,041	2,106	2,522	2,463	2,292	2,371	2,506
B. FREE PRICES													
1. Sources of Power	1,038	1,078	1,277	1,230	1,165	1,212	1,099	1,087	987	922	973	937	907
2. Iron and steel and metallurgic industries	2,202	2,210	2,212	1,969	2,052	2,091	2,083	2,025	1,965	1,954	1,954	1,958	1,960
3. Machine and electro-engineering	1,402	1,458	1,473	1,542	1,542	1,542	1,563	1,541	1,491	1,472	1,442	1,445	1,441
4. Chemical and rubber industries	5,156	4,600	4,541	4,367	4,196	3,967	3,704	3,674	3,463	3,387	3,285	3,078	3,196
5. Hides and footwear	3,812	4,119	4,246	4,245	4,227	4,177	3,846	3,531	3,415	3,292	3,204	3,869	3,412
6. Paper	2,457	2,914	3,152	3,505	3,814	4,110	4,762	4,462	4,186	3,813	3,405	3,514	3,514
7. Textiles	6,008	5,532	5,604	5,064	4,924	4,404	4,000	3,693	3,360	3,216	2,868	3,660	3,764
8. Building and timber industries	2,488	2,456	2,392	2,138	2,161	2,062	1,923	1,860	1,754	1,758	1,749	1,700	1,800
9. Mines and quarries	3,876	1,239	4,031	3,721	3,697	3,686	3,448	3,931	3,724	3,676	3,907	3,966	3,128
10. Food	2,970	3,152	3,363	3,626	3,859	3,911	3,704	3,870	4,167	4,137	4,058	4,107	4,329

(1) Provisional indices.

TABLE 35

Index Numbers (January 1946=100) of Wholesale Prices of Industrial Products by Groups of Industries in North Italy: 1946

Groups of Industries	1946					
	February	March	April	May	June	July (1)
A. LEGAL PRICES						
1. Sources of Power	115.8	107.5	107.0	108.7	112.6	112.6
2. Iron steel and metal. industries	99.1	97.8	97.3	97.5	97.5	97.6
3. Machine and electro-engineering	99.3	97.1	96.4	96.4	96.2	96.1
4. Chemical and rubber industries	127.7	131.8	131.9	131.6	129.9	135.9
5. Hides and footwear	94.0	91.6	88.4	91.2	90.5	92.9
6. Paper	93.7	87.9	80.7	71.5	73.8	73.8
7. Textiles	90.6	85.1	81.0	77.4	91.4	96.6
8. Building and timber industries	97.5	96.7	94.4	93.2	91.2	95.6
9. Mines and quarries	117.4	112.0	111.1	90.6	92.0	93.8
10. Food	103.2	123.6	120.7	112.3	116.2	122.8
B. FREE PRICES						
1. Sources of Power	98.9	88.0	83.9	88.5	82.5	82.5
2. Iron steel and metal. industries	97.2	94.3	93.8	93.8	94.0	94.1
3. Machine and electro engineering	98.6	95.4	94.2	92.3	92.5	92.2
4. Chemical and rubber industries	99.2	93.5	90.9	88.7	83.1	86.3
5. Hides and footwear	91.8	88.8	85.6	83.3	87.6	88.7
6. Paper	93.7	87.9	80.7	71.5	73.8	73.8
7. Textiles	92.4	84.0	80.4	71.7	91.5	94.1
8. Building and timber industries	96.7	91.2	91.4	90.5	88.4	93.6
9. Mines and quarries	114.0	108.0	106.6	87.2	88.9	90.7
10. Food	104.5	112.5	111.7	109.5	110.9	118.7

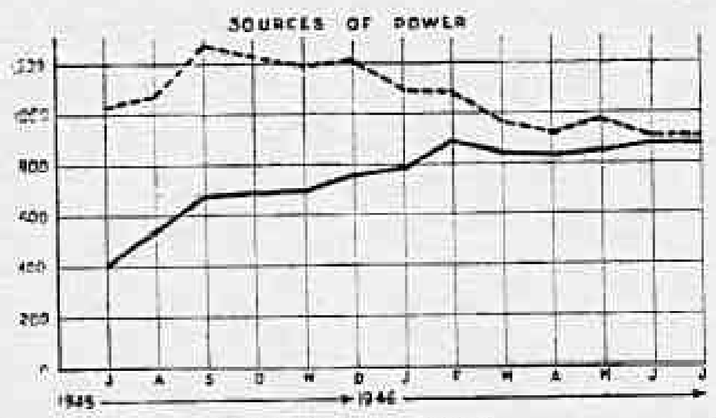
(1) Provisional indices.

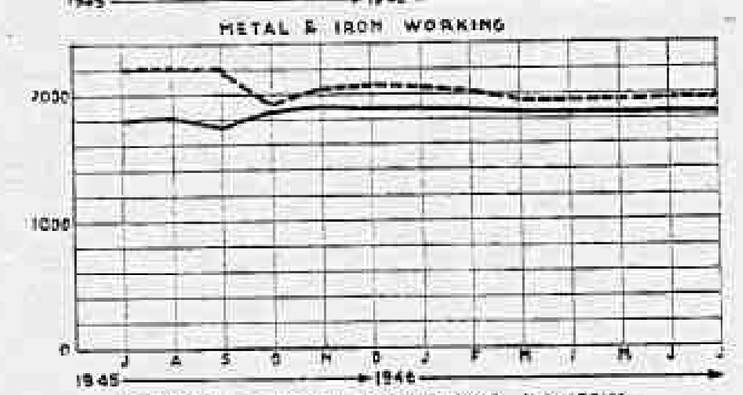
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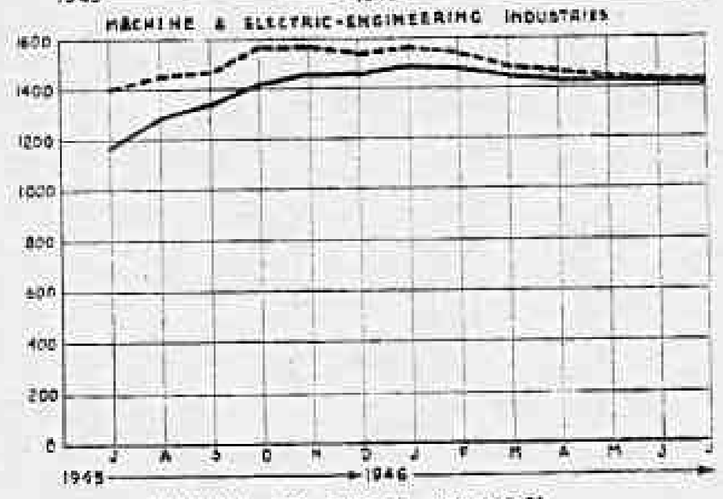
TABLE 36

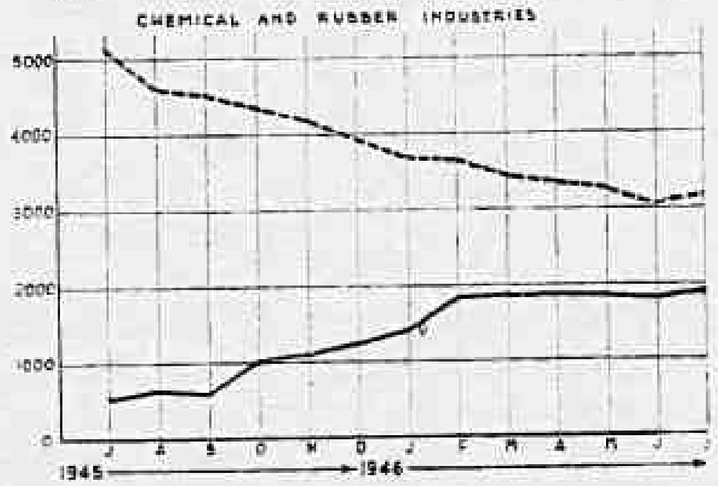
WHOLESALE PRICE INDICES IN NORTHERN ITALY OF SOME INDUSTRIAL PRODUCTS (1938 = 100) BY GROUPS OF INDUSTRIES

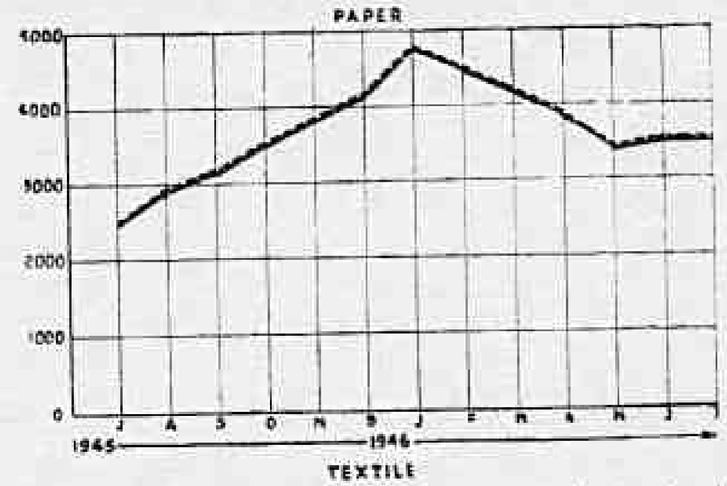
------ FREE PRICES —— LEGAL PRICES

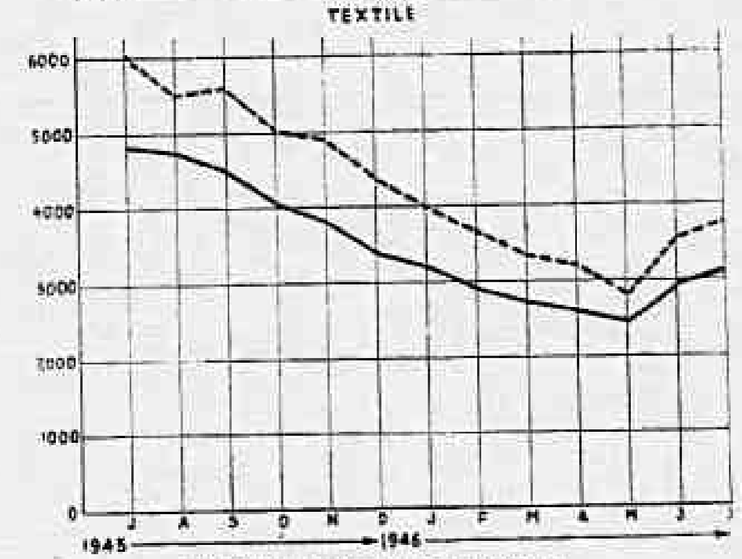


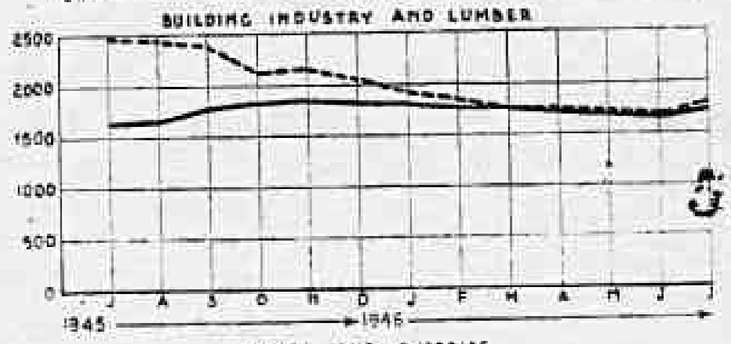


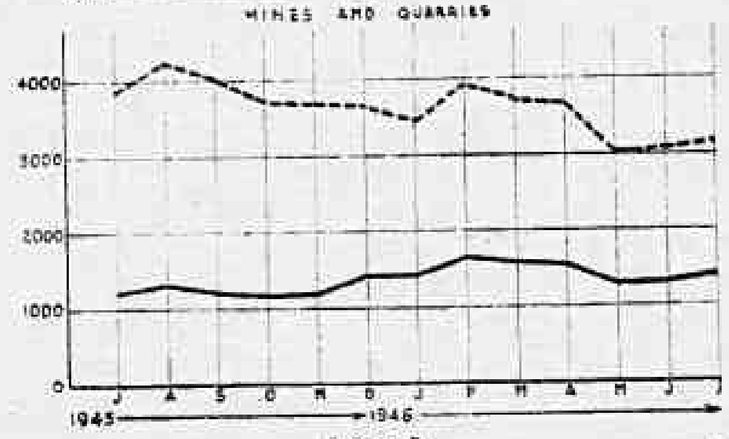












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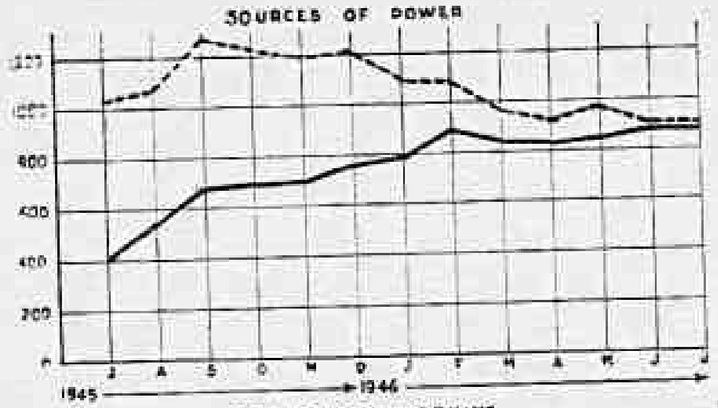
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PRODUCTS (1938 = 100) BY GROUPS OF [illegible]

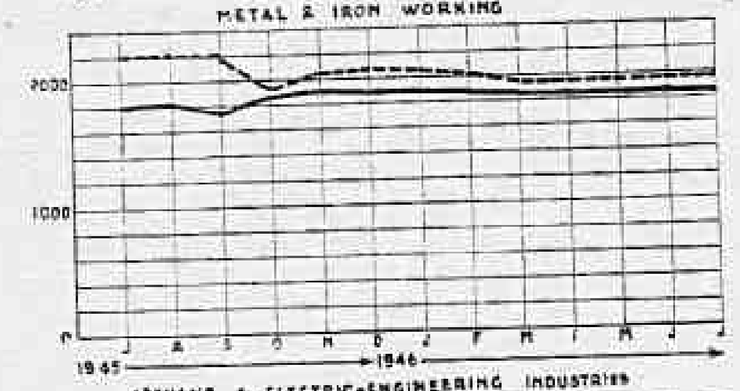
------ FREE PRICES

——— LEGAL PRICES

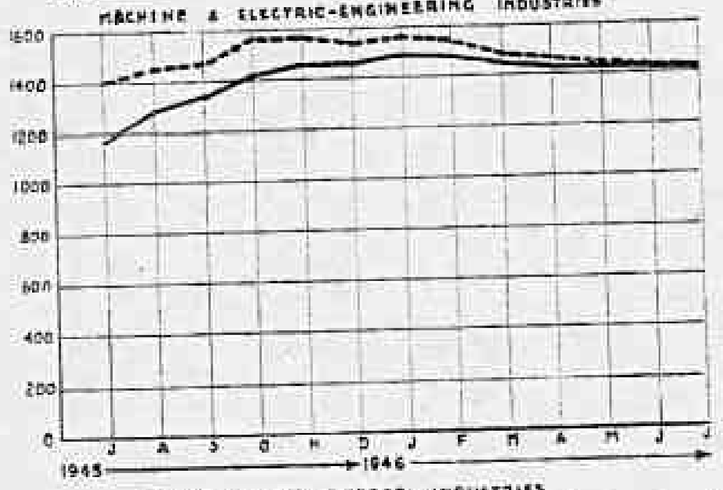
SOURCES OF POWER



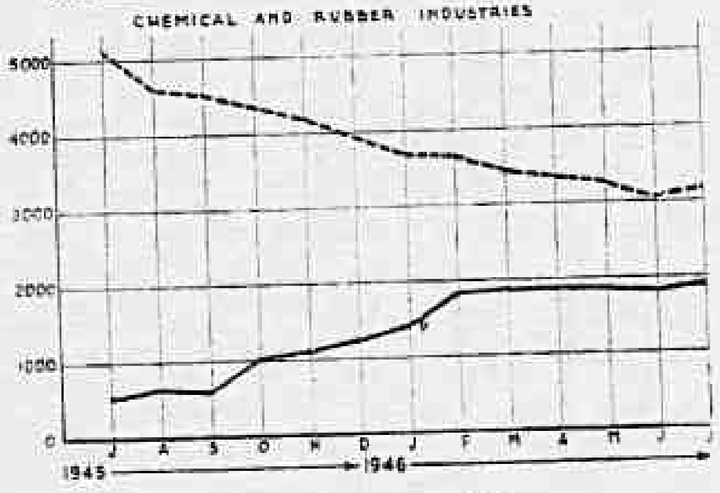
METAL & IRON WORKING



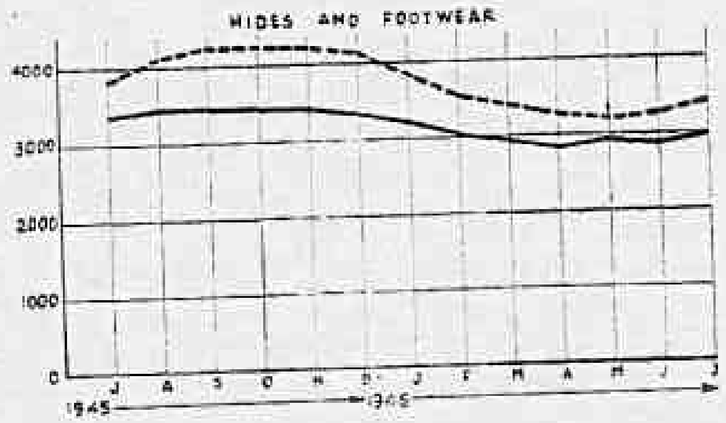
MACHINE & ELECTRIC-ENGINEERING INDUSTRIES



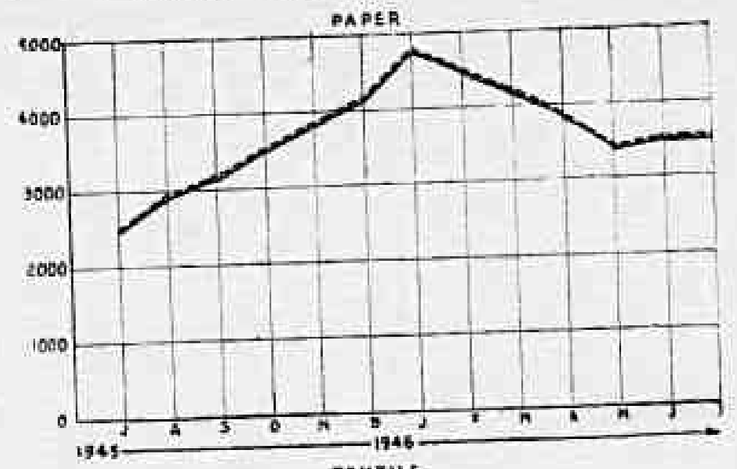
CHEMICAL AND RUBBER INDUSTRIES



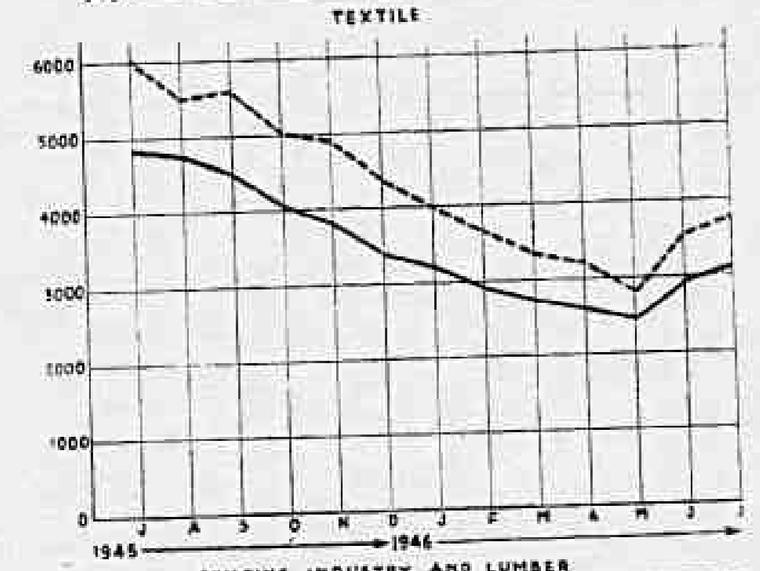
HIDES AND FOOTWEAR



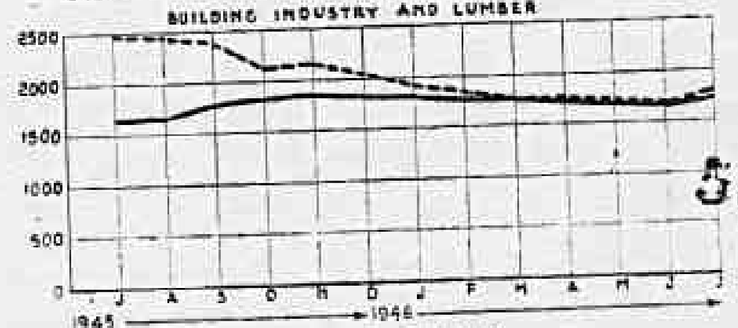
PAPER



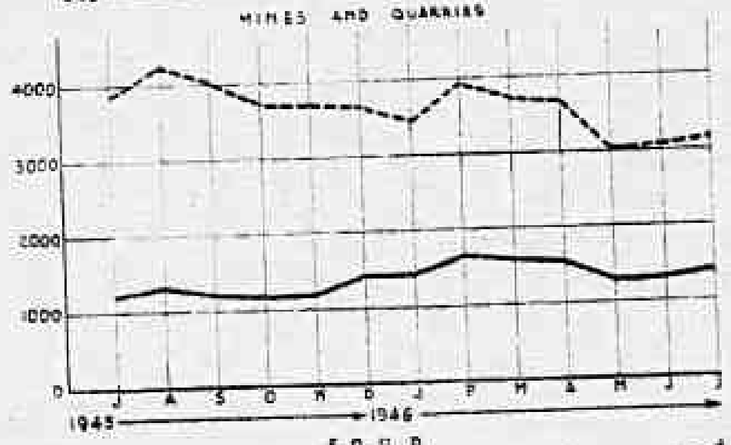
TEXTILE



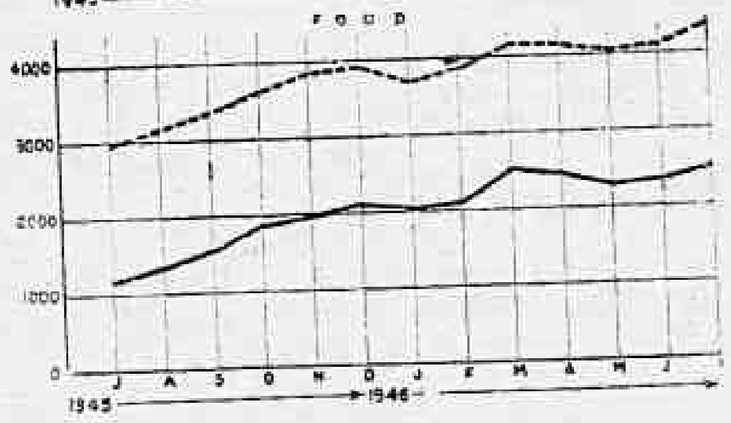
BUILDING INDUSTRY AND LUMBER



MINES AND QUARRIES



FOOD



5638

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Price Variations for Single Commodities

271. Any enquiry into price variations for single commodities must be subject to the considerations and difficulties mentioned above as inherent in any effort to compare, on the basis of the general wholesale prices, the present level of wholesale prices with the pre-war level.

(a) *Prices of Agricultural Products.*

(i) *Cereals and Pulses (National Official Prices).*

272. The official prices and the index-numbers (1938 = 100) for soft wheat, maize, rye, rough barley and husked rice—all controlled—are as follows:

TABLE 37

Official Wholesale Prices in lire per quintal of certain cereals in Northern and Central and Southern Italy: 1938, 1942, 1945 and 1946

Region	1938		1942		1945 (after liberation)		1946	
	Prices	Index Numbers	Prices	Index Numbers	Prices	Index Numbers	Prices	Index Numbers
SOFT WHEAT (1)								
Northern and Central Italy	135	100	210 (2)	156	750 (8)	556	2,700 (3)	2,000
Southern Italy	135	100	230	170	900	667	2,800 (4)	2,074
Islands	135	100	230	170	900	667	2,950 (5)	2,185
RYE								
Northern and Central Italy	120.7	100	179,8	189 (6)	750 (8)	621	2,250	1,864
Southern Italy	120.7	100	179,8	189 (6)	900	746	2,350	1,947
Islands	120.7	100	179,8	189 (6)	900	746	2,500	2,071
ROUGH BARLEY								
Northern and Central Italy	94,75	100	170	189 (7)	583 (8)	615	1,755	1,852
Southern Italy	94,75	100	179	189 (7)	700	739	1,885	1,987
Islands	94,75	100	179	189 (7)	700	739	1,950	2,050
MAIZE								
Northern and Central Italy	90	100	146 (9)	162	542	722	1,600 (10)	1,778
Southern Italy	90	100	146 (9)	162	650	722	1,750 (11)	1,944
Islands	90	100	146 (9)	162	650	722	1,900 (12)	2,111
HUSKED RICE								
Northern and Central Italy	94	100	160	170	1,000	1064	2,800	2,979
[illegible]	[illegible]	[illegible]	[illegible]	170	975	718	2,800	2,979

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0174

healthes mentioned above as inherent in any effort to compare, on the basis of the general wholesale prices, the present level of wholesale prices with the pre-war level.

(1938=100) for soft wheat, maize, rye, rough barley and husked rice—all controlled—are as follows:

TABLE 87

Official Wholesale Prices in lire per quintal of certain cereals in Northern and Central and Southern Italy: 1938, 1942, 1945 and 1946

Region	1938		1942		1945 (after liberation)		1946	
	Prices	Index Numbers	Prices	Index Numbers	Prices	Index Numbers	Prices	Index Numbers
SOFT WHEAT (1)								
Northern and Central Italy	135	100	210 (2)	156	750 (8)	556	2,700 (3)	2,000
Southern Italy	135	100	230	170	900	667	2,800 (4)	2,074
Islands	135	100	230	170	900	667	2,950 (5)	2,185
RYE								
Northern and Central Italy	120.7	100	179,8	189 (6)	750 (8)	621	2,250	1,864
Southern Italy	120.7	100	179,8	189 (6)	900	746	2,350	1,947
Islands	120.7	100	179,8	189 (6)	900	746	2,500	2,071
ROUGH BARLEY								
Northern and Central Italy	94.75	100	179	189 (7)	583 (8)	615	1,755	1,852
Southern Italy	94.75	100	179	189 (7)	700	739	1,885	1,987
Islands	94.75	100	179	189 (7)	700	739	1,950	2,050
MAIZE								
Northern and Central Italy	90	100	146 (9)	162	542	722	1,600 (10)	1,778
Southern Italy	90	100	146 (9)	162	650	722	1,750 (11)	1,944
Islands	90	100	146 (9)	162	650	722	1,900 (12)	2,111
HUSKED RICE								
Northern and Central Italy	94	100	160	170	1,000	1064	2,800	2,979
Southern Italy	94	100	160	170	675	718	2,800	2,979
Islands	94	100	160	170	675	718	2,800	2,979

(1) In 1942 included in the prices are 35 lire additional price for Northern and Central Italy and 55 lire for Southern Italy and Islands. In 1946 an average additional price of 450 lire bonus for early delivery to amassing points is included — (2) The provinces of Rome, Frosinone and Latina are not included — (3) Lazio and Grosseto province not included — (4) Calabria and Lucania not included — (5) Including Calabria and Lucania — (6) Inclusive of the additional price of 13.80 lire — (7) Inclusive of the additional price of 18 lire — (8) North Italy: - For each quintal of wheat delivered to the amassing points a 200 lire «bonus» for clothing was granted — (9) Inclusive of the 48 lire additional price (11 lire of the delivery bonus included) — (10) Northern Italy — (11) Central Italy and Campania — (12) Southern Italy and Islands.

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273. The official price level of the cereal products in Table 37 adjusted itself in 1946 to the level of currency circulation. In 1945 it was substantially lower and resulted in low deliveries to amassing points, and extensive black market activities in bread and flour.

274. The difference in 1944 between official prices on the two sides of the Gothic Line, the rapid adjustment after liberation of prices in the North to the higher prices of the South and the price increases in 1945 in both Northern and Southern Italy, are shown in Table 38.

TABLE 38

Official wholesale prices of cereals and pulses north and south of the Gothic Line: 1944 and 1945

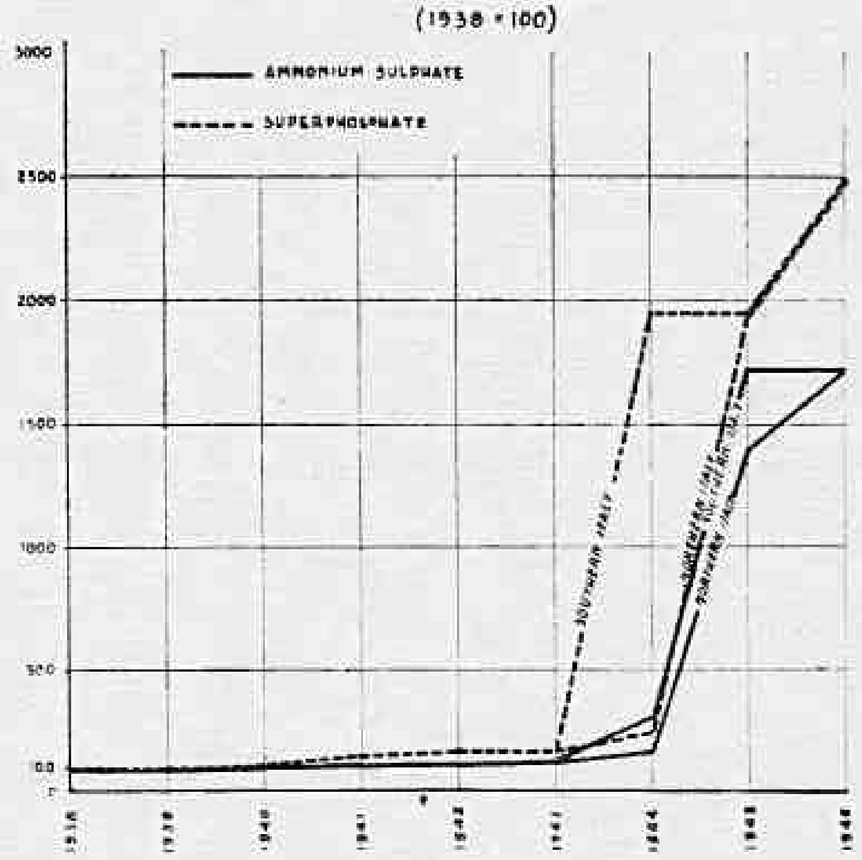
Agricultural product	1944		1945 (after liberation)	
	North	South	North	South
	Lire per quintal			
Soft wheat	350	960	750	960
Hard wheat	380	1,000	830	1,000
Rye	280	900	750	900
Barley (husked)	250	700	583	700
Oats	240	650	542	650
Husked rice	330	445	1,000	675
Maize	250	650	542	650
Horse beans	260	675	1,080	
Beans	600	1,250	2,000	
Chick peas	420	590	1,200	
Lentils	540	747	1,580	

(ii) *Fertilizers (National Official Prices).*

275. The official prices of the principal home produced fertilizers and their trend (index-numbers, 1938 = 100) are shown in Tables 39 (graph) and 40. The data for 1944 and 1945 reflect the chaotic official price situation then existing in Italy. The substantial margin, in the North, between maximum and minimum prices is due to the "minimum" price having been that ruling prior to the liberation, while the "maximum" price was that ruling after the liberation. In the North, as also in the South, the price of nitrogenous fertilizers increased during 1945 from 3 to 4.5 times. The average increase mentioned in para. 256, the collection of data on wholesale black market prices by governmental or quasi-governmental agencies is unsatisfactory. Black market prices on a national scale cannot therefore be calculated.

TABLE 39

INDEX NUMBERS OF WHOLESALE PRICES OF SOME FERTILIZERS (1938 = 100)



277. Of all the available sources of data, the most reliable appears to be that offered by the Edison Combine of Milan. The data shown in Table 41 refer to the months preceding the 1946 harvest (these months can justly be considered as the most crucial months of the immediate post-war period), and to August and September, just after the harvest.

278. The black market prices of cereals reach their highest level in March, then drop sharply in August, in common with products harvested in June and in July (see Table 41) of which there was a full crop. The March peak is maintained only in the cases of products harvested in later months for which short crops had been anticipated.

279. The ratio of black market prices to official prices (official prices = 1) for indigenous foodstuffs is as follows:

Commodities	1946			
	February	March	August	September

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274. The difference in 1944 between official prices on the two sides of the Gothic Line, the rapid adjustment after liberation of prices in the North to the higher prices of the South and the price increases in 1945 in both Northern and Southern Italy, are shown in Table 38.

TABLE 38

Official wholesale prices of cereals and pulses north and south of the Gothic Line: 1944 and 1945

Agricultural product	1944		1945 (after liberation)	
	North	South	North	South
	Lire per quintal			
Soft wheat	350	900	750	900
Hard wheat	380	1,000	830	1,000
Rye	280	900	750	900
Barley (husked)	250	700	583	700
Oats	240	650	542	650
Husked rice	330	445	1,000	675
Maize	230	650	542	650
Horse beans	260	675	1,080	
Beans	600	1,250	2,000	
Chick peas	429	500	1,200	
Lentils	549	747	1,560	

(ii) *Fertilizers (National Official Prices).*

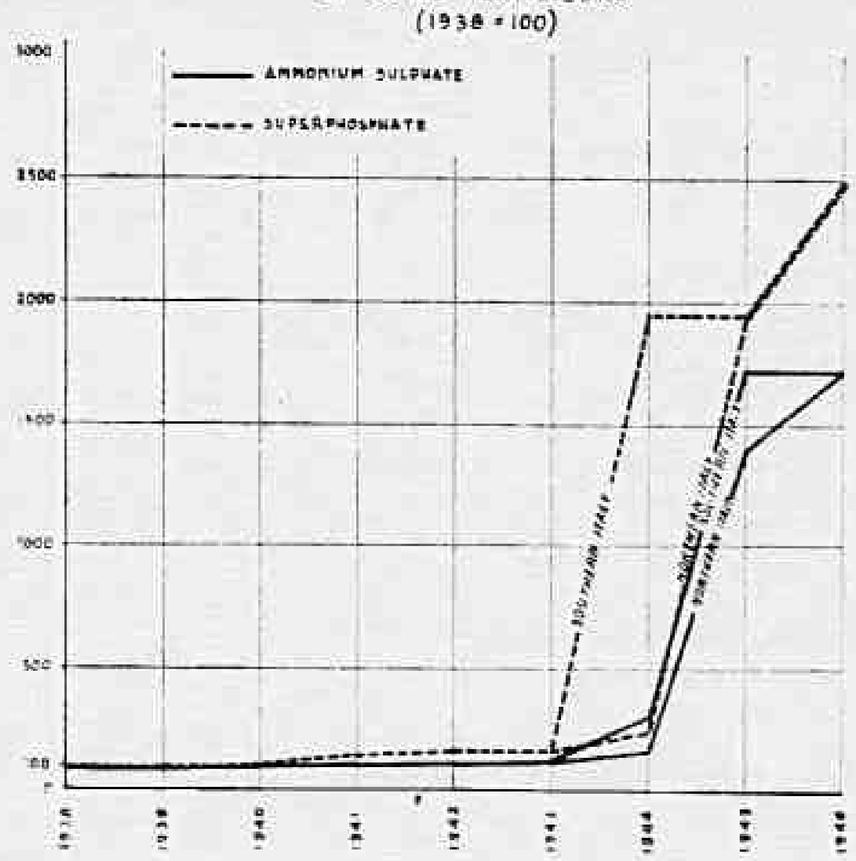
275. The official prices of the principal home produced fertilizers and their trend (index-numbers, 1938=100) are shown in Tables 39 (graph) and 40. The data for 1944 and 1945 reflect the chaotic official price situation then existing in Italy. The substantial margin, in the North, between maximum and minimum prices is due to the "minimum" price having been that ruling prior to the liberation, while the "maximum" price was that ruling after the liberation. In the North, as also in the South, the price of nitrogenous fertilizers increased during 1945 from 3 to 4.5 times. The average increase in the level of official prices is greater than the increase in the index of currency circulation.

(iii) *Free Prices (Milan): Private Collection of Data.*

276. A comparison, between official and black market prices can be made only for a limited number of commodities, and these in a few markets only. As

TABLE 39

INDEX NUMBERS OF WHOLESALE PRICES OF SOME FERTILIZERS
(1938 = 100)



277. Of all the available sources of data, the most reliable appears to be that offered by the Edison Combine of Milan. The data shown in Table 41 refer to the months preceding the 1946 harvest (these months can justly be considered as the most crucial [illegible] of the immediate post-war period), and to August and September, just after the harvest.

278. The black market prices of cereals reach their highest level in March, then drop sharply in August, in common with products harvested in June and in July (see Table 41) of which there was a full crop. The March peak is maintained only in the cases of products harvested in later months for which short crops had been anticipated.

279. The ratio of black market prices to official prices (official prices = 1) for indigenous foodstuffs is as follows:

Commodities	1946			
	February	March	August	September
Soft wheat	4.17	9.29	2.33	2.36
Maize	3.60	5.15	3.00	2.66
Rice	1.89	2.68	3.19	1.50
Olive oil	1.78	1.78	2.38	2.38
Sugar	7.54	9.04	4.86	4.86

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TABLE 40

Official Wholesale Prices of Fertilizers charged by the Producer to the "Federazione Consorzi Agrari" (Federation of Agricultural Consortia): 1938 to 1946

m = minimum prices — M = maximum prices

		1938	1940	1942	1944 North	1944 South	1945 North	1945 South	1946
A. *Prices in Lire*									
Ammonium Sulphate (20 to 21%) per quintal (1)	m	77.45	82.70	90.95	108.20	109.15	138.20	394.50 (3)	—
	M	86.50	97.00	100.00	141.05	263.00 (3)	1,218.00 (3)	1,500.00 (3)	1,500
Ammonium nitrate (15 to 16%) per quintal (1)	m	68.90	73.65	83.90	99.65	100.60	117.65	416.00 (3)	—
	M	77.45	89.45	92.45	120.50	222.50 (3)	850.00 (3)	(4)	1,300
Calcium nitrate (13% to 14%) per quintal (1)	m	69.00	76.70	84.00	102.60	103.55	120.60	(4)	—
	M	80.40	92.40	95.40	123.45	(4)	978.00 (3)	(4)	1,300
Calcium nitrate (15.50%) per quintal (1)	m	78.40	86.00	93.90	112.50	113.45	130.50	434.00 (3)	—
	M	89.30	102.30	105.30	133.35	234.50 (3)	1,121.00 (3)	1,900.00 (3)	1,500
Calcium cyanamide per quintal (1)	m	62.25	66.30	82.25	98.30	99.00	146.30	322.50 (3)	—
	M	68.65	78.65	88.65	147.95	215.00 (3)	495.00	1,000.00 (3)	1,800
Mineral superphosphate per unit of P_2O_5 (soluble) (2)	m	1.39	1.39	2.55	2.55	35.00 (3)	3.40	35.00 (3)	—
	M	1.62	1.86	2.78	3.63	35.00 (3)	35.00 (3)	35.00 (3)	12
B. *Index numbers* (1938 = 100)									
Ammonium sulphate	m	100.0	106.8	117.4	139.7	140.9	178.4	509.4	—
	M	100.0	112.1	115.6	163.1	304.0	1,408.1	1,734.1	1,734.1
Ammonium nitrate	m	100.0	106.9	121.8	144.6	146.0	170.8	603.8	—
	M	100.0	115.5	119.4	155.6	287.3	1,097.5	—	1,678.5
Calcium nitrate	m	100.0	111.0	121.7	148.7	150.1	174.8	—	—
	M	100.0	114.9	118.7	153.5	—	1,216.4	—	1,616.9
Calcium nitrate	m	100.0	109.7	119.8	143.5	144.7	166.5	553.6	—
	M	100.0	113.9	117.3	148.5	261.1	1,248.3	2,115.8	1,670.4
Calcium Cyanamide	m	100.0	106.5	132.1	157.9	159.0	235.0	518.1	—
	M	100.0	114.6	129.1	215.5	313.2	721.0	1,456.7	2,622.6
								2,515.0 (5)	—

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		1938	1940	1942	1944 North	1944 South	1945 North	1945 South	1946
A. *Prices in Lire*									
Ammonium Sulphate (20 to 21%) per quintal (1)	m	77.45	82.70	90.95	108.20	109.15	138.20	394.50 (3)	—
	M	86.50	97.00	100.00	141.05	263.00 (3)	1.218.00 (3)	1.500.00 (3)	1.500
Ammonium nitrate (15 to 16%) per quintal (1)	m	68.90	73.65	83.90	99.65	100.60	117.65	416.00 (3)	—
	M	77.45	89.45	92.45	120.50	222.50 (3)	850.00 (3)	(4)	1.300
Calcium nitrate (13% to 14%) per quintal (1)	m	69.00	76.70	84.00	102.60	103.55	120.60	(4)	—
	M	80.40	92.40	95.40	123.45	(4)	978.00 (3)	(4)	1.300
Calcium nitrate (15.50%) per quintal (1)	m	78.40	86.00	93.90	112.50	113.45	130.50	434.00 (3)	—
	M	89.30	102.30	105.30	133.35	234.50 (3)	1.121.00 (3)	1.900.00 (3)	1.500
Calcium cyanamide per quintal (1)	m	62.25	66.30	82.25	98.30	99.00	146.30	322.50 (3)	—
	M	68.65	78.65	88.65	147.95	215.00 (3)	495.00	1.000.00 (3)	1.800
Mineral superphosphate per unit of P_2O_5 (soluble) (2)	m	1.39	1.39	2.55	2.55	35.00 (3)	3.40	35.00 (3)	—
	M	1.62	1.86	2.78	3.63	35.00 (3)	35.00 (3)	35.00 (3)	42
B. *Index numbers* (1938 = 100)									
Ammonium sulphate	m	100.0	106.8	117.4	139.7	140.9	178.4	509.4	—
	M	100.0	112.1	115.6	163.1	304.0	1.408.1	1.734.1	1.734.1
Ammonium nitrate	m	100.0	106.9	121.8	144.6	146.0	170.8	603.8	—
	M	100.0	115.5	119.4	155.6	287.3	1,097.5	—	1,678.5
Calcium nitrate	m	100.0	111.0	121.7	148.7	150.1	174.8	—	—
	M	100.0	114.9	118.7	153.5	—	1.216.4	—	1.616.9
Calcium nitrate	m	100.0	109.7	119.8	143.5	144.7	166.5	553.6	—
	M	100.0	113.9	117.3	148.5	261.1	1,248.3	2,115.8	1,670.4
Calcium Cyanamide	m	100.0	106.5	132.1	157.9	159.0	235.0	518.1	—
	M	100.0	114.6	129.1	215.5	313.2	721.0	1,456.7	2,622.0
Mineral superphosphate	m	100.0	100.0	183.5	183.5	2,518.0	244.6	2,518.0 (5)	—
	M	100.0	114.8	171.6	224.1	2,160.5	2,160.5	2,160.5	2,592.6

(1) Free at terminal station, not inclusive of packing.
(2) Free on wharf, exclusive of packing.
(3) Prices on producers' premises.
(4) Production suspended.
(5) Minimum has increased since 1938 more than maximum.

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TABLE 41

Wholesale Prices in Milan

Source: Edison Combine, Milan

Description of Produce	Unit	1938	February 1946		March 1946		August 1946		September 1946	
			Official prices	Free prices	Official prices	Free prices	Official prices	Free prices	Official prices	Free prices
A) *Prices in lire*										
Soft wheat	quintal	143.42	1,077.75	4,300	1,077.75	10,000	2,250	5,250	2,250	5,300
Maize	quintal	101.67	971.50	3,500	971.50	5,000	1,600	4,800	1,600	4,250
Potatoes	quintal	39.17	—	5,000	—	5,000	—	2,000	—	2,100
Calves (1st quality)	kg.	5.67	—	225	—	240	—	390	—	425
Hogs	kg.	5.51	—	230	—	290	—	400	—	370
Milk	liters	0.9	25	33	25	33	—	35	—	35
Rice	quintal	244.58	3,170	6,000	3,170	8,500	2,665	8,500	2,665	12,000
Olive oil	hundred liters	687.00	25,251.50	45,000	25,251.50	45,000	25,251.5	60,000	25,251	60,000
Sugar (refined)	quintal	2,637.00	14,500.00	80,000	14,500.00	80,000	17,500	85,000	17,500	85,000
Pasta	quintal	232.50	2,300	11,000	2,300	12,000	2,300	13,000	2,300	14,000
Lard	kg.	7.25	47.70	300	47.70	380	—	510	—	510
Butter	kg.	13.97	231.50	600	231.50	650	—	720	525	720
Cheese (grana type for grating)	kg.	11.60	135.30	600	135.30	600	—	900	—	900
Cheese (Gorgonzola)	kg.	7.73	175	400	175	400	—	300	—	300
B) *Index numbers* (1938 = 100)										
Soft wheat	same as above	100	751.5	3,137.6	751.5	6,972.5	1,568.8	3,660.6	1,568.8	3,695.4
Maize		100	955.5	3,442.5	955.5	4,917.9	1,573.7	4,721.2	1,573.7	4,180.2
Potatoes		100	—	12,764.9	—	12,764.9	—	5,165.9	—	5,361.2
Calves (1st quality)		100	—	3,968.3	—	4,232.8	—	6,878.3	—	7,495.6
Hogs		100	—	4,174.2	—	5,263.2	—	7,259.5	—	6,715.1
Milk		100	2,717.4	3,587.0	2,717.4	3,587.0	—	3,804.3	—	3,804.3
Rice		100	1,296.1	2,453.2	1,296.1	3,475.3	1,089.6	3,475.3	1,089.6	4,906.4
Olive oil		100	3,675.6	6,550.2	3,675.6	6,550.2	3,675.6	8,733.6	3,675.6	8,733.6
Sugar (refined)		100	2,276.3	12,558.9	2,276.3	12,558.9	2,747.3	13,343.8	2,747.3	13,343.8
Pasta		100	989.2	4,731.2	989.2	5,161.3	989.2	5,591.4	989.2	6,021.5
Lard		100	657.9	4,137.9	657.9	5,244.4	—	7,034.5	—	7,034.5
Butter		100	1,657.1	4,294.9	1,657.1	4,625.8	—	5,153.9	3,758.1	5,153.9
Cheese (grana type)		100	1,166.4	5,172.4	1,166.4	5,172.4	—	7,758.6	—	7,758.0
Cheese (Gorgonzola)		100	2,263.9	5,174.6	2,263.9	5,174.6	—	3,881.0	—	3,881.9

280. Table 41 indicates the importance of eliminating black market operations. The following two conditions must be fulfilled if this end is to be achieved: (a) food rations must be adequate to provide for minimum needs; (b) official prices must be adjusted, without long delay, to costs of production.

(iv) *Free Prices: Official Collection of Data.*

281. The most reliable data at the present time on

tion index, the latter being some 20 times the pre-war level.

282. The trend of the open market price level in representative markets of some of the major agricultural products given in Table 42 shows:

(a) the substantial drop in soft wheat prices in July and August 1946, i.e. at the time of harvesting;

(b) the maintenance of high prices in July and August 1946 for agricultural products which had

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Description of Produce	Unit	1938	February 1946		March 1946		August 1946		September 1946	
			Official prices	Free prices	Official prices	Free prices	Official prices	Free prices	Official prices	Free prices
A) *Prices in lire*										
Soft wheat	quintal	143.42	1,077.75	4,500	1,077.75	10,000	2,250	5,250	2,250	5,300
Maize	quintal	101.67	971.50	3,500	971.50	5,000	1,600	4,800	1,600	4,250
Potatoes	quintal	39.17	—	5,000	—	5,000	—	2,000	—	2,100
Calves (1st quality)	kg.	5.67	—	225	—	240	—	390	—	425
Hogs	kg.	5.51	—	230	—	290	—	400	—	370
Milk	liters	0.9	25	33	25	33	—	35	—	35
Rice	quintal	244.58	3,170	6,000	3,170	8,500	2,665	8,500	2,665	12,000
Olive oil	hundred liters	687.00	25,251.50	45,000	25,251.50	45,000	25,251.5	60,000	25,251	60,000
Sugar (refined)	quintal	2,637.00	14,500.00	80,000	14,500.00	80,000	17,500	85,000	17,500	85,000
Pasta	quintal	232.50	2,300	11,000	2,300	12,000	2,300	13,000	2,300	14,000
Lard	kg.	7.25	47.70	300	47.70	380	—	510	—	510
Butter	kg.	13.97	231.50	600	231.50	650	—	720	525	720
Cheese (grana type for grating)	kg.	11.60	135.30	600	135.30	600	—	900	—	900
Cheese (Gorgonzola)	kg.	7.73	175	400	175	400	—	300	—	300
B) *Index numbers* (1938 = 100)										
Soft wheat	same as above	100	751.5	3,137.6	751.5	6,972.5	1,568.8	3,660.6	1,568.8	3,695.4
Maize		100	955.5	3,442.5	955.5	4,917.9	1,573.7	4,721.2	1,573.7	4,180.2
Potatoes		100	—	12,764.9	—	12,764.9	—	5,165.9	—	5,361.2
Calves (1st quality)		100	—	3,968.3	—	4,232.8	—	6,878.3	—	7,495.6
Hogs		100	—	4,174.2	—	5,263.2	—	7,259.5	—	6,715.1
Milk		100	2,717.4	3,587.0	2,717.4	3,587.0	—	3,804.3	—	3,804.3
Rice		100	1,296.1	2,453.2	1,296.1	3,475.3	1,089.6	3,475.3	1,089.6	4,906.4
Olive oil		100	3,675.6	6,550.2	3,675.6	6,550.2	3,675.6	8,733.6	3,675.6	8,733.6
Sugar (refined)		100	2,276.3	12,558.9	2,276.3	12,558.9	2,747.3	13,343.8	2,747.3	13,343.8
Pasta		100	989.2	4,731.2	989.2	5,161.3	989.2	5,591.4	989.2	6,021.5
Lard		100	657.9	4,137.9	657.9	5,244.4	—	7,034.5	—	7,034.5
Butter		100	1,657.1	4,294.9	1,657.1	4,625.8	—	5,153.9	758.1	5,153.9
Cheese (grana type)		100	1,166.4	5,172.4	1,166.4	5,172.4	—	7,758.6	—	7,758.0
Cheese (Gorgonzola)		100	2,263.9	5,174.6	2,263.9	5,174.6	—	3,881.0	—	3,881.9

280. Table 41 indicates the importance of eliminating black market operations. The following two conditions must be fulfilled if this end is to be achieved: (a) food rations must be adequate to provide for minimum needs; (b) official prices must be adjusted, without long delay, to costs of production.

(iv) *Free Prices: Official Collection of Data.*

281. The most reliable data at the present time on black market prices are official figures for certain representative markets. Tables 42 and 43 bear out the presence of substantial *regional price differences* which are indicative of the absence of a unified national market. Compared with pre-war (1938), actual prices have increased 25 to 74 times (minimum prices range from 25 to 53 times the pre-war level and maximum prices from 46 to 74 times) (see Table 43). All indices stand at a much higher level than the currency circulation index, the latter being some 20 times the pre-war level.

282. The trend of the open market price level in representative markets of some of the major agricultural products given in Table 42 shows:

(a) the substantial drop in soft wheat prices in July and August 1946, i.e. at the time of harvesting;

(b) the maintenance of high prices in July and August 1946 for agricultural products which had still to be harvested (rice and maize) or of which a deficiency was anticipated;

(c) the striking price increase in cattle for slaughter. This reflects an improvement in the fodder situation;

(d) prices in August 1946 are from 20 to 113 times above pre-war (a high frequency of prices from 40 to 50 times is noticeable).

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TABLE 42

Open or Black Market Wholesale Prices in Lire per Quintal and Index Numbers (1938 = 100) June 1938 and March to August, 1946

Cities	June 1938		March 1946		June 1946		July 1946		August 1946	
	Price	Index	Price	Index	Price	Index	Price	Index	Price	Index
Soft Wheat										
Alessandria	135	100	9,000	6,666.7	9,000	6,666.7	6,000	4,444.4	6,000	4,444.4
Milan	135	100	8,200 (1)	6,074.1	5,500	4,074.1	5,000	3,703.7	5,300	3,925.9
Padua	135	100	6,000	4,444.4	4,000	2,963.0	4,000	2,963.0	4,000	2,963.0
Rovigo	135	100	4,500	3,333.3	6,000	4,444.4	6,000	4,444.4	—	—
Florence	135	100	5,500	4,074.1	5,700	4,222.2	6,200	4,592.6	5,780	4,281.5
Perugia	135	100	5,000	3,703.7	9,000	6,666.7	5,000	3,703.7	5,000	3,703.7
Rome	135	100	7,500	5,555.6	5,000	3,703.7	5,000	3,703.7	5,000	3,703.7
Teramo	135	100	10,000	7,407.4	6,000	4,444.4	4,500	3,333.3	4,500	3,333.3
Catania	135	100	8,000	5,925.9	5,000	3,703.7	5,500	4,074.1	4,500	3,333.3
Cagliari	135	100	12,500	9,259.3	12,500	9,259.3	8,000	5,925.9	8,000	5,925.9
Sassari	135	100	10,000	7,407.4	12,000	8,888.9	4,000	2,963.0	4,000	2,963.0
Husked rice										
[illegible]	93	100	1,500	1,838.7	5,000	5,376.3			—	—
Milan	95.50	100	4,600	4,815.8	7,000	7,329.8	7,000	7,329.8	—	—
Pavia	91	100	2,500	2,659.6	4,000	4,255.3	4,500	4,787.2	4,300	4,574.5
Maize										
Brescia	90	100	5,250	5,833.3	5,000	5,555.6	4,500	5,000.0	—	—
Cremona	90	100	4,500	5,000.0	4,000	4,444.4	4,000	4,444.4	4,000	4,444.4
Milan	89	100	5,000	5,618.0	5,000	5,618.0	6,000	6,741.6	5,200	5,842.7
Pavia	90	100	3,300	3,666.7	4,000	4,444.4	5,000	5,555.6	5,000	5,555.6
Udine	90	100	4,500	5,000.0	5,000	5,555.6	5,500	6,111.1	5,500	6,111.1
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6,000	6,666.7	—	—

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Cities	June 1938		March 1946		June 1946		July 1946		August 1946	
	Price	Index	Price	Index	Price	Index	Price	Index	Price	Index
Soft Wheat										
Alessandria	135	100	9,000	6,666.7	9,000	6,666.7	6,000	4,444.4	6,000	4,444.4
Milan	135	100	8,200 (1)	6,074.1	5,500	4,074.1	5,000	3,703.7	3,500	3,925.9
Padua	135	100	6,000	4,444.4	4,000	2,963.0	4,000	2,963.0	4,000	2,963.0
Rovigo	135	100	4,500	3,333.3	6,000	4,444.4	6,000	4,444.4	—	—
Florence	135	100	5,500	4,074.1	5,700	4,222.2	6,200	4,592.6	5,230	4,281.5
Perugia	135	100	5,000	3,703.7	9,000	6,666.7	5,000	3,703.7	5,000	3,703.7
Rome	135	100	7,500	5,555.6	5,000	3,703.7	5,000	3,703.7	5,000	3,703.7
Teramo	135	100	10,000	7,407.4	6,000	4,444.4	4,500	3,333.3	4,500	3,333.3
Catania	135	100	8,000	5,925.9	5,000	3,703.7	5,500	4,074.1	4,500	3,333.3
Cagliari	135	100	12,500	9,259.3	12,500	9,259.3	8,000	5,925.9	8,000	5,925.9
Sassari	135	100	10,000	7,407.4	12,000	8,888.9	4,000	2,963.0	4,000	2,963.0
Husked rice										
[illegible]	93	100	4,500	4,838.7	5,000	5,376.3	—	—	—	—
Milan	95.50	100	4,600	4,815.8	7,000	7,329.8	7,000	7,329.8	—	—
Pavia	94	100	2,500	2,659.6	4,000	4,255.3	4,500	4,787.2	4,300	4,574.5
Maize										
Brescia	90	100	3,250	3,833.3	3,000	3,333.3	4,500	5,000.0	—	—
Cremona	90	100	4,500	5,000.0	4,000	4,444.4	4,000	4,444.4	4,000	4,444.4
Milan	89	100	5,000	5,618.0	5,000	5,618.0	6,000	6,741.6	5,200	5,842.7
Pavia	90	100	3,300	3,666.7	4,000	4,444.4	5,000	5,555.6	5,000	5,555.6
Udine	90	100	4,500	5,000.0	5,000	5,555.6	5,500	6,111.1	5,500	6,111.1
Bologna	90	100	5,000	5,555.6	—	—	6,000	6,666.7	—	—
Piacenza	90	100	4,200	4,666.7	4,000	4,444.4	4,500	5,000.0	4,000	4,444.4
Rome	92	100	6,500	7,065.2	6,000	6,521.7	—	—	—	—

(1) 10,000 lire, according to the "Società Edison".
Source: Central Institute of Statistics (Monthly Bulletin).

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TABLE 42 (*continued*)

Open or Black Market Wholesale Prices in Lire per Quintal

Cities	June 1938		March 1946		June 1946		July 1946		August 1946	
	Price	Index	Price	Index	Price	Index	Price	Index	Price	Index
OLIVE OIL.										
Genoa	748	100	55,700	7,446.5	53,000	7,085.6	—	—	—	—
Florence	734	100	52,500	7,152.6	50,000	6,812.0	54,250	7,391.0	55,000	7,493.2
Lucca	793	100	—	—	55,000	6,935.7	—	—	90,000	11,349.3
Perugia	704	100	42,000	5,965.9	48,000	6,818.2	48,000	6,818.2	55,000	7,812.5
Chieti	725	100	45,000	6,206.9	45,000	6,206.9	45,000	6,206.9	50,000	6,896.6
Naples	761	100	—	—	46,000	6,045.3	—	—	62,500	8,212.9
Bari	697	100	28,000	4,017.3	33,500	4,806.4	38,000	5,452.0	42,000	6,025.8
Foggia	670	100	29,000	3,328.4	—	—	36,000	5,373.1	37,000	5,522.4
Lecce	660	100	23,500	3,560.6	32,500	4,924.2	45,000	6,818.2	43,000	6,515.2
Catanzaro	689	100	—	—	30,000	4,354.1	—	—	40,000	5,805.5
Cosenza	660	100	—	—	28,000	4,242.4	—	—	40,000	6,060.6
Reggio Calabria	697	100	27,000	3,873.7	28,500	4,089.6	35,000	5,021.5	40,000	5,738.9
Catania	745	100	22,000	2,952.8	26,000	3,489.7	37,000	4,966.1	41,000	5,503.4
MILK FOR DIRECT CONSUMPTION (l)										
Milan	110	100	3,300	3,000.0	3,200	2,909.1	3,200	2,909.1	3,200	2,909.1
Bologna	90	100	3,500	3,888.9	3,000	3,333.0	3,000	3,333.3	—	—
Florence	102	100	4,600	4,509.8	4,300	4,215.7	4,400	4,315.7	4,400	4,313.7
Rome	132	100	5,000	3,787.9	—	—	4,000	3,030.3	4,000	3,030.3
Naples	140	100	—	—	6,000	4,285.7	—	—	—	—
Palermo	97.5	100	3,000	3,076.9	3,500	3,589.7	4,500	4,615.4	4,500	5,615.4
OXEN FOR SLAUGHTER (*Live weight*)										
Alessandria	300	100	14,000	4,666.7	11,500	3,833.3	13,000	4,333.3	13,000	5,333.3
Milan	430	100	15,000	3,488.4	14,000	3,255.8	16,000	3,720.9	16,500	3,837.2
Vicenza	315	100	20,000	6,349.2	13,500	4,285.7	15,000	4,761.9	13,000	4,127.0
Bologna	320	100	16,500	5,156.3	15,000	4,687.5	17,000	5,312.5	18,000	5,625.0
Perugia	305	100	13,500	4,426.2	14,000	4,590.2	16,000	5,245.9	15,500	5,082.0

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	Price	Index	Price	Index	Price	Index	Price	Index	Price	Index
Olive oil										
Genoa	748	100	55,700	7,446.5	53,000	7,085.6	—	—	—	—
Florence	734	100	52,500	7,152.6	50,000	6,812.0	54,250	7,391.0	55,000	7,493.2
Lucca	793	100	—	—	55,000	6,935.7	—	—	90,000	11,349.3
Perugia	704	100	42,000	5,965.9	48,000	6,818.2	48,000	6,818.2	55,000	7,812.5
Chieti	725	100	45,000	6,206.9	45,000	6,206.9	45,000	6,206.9	50,000	6,896.6
Naples	761	100	—	—	46,000	6,045.3	—	—	62,500	8,812.9
Bari	697	100	28,000	4,017.3	33,500	4,806.4	38,000	5,452.0	42,000	6,025.8
Foggia	670	100	29,000	3,328.4	—	—	36,000	5,373.1	37,000	5,522.4
Lecce	660	100	23,500	3,560.6	32,500	4,924.2	45,000	6,818.2	43,000	6,515.2
Catanzaro	689	100	—	—	30,000	4,354.1	—	—	40,000	5,805.5
Cosenza	660	100	—	—	28,000	4,242.4	—	—	40,000	6,060.6
Reggio Calabria	697	100	27,000	3,873.7	28,500	4,089.0	35,000	5,021.5	40,000	5,738.9
Catania	745	100	22,000	2,952.8	26,000	3,489.7	37,000	4,966.1	41,000	5,503.4
Milk for direct consumption (1)										
Milan	110	100	3,300	3,000.0	3,200	2,909.1	3,200	2,909.1	3,200	2,909.1
Bologna	90	100	3,500	3,888.9	3,000	3,333.0	3,000	3,333.3	—	—
Florence	102	100	4,600	4,509.8	4,300	4,215.7	4,400	4,315.7	4,400	4,313.7
Rome	132	100	5,000	3,787.9	—	—	4,000	3,030.3	4,000	3,030.3
Naples	140	100	—	—	6,000	4,285.7	—	—	—	—
Palermo	97.5	100	3,000	3,076.9	3,500	3,589.7	4,500	4,615.4	4,500	5,615.4
Oxen for slaughter (*Live weight*)										
Alessandria	300	100	14,000	4,666.7	11,500	3,833.3	13,000	4,333.3	13,000	5,333.3
Milan	430	100	15,000	3,488.4	14,000	3,255.8	16,000	3,720.9	16,500	3,837.2
Vicenza	315	100	20,000	6,349.2	13,500	4,285.7	15,000	4,761.9	13,000	4,127.0
Bologna	320	100	16,500	5,156.3	15,000	4,687.5	17,000	5,312.5	18,000	5,625.0
Perugia	305	100	13,500	4,426.2	14,000	4,590.2	16,000	5,245.9	15,500	5,082.0
Rome	364	100	12,500	3,434.1	10,000	2,747.3	14,000	3,846.2	16,000	4,395.6
Naples	327	100	—	—	11,400	3,486.2	—	—	14,000	4,281.3
Bari	310	100	14,000	4,516.1	12,000	3,871.0	11,500	3,709.7	14,000	4,516.1
Catania	291	100	13,000	4,467.4	13,000	4,467.4	13,000	4,467.4	13,000	4,467.4

(1) Price per 100 litres.

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TABLE 42 (*continued*)

Open or Black Market Prices in Lire per Quintal

	June 1938		March 1946		June 1946		July 1946		August 1946	
	Price	Index	Price	Index	Price	Index	Price	Index	Price	Index
COWS FOR SLAUGHTERING (*Live weight*) (1)										
Alessandria	210	210	11,000	5,238.1	9,000	4,285.7	11,000	5,238.1	11,000	5,238.1
Milan	370	100	13,000	3,513.5	12,000	3,243.2	14,000	3,783.8	15,500	5,189.2
Vicenza	260	100	15,000	5,769.2	12,000	4,615.4	13,000	5,000.0	13,000	5,000.0
Bologna	285	100	15,500	5,438.6	14,000	4,912.3	15,500	5,438.6	16,500	5,789.5
Perugia	280	100	12,500	4,464.3	13,500	4,821.4	15,000	5,357.1	14,200	5,071.4
Rome	324	100	12,000	3,703.7	9,500	2,932.1	13,500	4,166.7	15,500	5,781.0
Naples	339	100	—	—	12,000	3,539.8	—	—	14,000	4,129.8
Bari	310	100	13,000	4,193.5	12,000	3,871.0	11,500	3,709.7	13,000	4,193.5
Catania	306	100	12,000	3,921.6	12,000	3,921.6	12,000	3,921.6	12,000	3,921.6
CALVES FOR SLAUGHTER (*Live weight*).										
Alessandria	350	100	21,000	6,000.0	18,000	5,242.9	22,000	6,285.7	22,000	6,285.7
Milan	560	100	(2)19,000	3,392.9	18,500	3,305.6	20,000	3,571.0	23,000	4,107.1
Bologna	375	100	19,000	5,066.7	19,000	5,066.7	23,000	6,133.3	26,000	6,933.3
Perugia	350	100	19,000	5,428.6	19,000	5,428.6	20,000	5,714.3	20,000	5,714.3
Rome	427	100	16,000	3,747.1	13,000	3,044.5	18,000	4,215.5	18,000	4,215.5
Bari	483	100	16,000	3,312.6	14,000	2,898.6	14,000	2,898.6	15,000	3,105.6
LAMBS (*Live weight*)										
Rome	761	100	20,000	2,628.1	—	—	—	—	—	—
Campobasso	450	100	11,000	2,444.4	11,000	2,444.4	—	—	11,000	2,444.4
Chieti	335	100	19,000	4,935.1	19,000	4,935.1	20,000	5,194.8	16,000	4,776.1
	512	100	17,500	3,418.0	13,000	2,539.1	13,000	2,539.1	13,000	2,539.1

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	June 1938		March 1946		June 1946		July 1946		August 1946	
	Price	Index	Price	Index	Price	Index	Price	Index	Price	Index
COWS FOR SLAUGHTERING (*Live weight*) (1)										
Alessandria	210	210	11,000	5,238.1	9,000	4,285.7	11,000	5,238.1	11,000	5,238.1
Milan	370	100	13,000	3,513.5	12,000	3,243.2	14,000	3,783.8	15,500	5,189.2
Vicenza	260	100	15,000	5,769.2	12,000	4,615.4	13,000	5,000.0	13,000	5,000.0
Bologna	285	100	15,500	5,438.6	14,000	4,912.3	15,500	5,438.6	16,500	5,789.5
Perugia	280	100	12,500	4,464.3	13,500	4,821.4	15,000	5,357.1	14,200	5,071.4
Rome	324	100	12,000	3,703.7	9,500	2,932.1	13,500	4,166.7	15,500	5,784.0
Naples	339	100	—	—	12,000	3,539.8	—	—	14,000	4,129.8
Bari	310	100	13,000	4,193.5	12,000	3,871.0	11,500	3,709.7	13,000	4,193.5
Catania	306	100	12,000	3,921.6	12,000	3,921.6	12,000	3,921.6	12,000	3,921.6
CALVES FOR SLAUGHTER (*Live weight*).										
Alessandria	350	100	21,000	6,000.0	18,000	5,242.9	22,000	6,285.7	22,000	6,285.7
Milan	560	100	(2)19,000	3,392.9	18,500	3,305.6	20,000	3,571.0	23,000	4,107.1
Bologna	375	100	19,000	5,066.7	19,000	5,066.7	23,000	6,133.3	26,000	6,933.3
Perugia	350	100	19,000	5,428.6	19,000	5,428.6	20,000	5,714.3	20,000	5,714.3
Rome	427	100	16,000	3,747.1	13,000	3,044.5	18,000	4,215.5	18,000	4,215.5
Bari	183	100	16,000	3,312.6	14,000	2,898.6	14,000	2,898.6	15,000	3,105.6
LAMBS (*Live weight*)										
Rome	761	100	20,000	2,623.1	—	—	—	—	—	—
Campobasso	450	100	11,000	2,444.4	11,000	2,444.4	—	—	11,000	2,444.4
Chieti	335	100	19,000	4,935.1	19,000	4,935.1	20,000	5,194.8	16,000	4,776.1
Lecce	512	100	17,500	3,418.0	13,000	2,539.1	13,000	2,539.1	13,000	2,539.1
SHEEP (*Live weight*).										
Sassari	375	100	—	—	—	—	8,000	2,133.3	7,500	2,000.0

(1) For 1938, second quality.
(2) 24.000 lire according to the data of the Edison Combine.

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TABLE 43

Minimum and Maximum Open Market Prices in Lire per Quintal in certain Italian Markets: July 1946

PRODUCT	PRICES				Index numbers (1938 = 1)	
	Minimum		Maximum		Minimum	Maximum
	Price	Market	Price	Market		
Soft wheat	4,000	Padua	8,000	Cagliari	30	59
Husked rice	4,500	Pavia	7,000	Milan	48	73
Maize	4,000	Cremona	6,000	Milan	44	67
Olive Oil	35,000	Reggio Calabria	54,000	Florence	50	74
Oxen for slaughter	11,500	Bari	17,000	Bologna	37	53
Cows for slaughter	11,500	Bari	15,500	Bologna	37	54
Calves for slaughter	14,000	Bari	23,000	Bologna	29	61
Lambs	13,000	Lecce	20,000	Chieti	25	52
Milk for direct consumption (per 100 liters)	3,000	Bologna	4,500	Palermo	53	46

(b) *The Prices of Raw Materials and Industrial Products.*

283. The most recent, complete and reliable source of data on open market or black market wholesale prices of raw materials and industrial products, is that provided by the "Giunta Tecnica" (Technical Group) of the Edison Combine, Milan (see Table 44). Although the data refer only to Milan—one of Italy's most important markets—they are of wider interest. It will be appreciated that the economic importance of black market prices (a) is negligible for imported raw materials, where home production is insignificant or small, since, in this case, distribution and allocation are usually efficiently performed by the official agencies (e.g. coke, cotton, etc.), and (b) is great for commodities for which there is no official system of distribution or where distribution is ineffectually carried out.

284. In some cases (e.g. copper and lead) the official prices during March 1946—not currently adjusted—have remained at a higher level than the free prices; this is further evidence of the need for tightening up the efficiency of the price-controlling agencies.

285. Except for aluminum, all black market prices in September 1946 exceeded substantially the current circulation level, which is some 20 times higher than prewar. This applies also to some official prices (coke, lead, copper sulphate, cement and tires—also footwear).

286. The ratio of black market prices to official prices (unlike the relationship in food and agricultural products - see para. 279) is not extreme. Gasoline and tires show a wide difference, but this is due to the small official allocation and consequent greater resort to the black market. As is seen in the following summary, the divergence between official and black market prices has diminished from March to August 1946, except for tires, footwear, lead, copper, and wool:

Black Market Index Prices (official price = 1): March and August 1946.

	March	August		March	August
Copper sulphate	1.60	1.08	Wool	1.44	2.00

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PRODUCT	Minimum		Maximum		(1938 = 1) Minimum	Maximum
	Price	Market	Price	Market		
Soft wheat	4,000	Padua	8,000	Cagliari	30	59
Husked rice	4,500	Pavia	7,000	Milan	48	73
Maize	4,000	Cremona	6,000	Milan	44	67
Olive Oil	35,000	Reggio Calabria	54,000	Florence	50	74
Oxen for slaughter	11,500	Bari	17,000	Bologna	37	53
Cows for slaughter	11,500	Bari	15,500	Bologna	37	54
Calves for slaughter	14,000	Bari	23,000	Bologna	29	61
Lambs	13,000	Lecce	20,000	Chieti	25	52
Milk for direct consumption (per 100 liters)	3,000	Bologna	4,500	Palermo	53	46

(b) *The Prices of Raw Materials and Industrial Products.*

283. The most recent, complete and reliable source of data on open market or black market wholesale prices of raw materials and industrial products, is that provided by the "Giunta Tecnica" (Technical Group) of the Edison Combine, Milan (see Table 44). Although the data refer only to Milan—one of Italy's most important markets—they are of wider interest. It will be appreciated that the economic importance of black market prices (a) is negligible for imported raw materials, where home production is insignificant or small, since, in this case, distribution and allocation are usually efficiently performed by the official agencies (e.g. coke, cotton, etc.), and (b) is great for commodities for which there is no official system of distribution or where distribution is ineffectually carried out.

284. In some cases (e.g. copper and lead) the official prices during March 1946—not currently adjusted—have remained at a higher level than the free prices: this is further evidence of the need for tightening up the efficiency of the price-controlling agencies.

285. Except for aluminum, all black market prices in September 1946 exceeded substantially the current circulation level, which is some 20 times higher than prewar. This applies also to some official prices (coke, lead, copper sulphate, cement and tires—also footwear).

286. The ratio of black market prices to official prices (unlike the relationship in food and agricultural products - see para. 279) is not extreme. Gasoline and tires show a wide difference, but this is due to the small official allocation and consequent greater resort to the black market. As is seen in the following summary, the divergence between official and black market prices has diminished from March to August 1946, except for tires, footwear, lead, copper, and wool:

Black Market Index Prices (official price = 1): March and August 1946.

	March	August		March	August
Copper sulphate	1.60	1.03	Wool	1.44	2.00
Lead	0.94	1.10	Coke	2.71	2.61
Copper	0.94	1.21	Caustic soda	3.73	3.73
Coal	1.31	1.31	Tires	2.97	1.27
Cement	1.95	1.56	Gasoline	5.24	4.35
Combustible mineral oil	4.17	1.90	Lubricating mineral oils	5.60	4.76
Men's footwear	1.77	2.00			

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TABLE 44.

Official and Black Market Prices in Lire (Milan: 1938 and 1946)

		1938	March 1946		August 1946		September 1946	
			Official	Black market	Official	Black market	Official	Black market
A) *Prices.*								
Coal	metric tons	225.80 (1)	4,048 (2)	13,500 (3)	4,064 (3)	12,500	4,064(3)	12,500
Coke	quintals	30.74	850.03	2,300	880	2,300	880	2,300
Cotton	kilograms	15.95	225.00	225	225	225	225	540
Wool	»	32.06	660 (5)	1,600 (5)	600	1,200	600	1,200
Aluminum	»	11.00	130.00	130	—	152.50	—	165
Copper (6)	»	4.78	95.76	90	92.76	122.50	92.7	137.5
Lead, just after smelting	»	2.93	80.00	75	72	79	72	86.5
Gasoline	»	3.33	21.00	110	23	100	27	150
Combustible mineral oils (7)	quintals	48.80	840.00	3,500	840	1,600	850	1,700
Lubricating mineral oils (8)	»	176.00	3,570.00	20,000	3,570	17,000	5,420	17,000
Copper Sulphate	»	196.23	5,000.00	8,000	5,000	5,400	5,400	6,000
Caustic soda	»	130.00	1,340.00	5,000	1,340	5,000	1,340	7,000
Cement (type 500)	»	17.72	374.00	720	474	740	505	750
Tires (Fiat cars-500)	each	120.00	4,119.00	12,000	4,683	20,000	4,119	22,000
Paper (9)	quintals	260.88	5,700.00	12,000	—	8,750	—	8,750
Footwear for men	pairs	62.00	1,300.00	2,300	1,300	2,600	1,300	2,600
B) *Index Numbers* (1938 = 100).								
Coal		100	1,792.7	5,978.7	1,800.0	5,535.9	1,800.0	5,535.9
Coke		100	2,765.1	7,482.1	2,862.7	7,482.1	2,862.7	7,482.1
Cotton		100	1,410.7	1,410.7	1,410.7	1,410.7	1,410.7	3,385.6
Wool		100	2,058.6	4,990.6	1,871.5	3,743.0	1,811.5	3,743.0
Aluminum		100	1,181.8	1,181.8	—	1,386.4	—	1,500.0
Copper		100	2,003.3	1,882.8	2,003.3	2,562.8	2,003.3	2,876.6
Lead		100	2,730.4	2,559.7	2,457.3	2,696.2	2,457.3	2,952.2
Gasoline		100	630.6	3,303.3	690.7	3,003.0	810.8	4,504.5
Combustible mineral oils		100	1,721.3	7,172.1	1,721.3	3,278.7	1,741.8	3,483.6
Lubricating mineral oils		100	750.0	4,201.7	750.0	3,571.4	1,138.7	3,571.4
Copper sulphate		100	2,548.3	4,077.3	2,548.3	2,752.2	2,548.3	3,057.6
Caustic soda		100	1,030.8	3,846.2	1,030.8	3,846.2	1,030.8	5,384.6

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		1938	Official	Black market	Official	Black market	Official	Black market

A) *Prices.*

Coal	metric tons	225.80 (1)	4,048 (2)	13,500 (3)	4,064 (3)	12,500	4,064(4)	12,500
Coke	quintals	30.74	850.00	2,300	880	2,300	880	2,300
Cotton	kilograms	15.95	225.00	225	225	225	225	540
Wool	»	32.06	660 (5)	1,600 (5)	600	1,200	600	1,200
Aluminum	»	11.00	130.00	130	—	152.50	—	165
Copper (6)	»	4.78	95.76	90	92.76	122.50	92.7	137.5
Lead, just after smelting	»	2.93	80.00	75	72	79	72	86.5
Gasoline	»	3.33	21.00	110	23	100	27	150
Combustible mineral oils (7)	quintals	48.80	840.00	3,500	840	1,600	350	1,700
Lubricating mineral oils (8)	»	476.00	3,570.00	20,000	3,570	17,000	5,420	17,000
Copper Sulphate	»	196.23	5,000.00	8,000	5,000	5,400	5,400	6,000
Caustic soda	»	130.00	1,340.00	5,000	1.340	5,000	1.340	7,000
Cement (type 500)	»	17.72	374.00	720	474	740	505	750
Tires (Fiat cars-500)	each	120.00	4,119.00	12,000	4,683	20,000	4,119	22,000
Paper (9)	quintals	260.88	5,700.00	12,000	—	8,750	—	8,750
Footwear for men	pairs	62.00	1,300.00	2,300	1,300	2,600	1,300	2,600

B) *Index Numbers* (1938 = 100).

Coal	100	1,792.7	5,978.7	1,800.0	5,535.9	1,800.0	5,535.9
Coke	100	2,765.1	7,482.1	2,862.7	7,482.1	2,862.7	7,482.1
Cotton	100	1,410.7	1,410.7	1,410.7	1,410.7	1,410.7	3,385.6
Wool	100	2,058.6	4,990.6	1,871.5	3,743.0	1,811.5	3,743.0
Aluminum	100	1,181.8	1,181.8	—	1,386.4	—	1,500.0
Copper	100	2,003.3	1,882.8	2,003.3	2,562.8	2,003.3	2,876.6
Lead	100	2,730.4	2,559.7	2,457.3	2,696.2	2,457.3	2,952.2
Gasoline	100	630.6	3,303.3	690.7	3,003.0	810.8	4,504.5
Combustible mineral oils	100	1,721.3	7,172.1	1,721.3	3,276.7	1,741.8	3,483.6
Lubricating mineral oils	100	750.0	4,201.7	750.0	3,571.4	1,138.7	3,571.4
Copper sulphate	100	2,548.3	4,077.3	2,548.3	2;752.2	2,548.3	3,057.6
Caustic soda	100	1,030.8	3,846.2	1,030.8	3,846.2	1,030.8	5,384.6
Cement	100	2,110.6	4,063.2	2,674.9	4,176.1	2,878.1	4,232.5
Tires	100	3,432.5	10,000.0	3,982.5	16,666.7	3,432.5	18,333.3
Paper	100	2,184.9	4,600.0	—	3,354.0	—	3,354.0
Footwear for men	100	2,096.8	3,709.7	2,096.8	4,193.5	2,996.8	4,193.5

(1) Westphalia. — (2) American coal for public utilities. — (3) For industry. — (4) Gas coal — (5) The official price refers to imported American wool, the actual price to domestic wool. — (6) American copper for wire. — (7) Fluid for boilers and furnaces. — (8) For transformers. — (9) Newsprint.

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287. Table 45 shows the prices for commodities for which there is no official price:

TABLE 45

Open Market Prices in Lire in Milan: 1938 and 1946.

Commodity		Prices				Index-numbers (1938 = 100)		
		1938	March 1946	August 1946	September 1946	March 1946	August 1946	Sept. 1946
Firewood	quintals	16.73	600	500	550	3,586.4	2,988.6	3,287.5
Sectioned homogeneous iron	kilograms	1.29	26.60	26.60	26.60	2,062.0	2,062.0	2,062.0
Mannesmann iron tubes	»	3.93	50	50	50	1,272.3	1,272.3	1,272.3
Mineral superphosphate	quintals	24.75	630	930	930	2,545.5	3,757.6	3,757.6
Bricks (25 × 13 × 6 cm.)	per one hundred	12.00	260	400	440	2,166.7	3,333.3	3,666.7
Rayon (150, 1st quality)	kilograms	21.45	600	605	800	2,797.2	2,820.5	3,729.6
Cotton yarns	»	15.50	510	620	950	3,290.3	4,000.0	6,129.0
Hemp yarns (1)	»	14.85	300	300	350	2,020.0	2,020.0	2,356.9
Lumber:								
a) 1st Quality for planks	cub. meter	487.50	16,500	15,500	16,000	3,384.6	3,179.5	3,282.1
b) Fir beams, Trieste type	»	217.50	10,000	10,000	10,000	4,597.7	4,597.7	4,597.7
Alcohol (95 %) (anhydrous)	hectoliters	2,300.00	43,000	36,000	36,000	1,869.6	1,565.2	1,565.2
Electric light bulbs (each)	each	3.87	80	95	105	2,067.2	2,454.8	2,713.2
Automobile (Fiat 500 make)	kilograms	20.16	330	326.75	326.75	1,635.3	1,620.7	1,620.7
Trucks (626 n.)	»	24.13	400	367.08	367.08	1,657.7	1,521.3	1,521.3
Electr. cables conductors (2)	meters	13.70	210	210	240	1,532.8	1,532.8	1,751.8
Mixed cotton rayon woven fabric	»	9.00	220	150	150	2,444.4	1,666.7	1,666.7
Hand combed woollen woven fabric	»	40.23	3,400	2,500	2,800	8,451.4	6,214.3	6,960.0

(1) Long fibre. — (2) Distribution cable (3 x 10 mm.²).
Source: Edison Combine, Milan.

288. Open market prices of but few commodities recorded in Table 45 stand at levels which are from 12 to 70 times higher than in 1938 (the greatest frequency is 20 to 40 times). The increases are therefore substantially lower than the increases in prices of agricultural products (see para. 282). For some products prices are lower, or slightly in excess of, the currency circulation index (i.e. 20 times higher than prewar). Table 46 (diagram) illustrates the high dispersion of wholesale prices for industrial products (August 1946) as well as the relationship between the general index of wholesale prices and the currency circulation index.

(c) *Building and House Repair Prices.*

289. The Government, for the payment of subsidies

290. For rural houses the coefficient ranges from 15 to 19 times the cost in 1940. For Government built apartment houses for wage earners (case popolari) the coefficient ranges from 15 to 18. For apartment houses of the economic type (for the lower middle category incomes) built by cooperative associations or private builders, the coefficient ranges from 14 to 19. For residential houses the coefficient is from 15 to 22. As from 1938 to 1940 the prices of raw materials for building increased by 10 to 20 %, it may be assumed that the cost of residential houses has increased from 1938 to 1946 about 26 times (1).

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Open Market Prices in Lire in Milan: 1938 and 1946.

Commodity		Prices				Index-numbers (1938 = 100)		
		1938	March 1946	August 1946	September 1946	March 1946	August 1946	Sept. 1946
Firewood	quintals	16.73	600	500	550	3,586.4	2,988.6	3,287.5
Sectioned homogeneous iron	kilograms	1.29	26.60	26.60	26.60	2,062.0	2,062.0	2,062.0
Mannesmann iron tubes	»	3.93	50	50	50	1,272.3	1,272.3	1,272.3
Mineral superphosphate	quintals	24.75	630	930	930	2,545.5	3,757.6	3,757.6
Bricks (25 × 13 × 6 cm.)	per one hundred	12.00	260	400	440	2,166.7	3,333.3	3,666.7
Rayon (150, 1st quality)	kilograms	21.45	600	605	800	2,797.2	2,820.5	3,729.6
Cotton yarns	»	15.50	510	620	950	3,290.3	4,000.0	6,129.0
Hemp yarns (1)	»	14.85	300	300	350	2,020.0	2,020.0	2,356.9
Lumber:								
a) 1st Quality for planks	cub. meter	487.50	16,500	15,500	16,000	3,384.6	3,179.5	3,282.1
b) Fir beams, Trieste type	»	217.50	10,000	10,000	10,000	4,597.7	4,597.7	4,597.7
Alcohol (95 %) (anhydrous)	hectoliters	2,300.00	43,000	36,000	36,000	1,869.6	1,565.2	1,565.2
Electric light bulbs (each)	each	3.87	80	95	105	2,067.2	2,454.8	2,713.2
Automobile (Fiat 500 make)	kilograms	20.16	330	326.75	326.75	1,635.3	1,620.7	1,620.7
Trucks (626 n.)	»	24.13	400	367.08	367.08	1,657.7	1,521.3	1,521.3
Electr. cables conductors (2)	meters	13.70	210	210	240	1,532.8	1,532.8	1,751.8
Mixed cotton rayon woven fabric	»	9.00	220	150	150	2,444.4	1,666.7	1,666.7
Hand combed woollen woven fabric	»	40.23	3,400	2,500	2,800	8,451.4	6,214.3	6,960.0

(1) Long fibre. — (2) Distribution cable (3 x 10 mm.²).
Source: Edison Combine, Milan.

288. Open market prices of but few commodities recorded in Table 45 stand at levels which are from 12 to 70 times higher than in 1938 (the greatest frequency is 20 to 40 times). The increases are therefore substantially lower than the increases in prices of agricultural products (see para. 282). For some products prices are lower, or slightly in excess of, the currency circulation index (i.e. 20 times higher than prewar). Table 46 (diagram) illustrates the high dispersion of wholesale prices for industrial products (August 1946) as well as the relationship between the general index of wholesale prices and the currency circulation index.

(c) *Building and House Repair Prices.*

289. The Government, for the payment of subsidies for reconstruction and repairing of war-damaged or war-destroyed homes, has set (with the assistance of a special advisory board and of the Ministry of Public Works experts) a "coefficient of variation" from May 1940 to 1946 of the cost of house reconstruction and repairing. The coefficient differs from province to province according to the type of building.

290. For rural houses the coefficient ranges from 15 to 19 times the cost in 1940. For Government-built apartment houses for wage earners (case popolari) the coefficient ranges from 15 to 18. For apartment houses of the economic type (for the lower middle category incomes) built by cooperative associations or private builders, the coefficient ranges from 14 to 19. For residential houses the coefficient is from 15 to 22. As from 1938 to 1940 the prices of raw materials for building increased by 10 to 20 %, it may be assumed that the cost of residential houses has increased from 1938 to 1946 about 26 times (1).

(1) This 26 fold increase is near the index computed by the "Centro Aziendale of Florence" for the cost of building of an apartment house. Taking 1938=100, the index of building cost fluctuated from 2,702 to 2,717 during the first nine months of 1946.
The apartment building to which the calculation relates is one for lower salary earners in the outskirts of Florence. It has three floors and central stairway with no basement. The building consists of 6 flats, each having 3 rooms, bathroom, corridors and a small kitchen. The cost of building in 1938 was 161,500 lire, or in September 1946, 4,384,000 lire.

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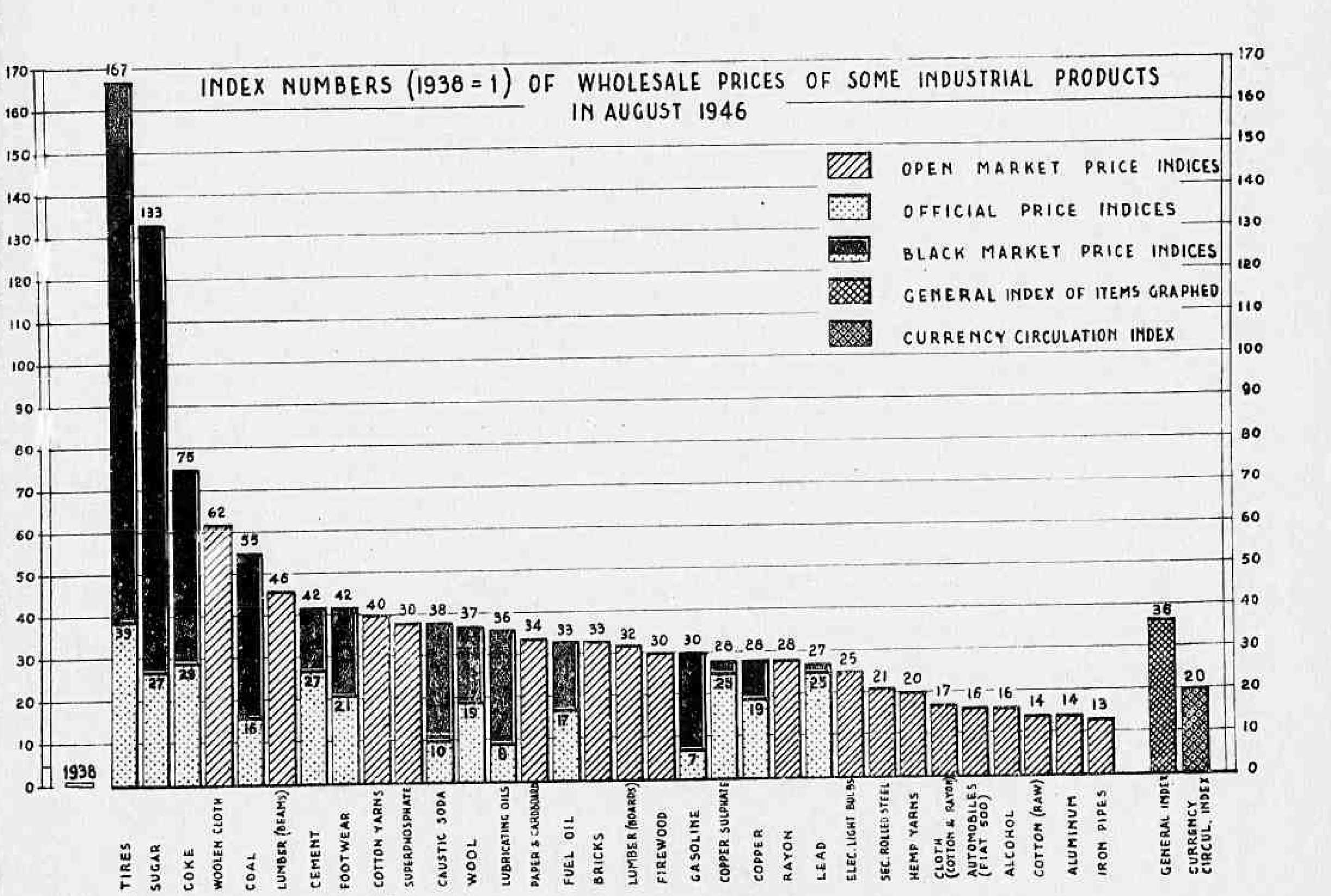
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TABLE 4

0194

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(C) *UNRRA PRICE POLICY*

The Agreement with the Italian Government.

291. Under the following article (III (d) (iii)) of the Supplementary Agreement of 19 January 1946 between UNRRA and the Italian Government there must be concurrence between the parties on the price of UNRRA imports:

"ARTICLE III

(d) To enable the (UNRRA) Administration effectively to discharge its responsibilities, the Government will discuss and agree with UNRRA its policies and plans for the distribution of UNRRA supplies, insofar as may be deemed necessary by UNRRA in order to ensure that such policies and plans are consistent with the Agreement of 9th November 1943, with the Council Resolution, and with the purposes of this Agreement. With this object, the Government will consult with the Administration concerning the following subject:

(iii) Price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically."

The Price Committee.

292. In June, 1946, as substantial cargoes of varied categories of supplies (requiring price fixing in accordance with this Article) started to arrive in Italy (earlier shipments having consisted mainly of wheat, coal and POL), a Price Committee was set up as an advisory body to the Chief of Mission and the President of the Italian Government Delegation for Relations with UNRRA.

293. The permanent membership of the Price Committee was made up of representatives of the Italian Government Delegation for Relations with UNRRA, the Ministry of the Treasury, the Ministry of Foreign Trade and the Interministerial Committee on Prices for the Government, and representatives of the UNRRA Mission in Italy. Italian Government representatives of any other Ministry or Government agency were invited to attend when concerned and a representative of the UNRRA Financial Advisor to the Lira Fund has participated in all Price Committee discussions.

294. The functions of the Committee, as outlined in the original terms of reference, consisted of discussing and agreeing on the specific prices to be charged by the Government for supplies furnished free of charge by UNRRA and the relationship of those prices to prices for similar supplies produced domestically or imported outside of the UNRRA program.

295. The Price Committee has worked very closely with the Lira Fund Control Committee, inasmuch as decisions on prices directly affect the proceeds of sale and subsequent accrual to the Lira Fund (1).

296. It was originally intended that the Price Committee, in order to meet the requirements of UNRRA Resolution VII, not only should recommend a price, but estimate handling charges and anticipated accrual to the Lira Fund from the sale of all UNRRA commodities. In the early months of the Committee's operations, the difficulty of estimating handling charges on commodities with which the consignees had had no previous experience, meant undesirable delays in fixing prices. The Lira Fund Control Committee, which is responsible for eventual audit and approval of costs of handling UNRRA supplies, undertook to compile expense schedules on the few consignees who handled the bulk of UNRRA supplies, and except where the handling charges were a determining factor in the price to be set very rough estimates were indicated in documentary material submitted to the Committee.

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(1) To show how the Lira Fund amount is arrived at, the following is an example of an analysis of transactions between the U.N.R.R.A. Price Committee and the Italian Federation of Agricultural Consortia, which is in charge of the distribution and sale of farm machinery and seeds:

Item	Selling Price (*a*)	Actual Expenses	Mark-up	Total Handling Charges (*b*)	To Lira Fund (*a-b*)
		Lire			
Cockshutt Mowers	35,000	4,096.65	5,250	9,346.65	25,653.65

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Supplementary Agreement of [illegible] UNRRA and the Italian Government there must be concurrence between the parties on the price of UNRRA imports:

"ARTICLE III

(d) To enable the (UNRRA) Administration effectively to discharge its responsibilities, the Government will discuss and agree with UNRRA its policies and plans for the distribution of UNRRA supplies, insofar as may be deemed necessary by UNRRA in order to ensure that such policies and plans are consistent with the Agreement of 9th November 1943, with the Council Resolution, and with the purposes of this Agreement. With this object, the Government will consult with the Administration concerning the following subject:

(iii) Price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically."

The Price Committee.

292. In June, 1946, as substantial cargoes of varied categories of supplies (requiring price fixing in accordance with this Article) started to arrive in Italy (earlier shipments having consisted mainly of wheat, coal and POL), a Price Committee was set up as an advisory body to the Chief of Mission and the President of the Italian Government Delegation for Relations with UNRRA.

293. The permanent membership of the Price Committee was made up of representatives of the Italian Government Delegation for Relations with UNRRA, the Ministry of the Treasury, the Ministry of Foreign Trade UNRRA Financial Advisor to the Lira Fund has participated in all Price Committee discussions.

294. The functions of the Committee, as outlined in the original terms of reference, consisted of discussing and agreeing on the specific prices to be charged by the Government for supplies furnished free of charge by UNRRA and the relationship of those prices to prices for similar supplies produced domestically or imported outside of the UNRRA program.

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Item	Selling Price (a)	Actual Expenses	Mark-up	Total Handling Charges (b)	To Lira Fund (a-b)
			Lire		
Cockshutt Mowers	35,000	4,096.65	5,250	9,346.65	25,653.65
Deering Mowers	35,000	4,088.95	5,250	9,338.95	25,661.05
Reaping Attachments	3,000	455.40	450	905.40	2,094.60
Binders 1,52	70,000	12,143.35	10,500	22,643.35	47,356.65
Binders 2,10	85,000	12,576.25	12,750	25,326.25	59,673.75
Ploughs	55,000	4,172.25	8,250	12,422.25	42,577.75
Forage Pea Seed	25,000	7,204.50	2,000	9,104.50	15,795.50

(a) For each machine and for forage pea seed, for each ton.
(b) 15 % of selling price for machinery and 8 % for forage pea seed.

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Handling Charges.

297. More accurate estimates of handling charges are now obtainable and all Price Decisions submitted by the Committee to the Chief of Mission and the President of the Italian Government Delegation show:

A. recommended price
B. estimated handling charges
C. estimated accrual to the Lira Fund.

298. The price fixed and the two estimates are then incorporated in the final Price Decision and the estimated handling charges are the mandatory maxima permitted to be withheld by the consignees on the sale of UNRRA commodities. This practice prevents delaying transfer to the Lira Fund of accruals from proceeds of sale, and the Government, having been most anxious to institute this procedure, has undertaken to enforce the payment into the Lira Fund of the mandatory accruals.

299. As with all claims on the Lira Fund, handling charges are subject to final audit by the Lira Fund Control Committee and must be supported by properly documented bills. Estimated handling charges, it should be restated, as shown in Price Decisions, are only provisional maximum withholdings allowed, the Price Committee having no authority to give final approval to expenditure for handling charges. The Italian Government has agreed that UNRRA imports are free of fiscal charges, including custom duties. When, because of price practices, it has been advisable to include customs charges or government taxes in prices fixed, the amounts thus collected accrue to the Lira Fund.

Factors Governing Fixing of Prices.

300. There are several factors governing the fixing of prices for UNRRA imports: these imports can be roughly divided into two large categories: consumer supplies (including durable goods like agricultural machinery) and raw materials for processing in industrial rehabilitation. The UNRRA Italian Mission places great emphasis on the revival of industry as well as on the distribution of relief consumer goods. While the same considerations determining price decisions are applied to each category of imports, they are in many cases weighted differently in view of the individual problems involved. In all cases the prevailing policies are those set forth in UNRRA Resolution VII (1).

301. A second important point is the necessity of considering the prices of similar or equal goods already on the market, in order to avoid a dual pricing system with its concomitant danger of speculative resale and disruption of any organized distribution.

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1. That at no time shall relief and rehabilitation supplies be used as a political weapon, and no discrimination shall be made in the distribution of relief supplies because of race, creed or political belief.

2. That in general the responsibility for the distribution, within an area, of relief and rehabilitation supplies should be borne by the government or recognized national authority which exercises administrative authority in the area.

3. That distribution should be so conducted that all classes of the population, irrespective of their purchasing power, shall receive their equitable shares of essential commodities. When supplies are sold to consumers, prices should be set at such levels as to facilitate the flow of supplies into the proper hands, and to avoid maladjustments in the price structure of the areas.

4. That distribution of relief and rehabilitation supplies should take place under effective rationing and price controls. The suppression of black markets should not be left to general pronouncements and decrees, but should be the subject of active measures of enforcement applied vigorously and unremittingly.

5. That the government or recognized national authority which exercises administrative authority in the area should take appropriate measures to insure that so far as the distribution within a liberated territory of relief and rehabilitation goods is done through private trade, the remuneration earned by private traders for their services is no more than is fair and reasonable.

6. That use should be made to the maximum practicable extent of normal agencies of distribution (governmental, commercial, cooperative) to the particular ends of combating inflation and restoring normal economic activity. This principle, however, cannot be pursued at the expense of measures found necessary under emergency conditions to insure an adequate control of the distribution of supplies and their direction to the appropriate consumers.

7. That if the Administration is called on by the military authority to furnish distribution services through its own organisation and personnel in a liberated territory in which a government or recognized national authority does not yet exercise administrative authority, the Administration should, subject to the general provisions governing the relation of the Administration to the military authority and the government or recognized national authority concerned, make the fullest possible use of local authorities and of local organizations.

8. That the Administration be prepared to render direct assistance in distribution whenever, because of unusual circumstances, the government or recognized national authority concerned requests such aid within its territory. Wherever as a consequence

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A. recommended price
B. estimated handling charges
C. estimated accrual to the Lira Fund.

298. The price fixed and the two estimates are then incorporated in the final Price Decision and the estimated handling charges are the mandatory maxima permitted to be withheld by the consignees on the sale of UNRRA commodities. This practice prevents delaying transfer to the Lira Fund of accruals from proceeds of sale, and the Government, having been most anxious to institute this procedure, has undertaken to enforce the payment into the Lira Fund of the mandatory accruals.

299. As with all claims on the Lira Fund, handling charges are subject to final audit by the Lira Fund Control Committee and must be supported by properly documented bills. Estimated handling charges, it should be restated, as shown in Price Decisions, are only provisional maximum withholdings allowed, the Price Committee having no authority to give final approval to expenditure for handling charges. The Italian Government has agreed that UNRRA imports are free of fiscal charges, including custom duties. When, because of price practices, it has been advisable to include customs charges or government taxes in prices fixed, the amounts thus collected accrue to the Lira Fund.

Factors Governing Fixing of Prices.

300. There are several factors governing the fixing of prices for UNRRA imports: these imports can be roughly divided into two large categories: consumer supplies (including durable goods like agricultural machinery) and raw materials for processing in industrial rehabilitation. The UNRRA Italian Mission places great emphasis on the revival of industry as well as on the distribution of relief consumer goods. While the same considerations determining price decisions are applied to each category of imports, they are in many cases weighted differently in view of the individual problems involved. In all cases the prevailing policies are those set forth in UNRRA Resolution VII (1).

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(1) UNRRA RESOLUTION ON POLICY - No. 7

(dated November 1943)

A resolution relating to Relief Distribution Policies.

RESOLVED that the Council approves the following statement as a guide to activities with respect to relief and rehabilitation distribution:

1. That at no time shall relief and rehabilitation supplies be used as a political weapon, and no discrimination shall be made in the distribution of relief supplies because of race, creed or political belief.

2. That in general the responsibility for the distribution, within an area, of relief and rehabilitation supplies should be borne by the government or recognized national authority which exercises administrative authority in the area.

3. That distribution should be so conducted that all classes of the population, irrespective of their purchasing power, shall receive their equitable shares of essential commodities. When supplies are sold to consumers, prices should be set at such levels as to facilitate the flow of supplies into the proper hands, and to avoid maladjustments in the price structure of the areas.

4. That distribution of relief and rehabilitation supplies should take place under effective rationing and price controls. The suppression of black markets should not be left to general pronouncements and decrees, but should be the subject of active measures of enforcement applied vigorously and unremittingly.

5. That the government or recognized national authority which exercises administrative authority in the area should take appropriate measures to insure that so far as the distribution within a liberated territory of relief and rehabilitation goods is done through private trade, the remuneration earned by private traders for their services is no more than is fair and reasonable.

6. That use should be made to the maximum practicable extent of normal agencies of distribution (governmental, commercial, cooperative) to the particular ends of combating inflation and restoring normal economic activity. This principle, however, cannot be pursued at the expense of measures found necessary under emergency conditions to insure an adequate control of the distribution of supplies and their direction to the appropriate consumers.

7. That if the Administration is called on by the military authority to furnish distribution services through its own organisation and personnel in a liberated territory in which a government or recognized national authority does not yet exercise administrative authority, the Administration should, subject to the general provisions governing the relation of the Administration to the military authority and the government or recognized national authority concerned, make the fullest possible use of local authorities and of local organizations.

8. That the Administration be prepared to render direct assistance in distribution whenever, because of unusual circumstances, the government or recognized national authority concerned requests such aid within its territory. Wherever as a consequence of such request the Administration is directly concerned with internal distribution, it should follow, in cooperation with the national or local authorities, the same general principles as those recommended above.

9. That the Director General should be kept fully informed concerning the distribution of relief and rehabilitation supplies within any recipient areas, and under all circumstances there should be the fullest working cooperation between the governments or recognized national authorities concerned and the Administration for this purpose.

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(a) *Consumer goods.*

302. With regard to consumer goods, the UNRRA Mission policy is to keep the price as low as possible in conformity with UNRRA Resolution VII.

(a) In cases where there exists no competing price for indigenously produced or non-UNRRA imported items, this price is based on the landed cost of the article (e.g. penicillin) if this price achieves the objective of Resolution VII.

(b) Where a free market price exists, UNRRA policy has been one of undercutting it by a margin large enough to force down the domestic price, but not one of making the price of UNRRA goods low enough to encourage speculative resale or to discourage home production.

(c) Where a controlled price exists, UNRRA must consider the Italian market as one unit and set the price of its products at the existing level or agree with the Government on a new common level.

(d) When the usefulness of an article depends on its rapid distribution, prices are fixed at a level where they will be immediately absorbed (without regard to competing national production). These prices, however, are set for short periods (e.g. agricultural machinery at harvest time and seed during the planting season).

(b) *Raw Materials for Industry.*

303. In the case of raw materials for industrial rehabilitation, the situation is rather more complicated. In addition to the necessity of taking into consideration the prices of similar domestic or imported items, the price fixed depends on the amount of control exercised over the finished product.

(a) In cases where the distribution of the end product is uncontrolled by allocation and by price, where the item enters a multitude of products and where no particular reason exists to favor the processor, the price fixed is one which will move the item in question into the desired channels without loss to the Lira Fund. This policy:

(iii) in cases where similar items exist in the country alongside UNRRA supplies, prevents UNRRA prices from being so low as to encourage buying for speculative resale.

(b) In cases where the distribution of end products is controlled, e.g., hides, cotton and wool, and copra (which is processed into margarine), prices of the derived products are set at a relief level, none of the above elements called for consideration.

(c) But there are, in addition, several secondary considerations, which, in the final analysis, show themselves of great importance.

(i) For instance, it is felt with regard to large scale, basic imports such as coal, that the estimated price to be paid for similar imports, when UNRRA supplies cease ("replacement cost") must be taken into account to facilitate a smooth transition from the UNRRA to the post-UNRRA period. In the light of the delicate financial situation of Italy a sharp rise in the prices of such basic commodities at the time of UNRRA's departure (as happened, for example, in the case of coal in Greece) would more than offset any temporary benefit derived from prices held below world prices during the UNRRA period.

(ii) In other cases, the price set is one which will stimulate domestic production. For example, the price of tin plate, set first for the relatively small-scale UNRRA imports, was set high enough to encourage maximum domestic production, since, only by large domestic production could essential requirements for tin plate be met. In the case of POL, one of the decisive considerations was that of setting the price at a level which would permit Italian oil refineries, currently being reactivated, to operate without a loss. Refining crude oil in Italy removes the necessity of importing the more expensive refined oil and releases foreign exchange for other purposes. (POL prices are however also [illegible] equivalent to replacement cost.)

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(a) In cases where there exists no competing price for indigenously produced or non-UNRRA imported items, this price is based on the landed cost of the article (e.g. penicillin) if this price achieves the objective of Resolution VII.

(b) Where a free market price exists, UNRRA policy has been one of undercutting it by a margin large enough to force down the domestic price, but not one of making the price of UNRRA goods low enough to encourage speculative resale or to discourage home production.

(c) Where a controlled price exists, UNRRA must consider the Italian market as one unit and set the price of its products at the existing level or agree with the Government on a new common level.

(d) When the usefulness of an article depends on its rapid distribution, prices are fixed at a level where they will be immediately absorbed (without regard to competing national production). These prices, however, are set for short periods (e.g. agricultural machinery at harvest time and seed during the planting season).

(b) *Raw Materials for Industry.*

303. In the case of raw materials for industrial rehabilitation, the situation is rather more complicated. In addition to the necessity of taking into consideration the prices of similar domestic or imported items, the price fixed depends on the amount of control exercised over the finished product.

(a) In cases where the distribution of the end product is uncontrolled by allocation and by price, where the item enters a multitude of products and where no particular reason exists to favor the processor, the price fixed is one which will move the item in question into the desired channels without loss to the Lira Fund. This policy:

(i) does not hurt the consumer since it is applied in cases where a lower price would not result in lower costs of the end product;

(ii) ensures that undue profits will not accrue to industry through their buying at a low controlled price and selling at a high uncontrolled price;

sale.

(b) In cases where the distribution of end products is controlled, e.g., hides, cotton and wool, and copra (which is processed into margarine), prices of the derived products are set at a relief level, none of the above elements called for consideration.

(c) But there are, in addition, several secondary considerations, which, in the final analysis, show themselves of great importance.

(i) For instance, it is felt with regard to large scale, basic imports such as coal, that the estimated price to be paid for similar imports, when UNRRA supplies cease ("replacement cost") must be taken into account to facilitate a smooth transition from the UNRRA to the post-UNRRA period. In the light of the delicate financial situation of Italy a sharp rise in the prices of such basic commodities at the time of UNRRA's departure (as happened, for example, in the case of coal in Greece) would more than offset any temporary benefit derived from prices held below world prices during the UNRRA period.

(ii) In other cases, the price set is one which will stimulate domestic production. For example, the price of tin plate, set first for the relatively small-scale UNRRA imports, was set high enough to encourage maximum domestic production, since, only by large domestic production could essential requirements for tin plate be met. In the case of POL, one of the decisive considerations was that of setting the price at a level which would permit Italian oil refineries, currently being reactivated, to operate without a loss. Refining crude oil in Italy removes the necessity of importing the more expensive refined oil and releases foreign exchange for other purposes. (POL prices are however also roughly equivalent to replacement cost.)

304. Manifestly none of these principles outlined above generally appears in its "pure" form. In setting any one price various considerations have to be weighed in view of the merits of each case. In every instance, however, the concepts embodied in Resolution VII are controlling.

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TABLE 47

Prices of UNRRA Imported supplies as agreed upon by the Italian Government and the UNRRA Italian Mission: As at 27 November 1946

UNRRA Imported Commodities	Latest Price Fixed		Conditions	Remarks
	1946	Lire		
I. Food.				
Beans, haricot, peas dried, lentils	2 Nov.	55 per kg.	On retailer's vehicle ex intercommunal warehouse	Total cost: Beans, Dols. 147.50 per metric ton = 33.188 lire Peas, ols. 173.50 per metric ton = 39,038 lire Lentils, Dols. 122.50 per metric ton = 27,563 lire
Blood sausage	14 Nov.	105.50 per kg.	On retailer's vehicle ex intercommunal warehouse	Landed cost Dols. 340 per ton = 76,500 lire
Canned salmon, mackerel, mackerel fillets and sardines and fish in oil	14 Nov.	95 per kg.	On retailer's vehicles ex intercommunal varehouse	Landed cost Dols. 328.25 per ton = 73,856 lire
Candy bars	14 Nov.	135 per kg.	At consumers ex authorised cooperative stores	Landed cost Dols. 262.50 per ton = 59,062,50 lire
Chicken haddie	14 Nov.	60 per kg.	On retailer's vehicle ex intercommunal warehouse	Landed cost Dols. 328.25 per metric ton = 73,856 lire
Coffee beans, green	14 Nov.	250 per kg.	On retailer's vehicle ex intercommunal warehouse	Landed cost Dols. 381.50 per ton = 85,838 lire
Copra	2 Nov.	3,300.50 per qtl.	Free port warehouse, Genoa	Landed cost: Dols. 128.97 per metric ton = 29,014 lire
Corn syrup	23 Aug.	35 per kg.	Price valid to 30 Nov. 1946 For direct human consumption	Landed estimated cost: Dols. 102.22 per ton = 23,000 lire (not included in UNRRA program but accepted as sugar substitute)
Fat cut	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 415 per ton = 93,375 lire
Garbanzos	2 Nov.	55 per kg.	On retailer's vehicle ex intercommunal warehouse	Total cost: Dols. 184.50 per metric ton = 41,513 lire
Ground fish	14 Nov.	60 per kg.	On retailer's vehicle ex intercommunal warehouse	Landed cost: Dols. 328.25 per metric ton = 73,856 lire
Lard	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 471 per ton = 105,975 lire
Liver spread	14 Nov.	105.5 per kg.	On retailer's vehicle ex public warehouse	Landed cost: Dols. 467 per metric ton = 145,575 lire
Margarine (imported)	2 Nov.	110 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 422 per metric ton = 94,950 lire
Margarine produced in Italy from UNRRA imported copra)	2 Nov.	100 per kg.	Free manufacturers' warehouse	Cost of processing Copra into Margarine: Dols 444.45 per ton = 100.002 lire
Meat and vegetables	14 Nov.	105.5 per kg.	On retailer's vehicle ex intercommunal warehouse	Landed cost: Dols. 515 per ton = 115,875 lire
Meat spread and meat paste	14 Nov.	105.5 per kg.	On retailer's vehicle ex intercommunal warehouse	Landed cost: meat spread Dols. 661 per metric ton = 148,725 lire

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UNRRA Imported Commodities	Latest Price Fixed		Conditions	Remarks
	1946	Lire		
I. Food.				
Beans, haricot, peas dried, lentils	2 Nov.	55 per kg.	On retailer's vehicle ex inter-communal warehouse	Total cost: Beans, Dols. 147.50 per metric ton = 33,188 lire Peas, Dols. 173.50 per metric ton = 39,038 lire Lentils, Dols. 122.50 per metric ton = 27,563 lire
Blood sausage	14 Nov.	105.50 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost Dols. 340 per ton = 76,500 lire
Canned salmon, mackerel, mackerel fillets and sardines and fish in oil	14 Nov.	95 per kg.	On retailer's vehicles ex inter-communal warehouse	Landed cost Dols. 328.25 per ton = 73,856 lire
Candy bars	14 Nov.	135 per kg.	At consumers ex authorised cooperative stores	Landed cost Dols. 262.50 per ton = 59,062.50 lire
Chicken haddie	14 Nov.	60 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost Dols. 328.25 per metric ton = 73,856 lire
Coffee beans, green	14 Nov.	250 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost Dols. 381.50 per ton = 85,838 lire
Copra	2 Nov.	3,300.50 per qtl.	Free port warehouse, Genoa	Landed cost: Dols. 128.97 per metric ton = 29,014 lire
Corn syrup	23 Aug.	35 per kg.	Price valid to 30 Nov. 1946 For direct human consumption	Landed estimated cost: Dols. 102.22 per ton = 23,000 lire (not included in UNRRA program but accepted as sugar substitute)
Fat cut	2 Nov.	150 per kg.	Retailer's vehicl- ex public warehouse	Landed cost: Dols. 115 per ton = 43,375 lire
Garbanzos	2 Nov.	55 per kg.	On retailer's vehicle ex inter-communal warehouse	Total cost: Dols. 184.50 per metric ton = 41,513 lire
Ground fish	14 Nov.	60 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Dols. 328.25 per metric ton = 73,856 lire
Lard	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 471 per ton = 105,975 lire
Liver spread	14 Nov.	105.5 per kg.	On retailer's vehicle ex public warehouse	Landed cost: Dols. 467 per metric ton = 145,575 lire
Margarine (imported)	2 Nov.	110 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 422 per metric ton = 94,950 lire
Margarine produced in Italy from UNRRA imported copra)	2 Nov.	100 per kg.	Free manufacturers' warehouse	Cost of processing Copra into Margarine: Dols 444.45 per ton = 100,002 lire
Meat and vegetables	14 Nov.	105.5 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Dols. 515 per ton = 115,875 lire
Meat spread and meat paste	14 Nov.	105.5 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: meat spread Dols. 661 per metric ton = 148,725 lire Meat paste: Dols. 471 per metric ton = 105,975 lire
Milk evaporated	2 Nov.	52 per kg.	Retailer's vehicle ex public warehouse	Total cost: Dols. 281.25 per metric ton = 63,281 lire
Milk dry skim (roller and spray)	2 Nov.	69.50 per kg.	Retailer's vehicle ex public warehouse	Total cost: Roller Dols. 393.50 per metric ton = 88,538 lire Spray, Dols. 401.50 per metric ton = 90,338 lire

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TABLE 47. (Continued)

UNRRA Imported Commodities	Latest Price Fixed		Conditions	Remarks
	1946	Lire		
Milk (whole dry)	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 984.50 per metric ton = 221,513 lire
Pilchards and herring	14 Nov.	80 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Dols. 328.25 per ton = 73,856 lire
Shortening	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 515 per ton = 115,875 lire
Soup debydrated	2 Nov.	35 per kg.	Retailer's vehicle ex public warehouse	Total cost: Dols. 394 per metric ton = 88,650 lire
Sugar	14 Nov.	115 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Dols. 145.45 per metric ton = 32,726 lire
Thuringer sausage, pork, luncheon meat and other canned meats (solid)	14 Nov.	180 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Thuringer Sausage. Pork, luncheon meat Dols. 691 per ton = 155,475 lire. Other canned meat Dols. 647 per ton = 145,575 lire
I. (a) SOAP.				
Laundry	22 Nov.	115 per kg.	On retailer's vehicle, ex-inter-communal warehouse	Estimated landed cost: Dols. 251.50 per ton = 56,587.50 lire
Toilet	22 Nov.	150 per kg.	On retailer's vehicle, ex-inter-communal warehouse	Estimated landed cost: Dols. 381.50 per ton = 85,837.50 lire
II. AGRICULTURAL REHABILITATION.				
Ammonium Nitrate 31-35 per cent	2 Aug.	2,400 per qtl.	Original weight, including packing	Cost, F.A.S. US port: Dols. 55 per short ton = 13,859 lire per metric ton
Basic Slag	18 Sept.	1,100 per qtl.	Net weight: sacks included. F.O.B. Consorzio Agrario warehouse	Landed cost: Dols. 29.74 per metric ton = 6,692.50 lire
Binders, wheat (Deering, Massey-Harris)	16 July	70,000 each 85,000 each	With cutting bar of 1.52 m. With cutting bar of 2.10 m. FOB Consorzio Agratio warehouse	Estimated cost: Deering Dols. 342.67 each = 77,100 lire Massey-Harris Dols. 331.11 each = 74,500 lire
Blister copper	16 Nov.	85 per kg.	Ex consignee's warehouse	Landed cost: Dols. 260 per metric ton = 58,500 lire
Cotton seed cake	2 Aug.	1,000 per qtl.	FOB feed-mixing plants	Estimated landed cost: Dols. 66 per ton = 14,850 lire
Flax Seed	16 July	5,500 per qtl.	Ex Consorsi Agrari warehouse (Exclusively for mixing)	The procurement cost in Belgium was 5 ½ pounds sterling per ton = 46,800 lire
Forage Pea Seed	6 Nov.	45,000 per m. ton		
Forage Seed Corn	22 July	25,000 per m. ton	FOB Consorzio Agrario warehouse	Landed cost estimated at Dols. 158 per ton = 35,550 lire
Mowers (Deering, Bamford, Cockshutt)	16 July	35,000 each	do (Price valid to 15 August)	Cost: Deering brand Dols. 114.95 each = 25,875 lire Cockshutt brand Dols. 105.20 each = 23,670 lire
Plows (Massey Harris, 2- bot-	[illegible]	55,000 each	FOB Consorzio Agrario wa-	Estimated landed cost Dols.

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Milk (whole dry)	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 984.50 per metric ton = 221,513 lire
Pilchards and herring	14 Nov.	80 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Dols. 328.25 per ton = 73,856 lire
Shortening	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 515 per ton = 115,875 lire
Soup dehydrated	2 Nov.	35 per kg.	Retailer's vehicle ex public warehouse	Total cost: Dols. 394 per metric ton = 88,650 lire
Sugar	14 Nov.	115 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Dols. 145.45 per metric ton = 32,726 lire
Thuringer sausage, pork, luncheon meat and other canned meats (solid)	14 Nov.	180 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Thuringer Sausage, Pork, luncheon meat Dols. 691 per ton = 155,475 lire. Other canned meat Dols. 647 per ton = 145,575 lire
I. (a) SOAP.				
Laundry	22 Nov.	115 per kg.	On retailer's vehicle, ex-inter-communal warehouse	Estimated landed cost: Dols. 251,50 per ton = 56,587.50 lire
Toilet	22 Nov.	150 per kg.	On retailer's vehicle, ex-inter-communal warehouse	Estimated landed cost: Dols. 381.50 per ton = 85,837.50 lire
II. AGRICULTURAL REHABILITATION.				
Ammonium Nitrate 31-35 per cent	2 Aug.	2,400 per qtl.	Original weight, including packing	Cost, F.A.S. US port: Dols. 55 per short ton = 13.859 lire per metric ton
Basic Slag	18 Sept.	1,100 per qtl.	Net weight: sacks included. F.O.B. Consorzio Agrario warehouse	Landed cost: Dols. 29.74 per metric ton = 6,950 lire
Binders, wheat (Deering, Massey-Harris)	16 July	70,000 each 85,000 each	With cutting bar of 1.52 m. With cutting bar of 2.10 m.	Estimated cost: Deering Dols. 342.67 each = 77,100 lire Massey-Harris Dols. 331.11 each = 74,500 lire
Blister copper	16 Nov.	35 per kg.	FOB Consorzio Agrario warehouse	Ex consignee's warehouse: Landed cost: Dols. 260 per metric ton = 58,500 lire
Cotton seed cake	2 Aug.	1,000 per qtl.	FOB feed-mixing plants	Estimated landed cost: Dols. 66 per ton = 14,850 lire
Flax Seed	16 July	5,500 per qtl.	—	—
Forage Pea Seed	6 Nov.	45,000 per m. ton	Ex Consorsi Agrari warehouse (Exclusively for mixing)	The procurement cost in Belgium was 5 ½ pounds sterling per ton = 46,800 lire
Forage Seed Corn	22 July	25,000 per m. ton	FOB Consorzio Agrario warehouse	Landed cost estimated at Dols. 158 per ton = 35,550 lire
Mowers (Deering, Bamford, Cockshutt)	16 July	35,000 each	do (Price valid to 15 August)	Cost: Deering brand Dols. 114,95 each = 25,875 lire Cockshutt brand Dols. 105.20 each = 23,670 lire
Plows (Massey Harris, 2-bottomed model)	4 Sept.	55,000 each	FOB Consorzio Agrario warehouse	Estimated landed cost Dols. 157.33 each = 35,400 lire
Plows (3-bottomed plows, tractor drawn 570 kg. ea.).	4 Sept.	80,000 each	Ex consignees warehouse	Landed cost: Dols. 183 each = 41,175 lire
Reaper attachments (Deering)	16 July	3,000 each	FOB Consorzio Agrario warehouse	Landed cost estimated: Dols. 14.44 each = 3,250 lire
Seed potatoes	16 July	3,250 per qtl.	To farmers	This price includes all handling and distribution charges

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TABLE 47 (Continued)

UNRRA Imported Commodities	Latest Price Fixed		Conditions	Remarks
	1946	Lire		
Sodium nitrate for agriculture	14 Nov.	22 per kg.	FOB ex Consorzio Agrario warehouse	Price at port: Dols. 50 per metric ton = 11,250 lire
Sudan Grass	2 Aug.	4,000 per qtl.	Original weight including packing - Ex Consorzio Agrario	Cost estimated at Dols. 185 per ton = 41,625 lire
Vetch seed	22 July	45,000 per m. ton	FOB Consorzio Agrario warehouse	Landed cost approximately Dols. 242.22 per ton = 54,500 lire
Zinc phosphide	14 Oct.	290 per kg.	Ex Consorzio Agrario warehouse including packing in paper bags	Landed cost: Dols. 817.65 per metric ton = 183971.25 lire
III. CLOTHING, TEXTILES AND FOOTWEAR.				
Cotton goods:				
a) Sheeting for sheets and pillow cases.	16 July	70 per sq. m.	Price to consumer	Landed cost of raw cotton is approx. Dols. 533.33 per ton = 120,000 lire (See Notes 2 (iv))
b) Towelling.		75 per sq. m.		
c) Material for diapers and napkins		60 per sq. m.		
IV. MEDICAL.				
Insulin.	16 July	12 per 100 unit vial 5 cc. 18 per 100 unit vial 10 cc. 18 per 200 unit vial 5 cc. 23 per 200 unit vial 10 cc. 29 per 400 unit vial 5 cc. 35 per 400 unit vial 10 cc. 58 per 800 unit vial 12 cc.	Price to consumer	
Penicillin (vial of 100,000 units [illegible] equivalent).	2 Aug.	235 per 100,000 unit vial 450 per 200,000 unit vial	Price to consumer	Landed cost: Dols. 0.64 per 100,000 unit vial = 144 lire
V. TRANSPORT				
Trailers one ton cargo, two wheels with tires	2 Aug.	55,000 each	Ex distribution centres	Cost to Army Depot: Dols. 298.80 each = 67,230 lire
VI. INDUSTRIAL REHABILITATION.				
Anthracite for Electrodes . .	22 July	5,250 per ton	At port	This price to be re-examined.
Benzol (Industrial)	4 Sept.	55 per kg.	FOB tanks in bulk	Budget cost for the production in UK Dols. 172.40 per ton = 38,790 lire
Benzol (Nitration grade) . .	4 Sept.	60 per kg.	FOB tanks in bulk	Budget cost for production in UK Dols. 158 per ton = 35,560 lire
Bitumen	28 Oct.	21 per kg.	Ex consignee's warehouse including customs	Landed cost: Type R 85.25, Dols. 72.40 per ton = 16,290 lire; Type 50.80, Dols. 66.44 per ton = 14,950 lire

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Sodium nitrate for agriculture	14 Nov.	22 per kg.	FOB ex Consorzio Agrario warehouse	Price at port: Dols. 50 per metric ton = 11,250 lire
Sudan Grass	2 Aug.	4,000 per qtl.	Original weight including packing - Ex Consorzio Agrario	Cost estimated at Dols. 185 per ton = 41,625 lire
Vetch seed	22 July	45,000 per m. ton	FOB Consorzio Agrario warehouse	Landed cost approximately Dols. 242.22 per ton = 54,500 lire
Zinc phosphide	14 Oct.	290 per kg.	Ex Consorzio Agrario warehouse including packing in paper bags	Landed cost: Dols. 817.65 per metric ton = 183971.25 lire
III. CLOTHING, TEXTILES AND FOOTWEAR.				
Cotton goods: a) Sheeting for sheets and pillow cases	16 July	70 per sq. m.	Price to consumer	Landed cost of raw cotton is approx. Dols. 533.33 per ton = 120,000 lire (See Notes 2 (iv))
b) Towelling		75 per sq. m.		
c) Material for diapers and napkins		60 per sq. m.		
IV. MEDICAL.				
Insulin	16 July	12 per 100 unit vial 5 cc. 18 per 100 unit vial 10 cc. 18 per 200 unit vial 5 cc. 23 per 200 unit vial 10 cc. 29 per 400 unit vial 5 cc. 35 per 400 unit vial 10 cc. 58 per 800 unit vial 12 cc.	Price to consumer	
Penicillin (vial of 100,000 units or equivalent)	2 Aug.	235 per 100,000 unit vial 450 per 200,000 unit vial	Price to consumer	Landed cost: Dols. 0.64 per 100,000 unit vial = 144 lire
V. TRANSPORT				
Trailers one ton cargo, two wheels with tires	2 Aug.	55,000 each	Ex distribution centres	Cost to Army Depot: Dols. 298.89 each = 67,230 lire
VI. INDUSTRIAL REHABILITATION.				
Anthracite for Electrodes	22 July	5,250 per ton	At port	This price to be re-examined.
Benzol (Industrial)	4 Sept.	55 per kg.	FOB tanks in bulk	Budget cost for the production in UK Dols. 172.40 per ton = 38,790 lire
Benzol (Nitration grade)	4 Sept.	60 per kg.	FOB tanks in bulk	Budget cost for production in UK Dols. 158 per ton = 35,560 lire
Bitumen	28 Oct.	21 per kg.	Ex consignee's warehouse including customs	Landed cost: Type R 85.25, Dols. 72.40 per ton = 16,290 lire; Type 50.80, Dols. 66.44 per ton = 14,950 lire
Calcined Magnesite	2 Nov.	16.15 per kg.	Ex consignee's warehouse	Landed cost: Dols. 59.79 per ton = 13,453.75 lire
Channel Black	2 Nov.	65 per kg.	Ex consignee's warehouse	Landed cost: Dols. 181.64 per ton = 40,870 lire
Chrome ore	21 Oct.	10 per kg. metallurgical grade 8 per kg. chemical grade	do.	Landed cost of min. grade 48 % Cr_2O_3 Dols. 32.44 per ton = 7,300 lire
Clays (fireclay)	28 Oct.	3 per kg. with less than 36 % alumina: 7 per kg. with 37-40 % of alumina	Ex C.I.M.P. warehouse	Landed cost: Dols. 25.41 per ton = 5,717.50 lire

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TABLE 47. (Continued)

UNRRA Imported Commodities	Latest Price Fixed		Conditions	Remarks
	1946	Lire		
Coal	18 Sept.	2,600 per ton	At port to public utilities and railroads (excluding handling cost)	CIF American coal Dols. 22 per ton = 4,950 lire. European coal Dols. 14.50 per ton = 3.962,50 lire
		3,500 per ton	At port to manufacturers (excluding handling cost) Ex consignee's warehouse	
Colophony	22 Aug.	100 per kg.	Ex consignee's warehouse net weight, incl. packing	From US-landed cost: Dols. 250 per ton = 56,250 lire
Corn Syrup (for industrial purposes)	22 Aug.	50 per kg.	Ex consignee's warehouse Price valid to 30 Nov. 1946	Landed estimated cost: Dols. 102.22 per ton = 23,000 lire
Denatured Ethyl Alcohol	22 Aug.	200 per liter	Ex consignee's warehouse (drums free)	FAS cost: Approximately Dols. 0.182 per liter of anhydrous alcohol = 41 lire
Diesel Oil	30 Nov.	30 per liter	Retail price	
Ferro-tungsten	14 Nov.	12 per kg.	Ex consignee's warehouse 1% tungsten content	Landed cost: Dols. 3,126.95 per ton = 703,562.50 lire
Finished steel	6 Nov.	20.8 per kg. Bars 21.8 per kg. Reinforced 30.75 per kg. Galvanized 30.00 per kg. Corrugated 28.75 per kg. Steel sheet 16.40 per kg. Black Steel sheet	Ex-consignee's warehouse: sold Ministries and Italian State Railways	Landed cost: Corrugated sheet Dols. 109.78 per ton = 24,700 lire Galvanized steel sheets: Dols. 114.44 per ton = 25,750 lire Reinforcing Rods: Dols. 70.89 per ton = 15,950 lire Steel Bars: Dols. 70.44 per ton = 15,850 lire Plate: Dols. 203.33 per ton = 45,750 lire Angles: Dols. 195.78 per ton = 44,050 lire Black galvanized sheets: Dols. 50.44 per ton = 11,350 lire
		32.50 per kg. Hot rolled 34.68 per kg. Wire rod 40.45 per kg. Plate and heavy sheet 49.30 per kg. thin and black sheet 55.55 per kg. Tubes-base 1 in 46.20 per kg. Prod. derived from wire rod 39.00 per kg. Mushroom rail 41.70 per kg. Shaped rails 67.00 per kg. Cold rolled strip. 57 per kg. All sections	Ex-consignee's warehouse: for all consumers other than Ministries and the Italian State Railways	Steel sheets: Dols. 105.56 per ton = 23,750 lire Angles, plates, sheets: Dols. 79.56 per ton = 17,900 lire
Fire refined and electrolytic copper	24 Oct.	92 per kg. Elec. 87 per kg. F. Ref.	Ex consignee's warehouse	Landed cost: fire refined Dols. 250.15 per ton = 56,284.75 lire: Electrolytic Dols. 301.44 per ton = 67,825 lire
Fuel Oil	30 Nov.	24.00 per liter 8.00 per kg.	Ex C.I.P. coastal tanks including handling charges	—
Furnace Black	2 Nov.	55 per kg.	Ex consignee's warehouse	Landed cost: Dols. 168.44 per ton = 37,900 lire

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Coal	18 Sept.	2,600 per ton 3,500 per ton	At port to public utilities and railroads (excluding) handling cost) At port to manufacturers (excluding handling cost) Ex consignee's warehouse	CIF American coal Dols. 22 per ton = 4,950 lire European coal Dols. 14.50 per ton = 3,962.50 lire
Colophony	22 Aug.	100 per kg.	Ex consignee's warehouse net weight, incl. packing	From US - landed cost: Dols. 250 per ton = 56,250 lire
Corn Syrup (for industrial purposes)	22 Aug.	50 per kg.	Ex consignee's warehouse Price valid to 30 Nov. 1946	Landed estimated cost: Dols. 102.22 per ton = 23,000 lire
Denatured Ethyl Alcohol	22 Aug.	200 per liter	Ex consignee's warehouse (drums free)	FAS cost: Approximately Dols. 0.182 per liter of anhydrous alcohol = 41 lire
Diesel Oil	30 Nov.	30 per liter	Retail price	
Ferro-tungsten	14 Nov.	12 per kg.	Ex consignee's warehouse 1 % tungsten content	Landed cost: Dols. 3,126.95 per ton = 703,562.50 lire
Finished steel	6 Nov.	20.8 per kg. Bars 21.8 per kg. Reinforced 30.75 per kg. Galvanized 30.00 per kg. Corrugated 28.75 per kg. Steel sheet 16.40 per kg. Black Steel sheet	Ex-consignee's warehouse: sold Ministries and Italian State Railways	Landed cost: Corrugated sheet Dols. 109.78 per ton = 24,700 lire Galvanized steel sheets: Dols. 114.44 per ton = 25,750 lire Reinforcing Rods: Dols. 70.89 per ton = 15,950 lire Steel Bars: Dols. 70.44 per ton = 15,850 lire Plate: Dols. 203.33 per ton = 45,750 lire Angles: Dols. 195.78 per ton = 44,050 lire Black galvanized sheets: Dols. 50.44 per ton = 11,350 lire
		32.50 per kg. Hot rolled 34.68 per kg. Wire rod 40.45 per kg. Plate and heavy sheet 49.30 per kg. thin and black sheet 55.55 per kg. Tubes-base 1 in. 46.20 per kg. Prod. derived from wire rod 39.00 per kg. Mushroom rail 41.70 per kg. Shaped rails 67.00 per kg. Cold rolled strip. 57 per kg. All sections	Ex-consignee's warehouse: for all consumers other than Ministries and the Italian State Railways	Steel sheets: Dols. 105.56 per ton = 23,750 lire Angles, plates, sheets: Dols. 79.56 per ton = 17,900 lire
Fire refined and electrolytic copper	24 Oct.	92 per kg. Elec. 87 per kg. F. Ref.	Ex consignee's warehouse	Landed cost: fire refined Dols. 250.15 per ton = 56,284.75 lire: Electrolytic Dols. 301.44 per ton = 67,825 lire
Fuel Oil	30 Nov.	24.00 per liter 8.00 per kg.	Ex C.I.P. coastal tanks including handling charges	—
Furnace Black	2 Nov.	55 per kg.	Ex consignee's warehouse	Landed cost: Dols. 168.44 per ton = 37,900 lire
Kaolin	21 Oct.	12 per kg.	Ex C.I.M.P. warehouse	Landed cost: Dols. 45.78 per ton = 10,300 lire
Gasoline H. B.	30 Nov.	35 per liter	Retail price	—
Kerosene	30 Nov.	36.23 per kg.	do.	—
Magnesite Bricks	2 Nov.	22.80 per kg.	Ex consignee's warehouse	Landed cost: Dols. 106.71 per ton = 24,009 lire
Manganese Ore	24 Oct.	12 per kg.	Ex consignee's warehouse	Landed cost: Dols. 30.44 per long ton unit = 6,850 lire

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TABLE 47 (Continued)

UNRRA Imported Commodities	Latest Price Fixed		Conditions	Remarks
	1946	Lire		
Nickel	2 Nov.	435 per kg.	Ex consignee's warehouse	Landed cost Australian nickel Dols. 1,114.44 per ton = 250,750 lire: Canadian nickel Dols. 861.44 = 193,824 lire
Open cast coal	3 Sept.	2,450 per ton	At port to manufacturers	From UK
Petroleum Coke	1 Aug.	4,375 per ton	At port	Estimated cost in US: Dols. 22 per ton = 1,950 lire
Pig iron - Foundry and hematite grades	8 Nov.	18.5 per kg.	Ex consignee's warehouse	Landed cost: Dols. 49.44 per ton = 11,125 lire
Pig-iron, Refining grade	8 Nov.	17.5 per kg.	Ex consignee's warehouse	
Pig tin	28 Sept.	600 per kg.	Ex seller's warehouse. Price valid to 31 Dec. 1946	Landed cost: Dols. 1,516 per ton = 341,000 lire
Pine Tar	2 Nov.	45 per kg.	Ex consignee's warehouse	Landed cost: Dols. 93.44 per ton = 24,274 lire
Plasticlay	24 Oct.	9.25 per kg.	Ex C.I.M.P. warehouse	Landed cost: Dols. 35.04 per ton = 7,885 lire
Rubber (crude)	22 Aug.	200 per kg.	MS/1 standard quality (crude ex consignee's warehouse	Expenses for transportation Dols. 14.50 lire per ton = 3,262 lire
Sanocure	2 Nov.	490 per kg.	Ex consignee's warehouse	Landed cost: Dols. 1,840.44 per ton = 414,100 lire
Sealing compound	14 Oct.	235 per kg.	Ex Siderurgica Italiana S. A	Landed cost: Dols. 0.53 per kg. = 119.95 lire
Semi-finished steel	6 Nov.	19.3 per kg. Ingots 20.8 per kg. Blooms and slabs 27.3 per kg. Billets and steel bars.	Ex consignee's warehouse	Landed cost: Dols. 82.10 per ton = 18,473 lire
Solvent Naphtha (aromatic)	22 Nov.	66 per kg.	In bulk, ex-consignee's warehouse	Estimated landed cost: Dols. 185.40 per ton = 41,700 lire
Solvent Naphthas and white spirit	31 Oct.	5,600 per qtl. Light 5,320 per qtl. Medium 5,280 per qtl. Heavy 4,790 per qtl. White spirit	Ex CIP regional tanks or storehouses	Total cost: Light, Dols. 24.86 per qtl. = 5,592.89 lire Medium, Dols. 23.63 per qtl. = 5,317.55 lire Heavy, Dols. 23.46 per qtl. = 5,279.40 lire White spirit, Dols. 21.28 per qtl. = 4,787.11 lire
Special Graphite (for steel making)	2 Nov.	32 per kg.	Ex consignee's warehouse	Landed cost: Dols. 114.44 per ton = 25,750 lire
Tinplate	4 Sept.	100 per kg.	FOB sellers' warehouse	Cost: Dols. 136.20 per ton = 30,645 lire
Toluol (nitration grade)	4 Sept.	75 per kg.	FOB tanks in bulk	Landed cost (from UK) Dols. 198 per ton = 44,560 lire
Wood Rosin	22 Nov.	100 per kg.	Ex-consignee's warehouse, including drums	Estimated landed cost: Dols. 200 per ton (80 % of gum resin) = 45,000 lire
Xylol (Nitration	22 Nov.	75 per kg.	In bulk, ex-consignee's ware	Estimated landed cost: Dols. 220 per ton = 49,500 lire. Procu-

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Open cast coal	3 Sept.	2.450 per ton	At port to manufacturers	From UK
Petroleum Coke	1 Aug.	4.375 per ton	At port	Estimated cost in US : Dols. 22 per ton = 1.950 lire
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Wood Rosin	22 Nov.	100 per kg.	Ex-consignee's warehouse, including drums	Estimated landed cost : Dols. 200 per ton (80 % of gum resin) = 45,000 lire
Xilol-Nitration	22 Nov.	75 per kg.	In bulk, ex-consignee's warehouse	Estimated landed cost : Dols. 220 per ton = 49,500 lire. Procurement cost in U.K. Dols. 184.89 per ton = 41,600 lire

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NOTES ON TABLE 47.

(1) The conversion used from US dollars to Italian lire is 225 lire to the US dollar.

(2) Note of some factors reviewed by the Joint Committee of the Italian Government and the UNRRA Italian Mission when fixing prices for certain UNRRA goods:

(i) *Tinplate* Local producers cannot produce and sell tinplate at present prices; local production has, therefore, been low and unless imports of tinpate can be secured food preservation will be limited. Italy needed 21,000 tons of tinplate for the canning and other industries in 1946, as follows: for vegetables and fruit 14,770 tons; for fish 3,693 tons; for milk 1,055 tons; for meat 633 tons; for olive oil 396 tons; for other processing industries 528,000 tons. The pre-war production of tinplate was in 1938, 82,389 tons, of which 19,816 tons were exported. Owing to war damage and plant deterioration the capacity of the tinplate industry in 1946 was 17,600 tons, requiring the following raw materials: pig iron 4,790 tons; sheet metal 4,160 tons; tin 252 tons; Ruhr coal 26,770 tons; soft coal 33,755 tons; palm oil 126 tons. Small quantities of tinplate are being manufactured at from 130 to 160 lire per kilogram. This represents on the sale price of canned goods, 25 % for tomato paste in 1 kg. tins as against 10 % pre-war, 28 % for peeled tomatoes (15 % prewar); 15 for jam in half kilogram tins (4.5 % pre-war).

(ii) *Finished steel.* Full specifications of thickness, size and quality will be obtained at the ports. A Committee of the Italian Government, including technicians, and UNRRA technicians will classify the steel to determine base price and extras.

(iii) *Anthracite for electrodes.* Following taken into consideration: (*a*) high grade quality (very low ash, calorific value about 25 % higher than that of other coals normally received); (*b*) low volatile and sulphur contents make the anthracite very suitable for purpose needed. Basic price of anthracite agreed at 50 % higher than other coals, i. e. at 5,250 lire per ton at port (September 1946) subject to re-examination after three months.

(iv) *Raw Cotton.* To manufacture 31,000 tons of cotton at 24 % yield would produce approximately 26,040 tons of finished materials at an average price of 245 lire per kilogram — total expenditure 6,379 million lire. Manufactures limited to following nine types of material:

(*a*) flannelette for babies;
(*b*) madapolam for underwear, etc.
(*c*) heavy shirting for men;
(*d*) sheeting for sheets, pillow cases and general household uses;
(*e*) strong drill for overalls and trousers;
(*f*) cotton suiting for farm workers;
(*g*) cloth for mattress covers;
(*h*) calico for shirts, blouses and household use;
(*i*) Florida in checks and stripes for general clothing.

(v) *Cotton seed cake.* United States cotton seed cake is not normally used in Italy in the form now imported. It cannot be fed to pigs, calves and young horses because of presence of "gassiopol". Mixing with other feeds would increase cost.

(vi) *Plows.* Italian plows of the same type and weight as the UNRRA imported plows will plow 35 cm. deep as against 25 cm. for the imported. In Italy, plows are sold by weight.

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(vii) *Reaper attachment. - Vetch seed.* Price limited by what, in expert opinion, the Italian farmer will pay.

(viii) *Forage pea seed.* Price limited to assure prompt distribution and sale to permit effective use of the seed as a summer forage crop after wheat harvest in North and as a fall crop in South.

(ix) *Forage seed corn.* Official price for milling corn from 1946 new crop fixed at least 15 % below price of wheat. No official price set for seed corn but seed sold in Spring 1946 from 18,000 to 22,000 lire per ton f. o. b. loading station; later on corn was sold on the black market from 50,000 to 55,000 lire per ton, and used for feed.

(x) *Sudan grass.* (sorgo sudanese). Price 4,000 lire per quintal, because local sorghum, which is considered superior to Sudan grass as a forage, is sold at about 6,000 lire per quintal.

(3) *Foodstuffs.* Special conditions applying to sales of foodstuffs:

Candy bars: No sweetmeats of this type are normally sold in Italy. Limited quantities only of imported candies and sweets are at present sold on the free market. The proposed method of distribution of the candy bars is as follows:

(*a*) through UNRRA welfare channels, a free issue of 400 grams per head will be made to all recipients of UNRRA assistance (this will absorb 791 tons);

(*b*) an issue, under SEPRAL control, of 400 grams per head, spread over three months, to sick in hospital (144 tons);

(*c*) the balance to be offered to industrial cooperatives — excluding the Cooperative of State Employees — for sale to their members.

(The balance will amount to about 1,480 tons).

As 935 tons are to be disposed of without adding to the Lira Fund, resale price of the balance should be so fixed as to recoup the [illegible] "landed cost" value of the whole quantity available for distribution.

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(*e*) strong drill for overalls and trousers;
(*f*) cotton suiting for farm workers;
(*g*) cloth for mattress covers;
(*h*) calico for shirts, blouses and household use;
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(*c*) the balance to be offered to industrial cooperatives — excluding the Cooperative of State Employees — for sale to their members. (The balance will amount to about 1,480 tons).

As 935 tons are to be disposed of without adding to the Lira Fund, resale price of the balance should be so fixed as to recoup the Fund with approximately the total "landed cost" value of the whole quantity available for distribution.

The following commodities will be sold to special classes of the population on the authorised ration scale. There is no limitation as to time of distribution:

(*a*) Salmon, mackerel fillets, sardines and fish in oil;
(*b*) meat and vegetable;
(*c*) blood sausage;
(*d*) pil hards;
(*e*) thuringer sausage, pork luncheon meat, other canned meats (solid);
(*f*) liver spread, meat spread, meat paste;
(*g*) chicken haddie (issue only to approved industrial and communal canteens);
(*h*) coffee beans (special distribution plans agreed from time to time between the Government and the UNRRA Mission).

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COMPARISON BETWEEN WHOLESALE AND RETAIL PRICES IN ITALY

(a) *Consideration of Margins Between Wholesale and Retail Prices* (1).

305. The difference between wholesale and retail prices is made up of the costs of distribution (including retailers' profits). The extent of distributive costs is closely related to (a) the degree of service to be rendered at the wholesale stage e.g. breaking from bulk, repacking, credit etc., (b) local transport costs to the retail point and (c) the structure, equipment and organization of retail trade. As regards (c) the large cooperative stores, paying consumer dividends, the "Enti Comunali di Consumo" (Municipal Cooperative shops) and the fixed price departmental stores, all aim at minimizing distribution costs. Prior to fascism the "Cooperative di consumo" (consumer cooperatives) were highly successful, especially in Northern Italy, but after 1922 they were for the most part dissolved. The fixed price departmental stores never took hold in Italy. In large towns there are an excessive number of individual retail stores (2), mostly small shops, which, without competition from larger stores, have contributed to keep distributive costs at a high level. The proportion of fixed overhead charges (rent, personnel, taxes, etc.) has, therefore, been an appreciable element in the price of each unit sold in retail shops. There is, in the public interest, scope for greater rationalization of the retail trade. For the long-term protection of the small shopkeepers themselves, reforms are overdue. In August and September 1946, at a time of labor unrest, the need for encouraging the extension of consumer cooperatives was evident.

306. Thriving black market activities, especially in the towns of Central and Southern Italy, have added to distribution costs, which include the profits of innumerable dealers and extra charges to compensate for the risks involved in illegal sales.

307. Before the war the percentage of the distribution costs in retail prices was estimated by the "Confederazione dei Commercianti" (Confederation of Retail Traders) in some large towns on the basis of surveys covering an appreciable number of samples. Table 48 shows the distributive margin for various types of retail trade, according to the surveys made by the Italian Confederation of Retail Traders before the war.

TABLE 48

The pre-war Margin Between Retailers' Cost and Selling Prices

	1929 %	1932 %	1937 %
(a) Foods:			
Grocers	12.75	11.50	13.16
Pork Butchers' shops	20.51	20.33	18.75
Food markets	15.00	15.51	16.16
Fish shops	22.13	22.72	17.63
Eggs and poultry shops	12.85	13.90	15.63
Butchers' shops	14.17	19.46	13.88
Bakeries	27.61	29.68	24.49
Milk shops	21.61	25.46	20.41
Wine shops	29.09	31.72	22.83
Peddlers	16.03	17.13	18.09
Average	19.21	20.74	18.11
Cooperative stores	12.48	11.35	12.67

(1) The importance of the study of distribution can be gauged by the recent authorization by the United States Congress of appropriations up to 41 million dollars for research in 1950 on distribution with the objective of lowering costs.

(2) (a) The two commercial censuses taken in Italy 1927 and in 1938 show that in this period of 12 years instead of a trend towards concentration of individually-owned retail businesses, the opposite occurred. The number of shops per 1,000 inhabitants in 1927 was 13.6 and in 1938, 17.0. The number of persons employed (including shop-keepers) in each retail shop has decreased from 1.8 to 1.6, which suggests that the number of small shops has increased. The position, in brief, is as follows:

	Shops employing five persons or less			
	No.		% of total retail shops	
	1927	1938	1927	1938
Number of retail shops	555,084	777,058	98	99.1
Number of persons employed	880,332	1,151,634	72.7	72.9

(b) A comparison of distributive conditions in 26 countries was made in 1938 by the International Chamber of Commerce. The results, shown below, indicate that the percentage of small retail shops existing then in Italy was comparatively high.

Country	Retail shops (per 1000 persons)	Percentage of persons occupied in retail shops		
		Number of persons employed per shop		
		1-5	6-50	51 and more
		%	%	%

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305. The difference between wholesale and retail prices is made up of the costs of distribution (including retailers' profits). The extent of distributive costs is closely related to (a) the degree of service to be rendered at the wholesale stage e.g. breaking from bulk, repacking, credit etc., (b) local transport costs to the retail point and (c) the structure, equipment and organization of retail trade. As regards (c) the large cooperative stores, paying consumer dividends, the "Enti Comunali di Consumo" (Municipal Cooperative shops) and the fixed price departmental stores, all aim at minimizing distribution costs. Prior to fascism the "Cooperative di consumo" (consumer cooperatives) were highly successful, especially in Northern Italy, but after 1922 they were for the most part dissolved. The fixed price departmental stores never took hold in Italy. In large towns there are an excessive number of individual retail stores (2), mostly small shops, which, without competition therefore, been an appreciable element in the price of each unit sold in retail shops. There is, in the public interest, scope for greater rationalization of the retail trade. For the long-term protection of the small shopkeepers themselves, reforms are overdue. In August and September 1946, at a time of labor unrest, the need for encouraging the extension of consumer cooperatives was evident.

306. Thriving black market activities, especially in the towns of Central and Southern Italy, have added to distribution costs, which include the profits of innumerable dealers and extra charges to compensate for the risks involved in illegal sales.

307. Before the war the percentage of the distribution costs in retail prices was estimated by the "Confederazione dei Commercianti" (Confederation of Retail Traders) in some large towns on the basis of surveys covering an appreciable number of samples. Table 48 shows the distributive margin for various types of retail trade, according to the surveys made by the Italian Confederation of Retail Traders before the war.

(1) The importance of the study of distribution can be gauged by the recent authorization by the United States Congress of appropriations up to 41 million dollars for research in 1950 on distribution with the objective of lowering costs.

(2) (a) The two commercial censuses taken in Italy 1927 and in 1938 show that in this period of 12 years instead of a trend towards concentration of individually-owned retail businesses, the opposite occurred. The number of shops per 1,000 inhabitants in 1927 was 13.6 and in 1938, 17.0. The number of persons employed (including shop-keepers) in each retail shop has decreased from 1.8 to 1.6, which suggests that the number of small shops has increased. The position, in brief, is as follows:

	Shops employing five persons or less			
	No.		% of total retail shops	
	1927	1938	1927	1938
Number of retail shops	555,084	777,038	98	99.1
Number of persons employed	880,332	1,151,634	72.7	72.9

(b) A comparison of distributive conditions in 26 countries was made in 1938 by the International Chamber of Commerce. The results, shown below, indicate that the percentage of small retail shops existing then in Italy was comparatively high.

Country	Retail shops (per 1000 persons)	Percentage of persons occupied in retail shops		
		Number of persons employed per shop		
		1-5	6-50	51 and more
		%	%	%
Germany	12.10	73	16	11
Italy	13.29	89	10	1
Netherlands	13.28	76	15	9
Sweden	8.91	70	24	6
Switzerland	11.37	60	26	8
U. S. A.	10.50	—	—	—

TABLE 48

The pre-war Margin Between Retailers' Cost and Selling Prices

	1929 %	1932 %	1937 %
(a) Foods:			
Grocers	12.75	11.50	13.16
Pork Butchers' shops	20.51	20.33	18.75
Food markets	15.00	15.51	16.16
Fish shops	22.13	22.72	17.63
Eggs and poultry shops	12.85	13.90	15.63
Butchers' shops	14.47	19.46	13.88
Bakeries	27.61	29.68	24.49
Milk shops	21.61	25.46	20.44
Wine shops	29.09	31.72	22.83
Peddlers	16.03	17.13	18.09
Average	19.21	20.74	18.11
Cooperative stores	12.48	11.35	12.67
(b) Wearing apparel and textiles:			
Clothing stores	25.66	28.62	27.38
Hat stores	31.50	34.73	34.14
Footwear shops	22.32	22.42	21.97
General stores	27.39	29.93	26.86
Peddlers	—	—	28.47
Average	26.72	28.93	27.76
Fixed price departmental stores	24.50	27.25	22.86

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308. The Confederation of Retail Traders estimated the velocity of turnover of stock in the different kinds of stores as shown in Table 49.

TABLE 49

Velocity of Turnover of Stock in the Retail Trade in Italy 1937:

	Number of times stock was turned over in a year	Average number of days sales represented by stock-in-trade
(a) Food:		
Grocers	6	60
Pork butchers	11	32
Food markets	9	40
Fish shops	300	1 1/4
Eggs and poultry shops	260	1 3/4
Butchers shops	160	12
Bakeries	29	12
Milk shops	250	1 1/2
Wine shops	17	21
Cooperative stores	19	20
(b) Wearing apparel, textiles and general supplies:		
Clothing stores	2.8	130
Hat stores	4.1	89
Footwear shops	3.1	118
General stores	3.5	104
Peddlers	12.6	29
Fixed price stores	7.8	46

309. From Table 48 it would appear that in 1937 costs of distribution of the cooperative stores are appreciably

TABLE 50

Difference Between Wholesale and Retail Prices: August 1946

Commodities subject to official prices in August 1946	Imported price (c.i.f.)	Retail price to the consumer	Difference %
	Lire per kilogram		
Sugar	120	165	37.6
Codfish	55	85	54.5
Sausage	172.30	250	45.1
Lard	77.75	116	49.2
Evaporated milk	52	73	40.4
Peas	42	60	42.8
Raw coffee	200	275	37.5

Prior to the war (1930) the margin between wholesale and retail prices was 33 %, and was therefore less than in 1946, when taxes, transportation charges etc. are higher.

310. The proportion of cost of distribution in official retail food prices is probably not substantially higher than pre-war. In August 1946 the "Confederazione Generale Italiana del Commercio" (Italian General Confederation of Commerce) made a careful survey of food distribution costs, from the "Consorzio Agrario Provinciale" (Provincial Agricultural Consortium), the distributing agency, to the wholesaler; from the wholesaler to the retailer; and from the retailer to the consumer. Table 50 is a summary of the results of the survey (see also Tables 51 and 52).

311. Table 51, based on the same survey, shows the officially approved percentage margin taken by the wholesaler and the retailer in June 1946 (see also Table 52).

TABLE 51

Approved Margin in Lire per kilogram taken by Wholesalers and Retailers: June 1946

Commodities subject to official prices in June 1946	Cost to the wholesaler (excluding margin)	Approved margin taken by wholesaler		Cost to retailer (excluding margin)	Approved margin taken by retailer (1)	
	Lire	Lire	%	Lire	Lire	%
Sugar	126.30	7.50	5.9	135.80	20.40	14.9

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Velocity of Turnover of Stock in the Retail Trade in Italy 1937 :

	Number of times stock was turned over in a year	Average number of days sales represented by stock-in-trade
(a) Food :		
Grocers	6	60
Pork butchers	11	32
Food markets	9	40
Fish shops	300	1 1/4
Eggs and poultry shops	260	1 3/4
Butchers shops	160	12
Bakeries	29	12
Milk shops	250	1 1/2
Wine shops	17	21
Cooperative stores	19	20
(b) Wearing apparel, textiles and general supplies :		
Clothing stores	2.8	130
Hat stores	4.1	89
Footwear shops	3.1	118
General stores	3.5	104
Peddlers	12.6	29
Fixed price stores	7.8	46

309. From Table 48 it would appear that in 1937 costs of distribution of the cooperative stores are appreciably less than for other retail distributors (12.67 % as against an average of 18.11 % for the other shops and this is not explained by the more personal (delivery etc.) services of the latter). The remarkable speed of turnover of stock-in-trade for fixed price department stores, as compared with stores of other types, is of note. The position, has, however, deteriorated since 1937.

Commodities subject to official prices in August 1946	price (c.i.f.)	to the consumer	Difference %
	Lire per kilogram		
Sugar	120	165	37.6
Codfish	55	85	54.5
Sausage	172.50	250	45.1
Lard	77.75	116	49.2
Evaporated milk	52	73	40.4
Peas	42	60	42.8
Raw coffee	200	275	37.5

Prior to the war (1930) the margin between wholesale and retail prices was 33 %, and was therefore less than in 1946, when taxes, transportation charges etc. are higher.

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Approved Margin in Lire per kilogram taken by Wholesalers and Retailers June 1946

Commodities subject to official prices in June 1946	Cost to the wholesaler (excluding margin)	Approved margin taken by wholesaler		Cost to retailer (excluding margin)	Approved margin taken by retailer (1)	
	Lire	Lire	%	Lire	Lire	%
Sugar	126.50	7.50	5.9	143.50	20.40	14.0
Codfish	59.95	3.50	6.0	74.22	10.16	13.6
Sausage	190.78	11.45	6.0	219.66	30.34	13.8
Lard	86.21	5.17	6.0	103.65	14.19	13.6
Evaporated milk	55.62	3.33	6.0	64.35	9.00	14.0
Peas	45.12	2.71	6.0	52.85	7.33	14.0
Raw coffee	211.00	12.00	5.7	241.73	33.84	14.0

(1) For comparison with pre-war. See Table 48 (Grocers).

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TABLE 52

Analysis of Prices in lire per kilogram of Imported Foodstuffs from (a) Provincial Agricultural Consortium to Wholesaler (b) Wholesaler to Retailer and (c) Retailer to Consumer: Rome, June 1946.

Item	Sugar	Codfish	Sausage (Salami type)	Lard	Milk (evaporated)	Vegetables (peas)	Raw Coffee
A. (i) Sale price from Prov. Agr. Consortium to wholesaler	140.00	55.00	172.30	77.75	52.00	42.00	200.00
(ii) Sales tax - Prov. Agr. Consortium to wholesaler	1.80	2.20	13.78	6.22	2.08	1.68	8.00
(iii) Fee to Insurance Fund	1.00	0.57	1.80	0.84	0.54	9.44	2.00
(iv) Fee to Sepral (Provincial Food Office)	1.00	1.00	1.00	1.00	1.00	1.00	1.00
(v) Loss of Weight	—	1.18	1.90	0.43	—	—	—
(vi) Wholesaler's profit	7.50	3.60	11.45	5.17	3.33	2.71	12.00
Transportation cost from wholesaler to retailer	0.50	0.55	0.50	0.55	0.55	0.55	0.50
(vii) Consumption tax	—	3.00	14.00	3.75	—	—	—
Price to retailer (free at retailer's store, including consumption tax)	151.80	67.10	216.75	100.75	59.50	48.40	223.50
B. (viii) Sales tax from wholesaler to retailer	5.40	2.68	—	—	2.38	1.94	8.94
Total cost to retailer	110.20	69.78	—	—	61.88	50.34	232.44
C. (ix) Sales tax from retailer to consumer	5.60	2.79	—	—	2.47	2.01	9.29
Loss of weight	—	1.65	2.91	1.15	—	—	—
Profit to retailer	20.40	10.16	30.34	14.10	9.00	7.33	33.84
Total	166.20	84.38	250.00	115.95	73.35	59.68	275.57
Approved price to the consumer per kg.	165	85	250	116	73	60	275

(i) Price fixed by the High Commissariat for Food
(ii) Sales tax is 1 % (for sausages and lard the sales tax is 8 % — one tax only in marketing chain)
(iii) Rounded off at 10 %
(iv) One lira per kg.
(v) For codfish 2 %; Thuringher sausages 1 %; lard 0.50 %
(vi) Varies from 0.50 to 0.55 lire per kg.
(vii) Varies for each commodity
(viii) and ix) Sales tax 4 %

312. For UNRRA-imported goods (two-thirds of which are represented in value, to end October 1946, by food, coal, and POL) sold at prices fixed by the UNRRA Mission in conjunction with the Italian Government, distribution costs vary according to the kind of goods. The following statement shows the estimated cost of handling charges in Italy as a percentage of the landed cost of UNRRA-imported goods:

TABLE 53.

UNRRA Supplies to Italy: Estimated Handling Charges in Lire per metric Ton: 1946

(Statement subject to review by Lira Fund Committee)

a) *Foodstuffs* (and soap)

Product	Landed cost	Estimated Handling Charges in Italy				Estimated handling charges as percentage of landed cost
		Expenses of distribution	Insurance 1.5% of Landed cost	Shrinkage loss, etc.	Total Handling charges	
Milk:						
whole dry	221,513	11,010	3,300	6,600	20,910	9.43
dry skim roller	88,538	11,010	1,300	2,600	14,910	16.84
" " spray	90,338	11,010	1,300	2,600	14,910	16.50
evaporated	63,281	15,300	900	1,800	18,000	28.44
Lard	105,975	11,010	1,60	3,200	15,810	14.92
Shortening	115,875	11,010	1,70	3,500	16,210	13.99
Fat oils	93,575	11,010	1,40	2,800	15,210	16.29

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			type)		rated)	(peas)	Coffee
A. (i) Sale price from Prov. Agr. Consortium to wholesaler	120.00	55.00	172.30	77.75	52.00	42.00	200.00
(ii) Sales tax - Prov. Agr. Consortium to wholesaler	1.80	2.20	13.76	6.22	2.08	1.68	8.00
(iii) Fee to Insurance Fund	1.00	0.57	1.80	0.84	0.54	0.44	2.00
(iv) Fee to Sepral (Provincial Food Office)	1.00	1.00	1.00	1.00	1.00	1.00	1.00
(v) Loss of Weight	—	1.18	1.90	0.43	—	—	—
(vi) Wholesaler's profit	7.50	3.60	11.45	5.17	3.33	2.71	12.00
Transportation cost from wholesaler to retailer	0.50	0.55	0.50	0.55	0.55	0.55	0.50
(vii) Consumption tax	—	3.00	14.00	8.75	—	—	—
Price to retailer (free at retailer's store, including consumption tax)	134.80	67.10	216.75	100.70	59.50	48.40	223.50
B. (viii) Sales tax from wholesaler to retailer	5.40	2.68	—	—	2.38	1.94	8.94
Total cost to retailer	140.20	69.78	—	—	61.88	50.34	232.44
C. (ix) Sales tax from retailer to consumer	5.60	2.79	—	—	2.47	2.01	9.29
Loss of weight	—	1.65	2.91	1.15	—	—	—
Profit to retailer	20.40	10.16	30.34	14.10	9.00	7.33	33.84
Total	166.20	84.38	250.00	115.95	73.35	59.68	275.57
Approved price to the consumer per kg.	165	85	250	116	73	60	275

(i) Price fixed by the High Commissariat for Food
(ii) Sales tax is 4 % (for sausages and lard the sales tax is 8 % — one tax only in marketing chain)
(iii) Rounded off at 10 %
(iv) One lira per kg.
(v) For codfish 2 %; Thuringher sausages 1 %; lard 0.50 %
(vi) Varies from 0.50 to 0.55 lire per kg.
(vii) Varies for each commodity
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		Expenses of distribution	Insurance 1.5% of Landed cost	Shrinkage loss, etc.	Total Handling charges	
Milk:						
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dry skim roller	88,538	11,010	1,300	2,600	14,910	16.84
» » spray	90,338	11,010	1,300	2,600	14,910	16.50
evaporated	63,281	15,300	900	1,800	18,000	28.44
Lard	105,975	11,010	1,60	3,200	15,810	14.92
Shortening	115,875	11,010	1,70	3,500	16,210	13.99
Fat cuts	93,375	11,010	1,40	2,800	15,210	16.29
Margarine	94,950	11,010	1,400	2,800	15,210	16.02
Beans, haricot	33,188	9,480	500	1,000	10,980	33.08
Peas, dried	39,038	9,480	600	1,200	11,280	28.89
Lentils	27,563	9,480	400	800	10,680	38.75
Garbanzos (Chick-peas)	41,513	9,480	600	1,200	11,280	27.17
Soup dehydrated	88,650	9,480	1,300	2,600	13,380	15.09
Toilet Soap	85,837	11,010	1,300	2,600	14,910	17.37
Laundry Soap	56,587	11,010	800	1,700	13,510	23.87

NOTE: The figures in Table 53 are subject to final adjustment, and actual savings will be credited to the Lira Fund.

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(TABLE 53 continued)

b) *Industrial products*

Commodities	Fixed price in Italy (in lire per metric ton)	Estimated handling charges (in lire) (1)	Estimated accrual to lire fund	Percentage of estimated handling charges to price
Gasoline	35,000 (2)	10,640	24,360	30.4
Kerosene	36,230	13,470	22,760	37.2
Diesel oil	30,000 (2)	11,440	18,560	38.1
Fuel oil	8,000	3,150	4,850	39.4
Basic slag	11,000	6,500	4,500	59.1
Manganese ore	12,000	2,460	9,540	20.5
Fire refined copper	87,000	5,260	81,740	6.0
Solvent Naphtha: medium	53,200	14,000	39,200	26.3
Nitrate of soda	22,000	10,000	12,000	45.5
Copra	33,005	5,000	28,005	15.1
Semi-finished steel: ingots blooms	20,800	3,889	16,911	18.7
Finished steel: bars	20,800	5,000	15,800	24.0
corrugated	30,000	5,000	25,000	16.7

(1) Final settlement of handling charges will be made after after audit of consignee's expenses.
(2) Lire per 1,000 liters.

For foodstuffs the estimated handling charges are thus from 9 to 38 % of the landed cost and for industrial products from 6 to 59 % of the lire price.

313. As an illustration only of the breakdown of estimated distribution costs for agricultural machinery, the following details, which are subject to revision, for reaping attachments are given:

Estimated Handling and other Charges (1946) for UNRRA - Supplied Reaper attachments, model Deering

Gross Weight 50 Kg. Net Weight 42 Kg.

1) Insurance against fire, theft, other risks, etc. (3 months)	20.00
2) I.C.E. margin 0.20 % on landing cost estimated at 1.450 lire (at the exchange rate of 100 lire to the $)	2.90
3) Taking on charge under ship side at Naples & loading on truck or lorry, 130 lire per quintal	65.00
4) Transport charges to the warehouses at Castellamare, Rome and Piacenza - average 210 lire per quintal	105.00
5) Unloading & storage at the warehouses at 40 lire per quintal	20.00
6) Storage for 3 months (0.30 per Qtl. per day) 90 days × 0.30 - 27 lire per quintal	13.50
7) Assemblage, putting in running order, lubricating, etc.	120.00
8) Transport charges from warehouse to station & loading on truck 50 lire per quintal	25.00
9) Transport charges from Federazione warehouse to distribution centres - average journey calculated at 300 km. - at 150 lire per quintal net	63.00

Note: The following items are not included in the above list: (a) 4 % general income tax on handing over the machines to the central consignee; (b) debtor interest on the sums to be advanced to the Treasury.

314. The open market prices of non-controlled products were such as to allow tradesmen to reap profits exceeding many times the cost of production. During the period of falling prices, i.e. from April to June 1946, traders generally maintained their retail prices for non-controlled commodities. A factor tending to prevent retail prices from falling has been the reluctance of traders to reduce the high percentage of profit reaped in periods of increasing prices.

315. These reasons, together with the shortage of goods, the reduction in the list of goods subject to official rations and the controls on official prices, explain the increase in 1946 in free retail prices (40 to 50 times pre-war on the average). This increase has been out of proportion to the increase in currency circulation (about 20 times pre-war) and to the rise in official prices of controlled commodities. For lack of data, it is not possible to say whether the wide difference between retail prices and prices on the free market to producers, has mainly benefited the wholesaler or the retailer.

(b) *Comparison Between Wholesale and Retail Prices.*

316. Any comparison between wholesale and retail prices of the same goods is recognised to be difficult.

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Gasoline	35,000 (2)	10,640	24,360	30.4
Kerosene	36,230	13,470	22,760	37.2
Diesel oil	30,000 (2)	11,440	18,560	38.1
Fuel oil	8,000	3,150	4,850	39.4
Basic slag	11,000	6,500	4,500	59.1
Manganese ore	12,000	2,460	9,540	20.5
Fire refined copper	87,000	5,260	81,740	6.0
Solvent Naphtha: medium	53,200	14,000	39,200	26.3
Nitrate of soda	22,000	10,000	12,000	45.5
Copra	33,005	5,000	28,005	15.1
Semi-finished steel: ingots blooms	20,800	3,889	16,911	18.7
Finished steel: bars	20,800	5,000	15,800	24.0
corrugated	30,000	5,000	25,000	16.7

(1) Final settlement of handling charges will be made after after audit of consignee's expenses.
(2) Lire per 1,000 liters.

For foodstuffs the estimated handling charges are thus from 9 to 38 % of the landed cost and for industrial products from 6 to 59 % of the lire price.

313. As an illustration only of the breakdown of estimated distribution costs for agricultural machinery, the following details, which are subject to revision, for reaping attachments are given:

Estimated Handling and other Charges (1946) for UNRRA - Supplied Reaper attachments, model Deering

Gross Weight 50 Kg. Net Weight 42 Kg.

1) Insurance against fire, theft, other risks, etc. (3 months)	20.00
2) I.C.E. margin 0.20 % on landing cost estimated at 1,450 lire (at the exchange rate of 100 lire to the $)	2.90
3) Taking on charge under ship side at Naples & loading on truck or lorry, 130 lire per quintal	65.00
4) Transport charges to the warehouses at Castellamare, Rome and Piacenza - average 210 lire per quintal	105.00
5) Unloading & storage at the warehouses at 40 lire per quintal	20.00
6) Storage for 3 months (0.30 per Qtl. per day) 90 days × 0.30 - 27 lire per quintal	13.50
7) Assemblage, putting in running order, lubricating, etc.	120.00
8) Transport charges from warehouse to station & loading on truck 50 lire per quintal	25.00
9) Transport charges from Federazione warehouse to distribution centres - average journey calculated at 300 km. - at 150 lire per quintal net	63.00
10) Unloading at destination - transport & putting in warehouse at 50 lire per quintal net	21.00
TOTAL HANDLING EXPENSES	455.40
Commission to distribution 15 % on sale price fixed at 3,000 lire including test, help & general expenses	450.00
TOTAL EXPENSES & COMMISSION	905.40

Note: The following items are not included in the above list: (a) 4 % general income tax on handing over the machines to the central consignee: (b) debtor interest on the sums to be advanced to the Treasury.

314. The open market prices of non-controlled products were such as to allow tradesmen to reap profits exceeding many times the cost of production. During the period of falling prices, i.e. from April to June 1946, traders generally maintained their retail prices for non-controlled commodities. A factor tending to prevent retail prices from falling has been the reluctance of traders to reduce the high percentage of profit reaped in periods of increasing prices.

315. These reasons, together with the shortage of goods, the reduction in the list of goods subject to official rations and the controls on official prices, explain the increase in 1946 in free retail prices (40 to 50 times pre-war on the average). This increase has been out of proportion to the increase in currency circulation (about 20 times pre-war) and to the rise in official prices of controlled commodities. For lack of data, it is not possible to say whether the wide difference between retail prices and prices on the free market to producers, has mainly benefited the wholesaler or the retailer.

(b) *Comparison Between Wholesale and Retail Prices.*

316. Any comparison between wholesale and retail prices of the same goods is recognised to be difficult. The prices at each stage in the marketing chain for the same type and quality of goods (producer, first wholesaler or semi-wholesaler, or a consortium of retailers, etc.), as well as all charges adding to the cost of goods (e.g. sales tax) must be known. Comparison is also complicated by the changes which take place in the product before consumer sale (re-processing, "appeal" packing, etc.)

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TABLE 54

Comparison of Wholesale and Retail Food Prices in Italy: 1938-1946 (1)

Commodity	Wholesale Price		Retail Price (3)		Relation of retail to wholesale prices (wholesale price = 1)		Index Numbers (1938 = 100)	
	1938	1946 (4)	1938	1946 (4)	1938	1946	Wholesale prices	Retail prices
	(lire per quintal)							
Wheat	136	7,000	227	8,960	1.64	1.60	3,623	3,524
Husked rice	159	7,000	192	12,600	1.46	1.71	1,403	5,593
Butter	1,690	55,000	1,547	63,600	1.55	1.16	3,500	4,111
Pasta	223	13,000 (2)	291	14,400	1.29	1.11	5,778	1,948
Sugar	638	85,000 (2)	660	110,666	1.03	1.30	13,323	16,758

(1) Sources of prices: Central Institute of Statistics, Rome.

Reference is made here, and at other places in this survey, to the Central Institute of Statistics, Rome. The following is a brief history of the development and work of the Institute. The "Istituto Centrale di Statistica" (Central Institute of Statistics) was founded in Rome in 1926 as a result of a reconstruction of the former "Direzione Generale della Statistica Italiana" (General Direction of Italian Statistics), created in 1861. According to an Act of 1926 (revised in 1929) the Central Institute of Statistics is responsible for all official statistics for Italy, i.e. (1) statistics compiled by the Institute itself (statistics of (a) population and mortality, (b) foreign trade, (c) public education, (d) agriculture, (e) prices and cost of living and (f) judicial and penal statistics; (2) statistics compiled by the Ministries (statistics of industry and labor, public education, finance, banking, etc.) which are coordinated by the Central Institute. The Institute, as the official agency for national statistics, is responsible to the "Presidenza del Consiglio dei Ministri" (Presidency of the Council of Ministers). Since 1941 the Institute has been under the administration of provisional agencies and a project for a general reorganization of the Italian statistical services is included in a bill still awaiting approval. Prior to 1941 the periodical publications of the Institute were numerous. Since the war these have been reduced to the Monthly Bulletin of Statistics (from September 1945 through October 1946), a "Statistical Digest" (1945 to 1946) and a "Monthly Bulletin of Foreign Trade." Prior to the war, the periodical publications of the Central Institute were the following: the "Annuario Statistico Italiano" (Italian Statistical Yearbook); the "Compendio Statistico" (Statistical Digest); some books on population growth and on the causes of death; the "Annuario dell'Agricoltura Italiana" (Italian Agricultural Yearbook); annual statistics on foreign trade; annual statistics on shipping; annual judicial statistics, statistics on criminality and on civil law suits, statistics on penal institutes and annual statistics on public education. The monthly publications were: "Bollettino Mensile di Statistica" (Monthly Bulletin of Statistics); "Bollettino di Statistica Agraria e Forestale" (Bulletin of Statistics on Agriculture and Forests); "Bollettino dei Prezzi" (Price Bulletin); "Bollettino del Commercio Estero" (Foreign Trade Bulletin); "Notiziario demografico" (Demographical information).

The Central Institute was also charged with taking a five year census of the population (the last census was in 1936), a five year census of industry, transportation and trade (last census 1939) and

317. Another factor complicating comparison with prewar prices, is the change in the quality of goods which has taken place between the two periods. Table 54 is an attempt to compare some wholesale prices with retail prices. The Table (making all necessary reservations, due to unreliability of the data on black market prices and the lack of proper controls during the enquiry) suggests that the percentage added to the wholesale price of some foodstuffs by the black market operator has fallen as compared with 1938.

318. Attempts were made before the war to compare wholesale and retail price index numbers for the same commodities and services (5) but no work has been done on this subject since the war.

(5) In 1929 the "Confederazione dei Commercianti" (Confederation of Traders) initiated two distinct series of index numbers of wholesale and retail prices for the same 25 commodities selected from among those most common in household consumption, e.g. price of wheat and flour in wholesale trade, and the price of bread in retail trade; wholesale price of oxen and calves, and retail price of meat. Professor Tagliacarne directed the work and the commodities were selected by experts and the quality and sale conditions for each commodity described in detail. For each commodity the price index was calculated monthly (wholesale and retail). The national index was arrived at by taking the mean of the national index numbers of the commodities considered in the two series. The two series of the index numbers

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	1938	1946 (4)	1938	1946 (4)	1938	1946	Wholesale prices 1926	Retail prices 1946
	(Lire per quintal)				(wholesale price = 1)			
Wheat	135	3,000	227	8,000	1.64	1.66	3,623	3,521
Husked rice	159	7,000	182	12,000	1.16	1.71	4,403	6,593
Butter	1,099	55,000	1,547	63,000	1.35	1.16	5,500	4,111
Pasta	225	13,000 (2)	291	14,300	1.29	1.11	3,778	4,948
Sugar	638	85,000 (2)	660	110,000	1.03	1.30	13,323	16,758

(1) Sources of prices: Central Institute of Statistics, Rome.

Reference is made here, and at other places in this survey, to the Central Institute of Statistics, Rome. The following is a brief history of the development and work of the Institute. The "Istituto Centrale di Statistica" (Central Institute of Statistics) was founded in Rome in 1926 as a result of a reconstruction of the former "Direzione Generale della Statistica Italiana" (General Direction of Italian Statistics), created in 1861. According to an Act of 1926 (revised in 1929) the Central Institute of Statistics is responsible for all official statistics for Italy, i.e. (1) statistics compiled by the Institute itself (statistics of (a) population and mortality, (b) foreign trade, (c) public education, (d) agriculture, (e) prices and cost of living and (f) judicial and penal statistics); (2) statistics compiled by the Ministries (statistics of industry and labor, public education, finance, banking, etc.) which are coordinated by the Central Institute. The Institute, as the official agency for national statistics, is responsible to the "Presidenza del Consiglio dei Ministri" (Presidency of the Council of Ministers). Since 1941 the Institute has been under the administration of provisional agencies and a project for a general reorganization of the Italian statistical services is included in a bill still awaiting approval. Prior to 1941 the periodical publications of the Institute were numerous. Since the war these have been reduced to the Monthly Bulletin of Statistics (from September 1945 through October 1946), a "Statistical Digest" (1943 to 1946) and a "Monthly Bulletin of Foreign Trade." Prior to the war, the periodical publications of the Central Institute were the following: the "Annuario Statistico Italiano" (Italian Statistical Yearbook); the "Compendio Statistico" (Statistical Digest); some books on population growth and on the causes of death; the "Annuario dell'Agricoltura Italiana" (Italian Agricultural Yearbook); annual statistics on foreign trade; annual statistics on shipping; annual judicial statistics, statistics on criminality and on civil law suits, statistics on penal institutes and annual statistics on public education. The monthly publications were: "Bollettino Mensile di Statistica" (Monthly Bulletin of Statistics); "Bollettino di Statistica Agraria e Forestale" (Bulletin of Statistics on Agriculture and Forests); "Bollettino dei Prezzi" (Price Bulletin); "Bollettino del Commercio Estero" (Foreign Trade Bulletin); "Notiziario demografico" (Demographical information).

The Central Institute was also charged with taking a five year census of the population (the last census was in 1936), a five year census of industry, transportation and trade (last census 1939) and of agriculture (last census 1930).

Since the extensive census taken in September 1944 in 38 provinces of Southern and Central Italy, in conjunction with the Allied Control Commission (census of population, housing, industry, transportation and standard of living), the Institute has taken no further censuses or surveys of a national character.

(2) Source: Edison Combine, Milan for wholesale prices.

(3) For wheat, bread prices are taken and for husked rice, cleaned rice.

(4) Black market price.

317. Another factor complicating comparison with pre-war prices, is the change in the quality of goods which has taken place between the two periods. Table 54 is an attempt to compare some wholesale prices with retail prices. The Table (making all necessary reservations, due to unreliability of the data on black market prices and the lack of proper controls during the enquiry) suggests that the percentage added to the wholesale price of some foodstuffs by the black market operator has fallen as compared with 1938.

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Index numbers (first fortnight January 1929 = 100).

	Wholesale prices (a)	Retail prices (b)	Ratio $\frac{b}{a} \times 100$
1934	63.64	65.60	103.08
1936	76.66	75.01	97.85
1938	89.76	87.10	97.04

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MEASURE OF GENERAL PRICE LEVEL AND INDICES OF AGRICULTURAL POSITION

(a) *General Index of Prices and Services.*

319. The index numbers of wholesale prices are often considered as indices of the movement of all prices and services. This is not the case. To give a correct measure of the variation in the general purchasing power of the currency, weight should be given to all transactions involving payment in money—not only in wholesale and retail trade but transactions in bonds, in movable and immovable property, wages and salaries (in industry, agriculture and commerce), professional fees, house and land rents, transportation and communication rates, light and heat, etc.

320. To take all these factors into account is not easy at the present time. Professor S. Golzio, of Turin, computed at the end of 1945 a very approximate comprehensive index which estimated the general rise of prices, services and other expenditure at 17.1 times 1938. Using as basis the work done in 1933 by Prof. G. Tagliacarne in the calculation of a general index of prices and services in Italy, and estimating the changes which have since taken place in the proportions of the different heads of expenditure to the total, the general index of prices and services for the first nine months of 1946 can be put at about 20 (1) times the 1938 level. This index gives an idea of the devaluation of the general purchasing power of the currency.

321. Both at the end of 1945 and in June 1946 the level of this general index of prices and services did not differ materially from the level of the currency circulation index (18 times pre-war at the end of 1945 and 20.4 in August 1946).

(b) *Indices of the Agricultural Situation.*

322. A study of index numbers of variations in the level of the prices of individual products and services throws light on the changing situation in groups of economic activity, as for instance in agriculture or industry. On the one hand variations in purchase prices and in cost of services, which are part of the cost of production in a particular branch of activity, can be seen. On the other hand the variations in the selling prices of the goods produced are revealed. If, in relation to a particular base period, the synthetic index number of the cost of production of certain goods has increased

no data are available in Italy for the calculation of indices for industry on these lines. Professor P. Albertario, general director of the office for the "Tutela del prodotto economico in agricoltura" (the purpose of this office is to stimulate efficiency in agriculture) has calculated, on the basis of uniform criteria and of broad surveys all over Italy, the indices of the variations for the period from 1938 to 1944 (1938 = 100) in (a) the purchase price of agricultural requisites; (b) the sale price of agricultural products (2). The calculation for 1945 has, with Professor Albertario's assistance, been made provisionally by the UNRRA Italian Mission. The 1945 data in Tables 55 and 56 (graph) can, however, be regarded as only indicative of a trend.

323. The following considerations arise from Table 55: (a) while the average index of the overall prices of labor, agricultural requisites etc. to the farmer (index of agricultural costs) stood in 1945 at about 15 times the 1938 level, the index of the prices of agricultural products sold by farmers stood at 21 times pre-war. The position of the farmer, therefore, during the war and until 1945 considerably improved in comparison with 1938. Other surveys and investigations indicate that this improvement continued into 1946. Within this overall cost, the index of the prices of factory products (fertilizers, fodder, fuel etc.) purchased by farmers on the open market (and which before the war comprised about 20 % of the cost of production) has, however, increased about 34 times its 1938 level, i.e. higher than the index of free prices made by the farmer in selling his produce (28 times the 1938 index). The shortage from 1943 till 1946 of factory-produced requisites has, however, diminished the "weight" of ex[illegible] on these to production cost: the influence of costs has, therefore, been less than is shown in the index (3); (b) among the main cost items in Table 55 the following increased less than the average general cost (14.8): (taxes (3.5 times 1938), labor (9 times on the basis of official wage rates, 11 times if actual wages are taken —or an average of 11.5 times 1938); (c) the highest increases in the open market prices of farm requisite—

(2) A similar index was computed annually after 1929 by the Central Institute of Statistics (indices of the prices of products sold and purchased by farmers). The calculation was discon[illegible] in 1942. Such official indices had a more limited scope

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services. This is not the case. To give a correct measure of the variation in the general purchasing power of the currency, weight should be given to all transactions involving payment in money—not only in wholesale and retail trade but transactions in bonds, in movable and immovable property, wages and salaries (in industry, agriculture and commerce), professional fees, house and land rents, transportation and communication rates, light and heat, etc.

320. To take all these factors into account is not easy at the present time. Professor S. Golzio, of Turin, computed at the end of 1945 a very approximate comprehensive index which estimated the general rise of prices, services and other expenditure at 17.1 times 1938. Using as basis the work done in 1933 by Prof. G. Tagliacarne in the calculation of a general index of prices and services in Italy, and estimating the changes which have since taken place in the proportions of the different heads of expenditure to the total, the general index of prices and services for the first nine months of 1946 can be put at about 20 (1) times the 1938 level. This index gives an idea of the devaluation of the general purchasing power of the currency.

321. Both at the end of 1945 and in June 1946 the level of this general index of prices and services did not differ materially from the level of the currency circulation index (18 times pre-war at the end of 1945 and 20.4 in August 1946).

(b) *Indices of the Agricultural Situation.*

322. A study of index numbers of variations in the level of the prices of individual products and services throws light on the changing situation in groups of economic activity, as for instance in agriculture or industry. On the one hand variations in purchase prices and in cost of services, which are part of the cost of production in a particular branch of activity, can be seen. On the other hand the variations in the selling prices of the goods produced are revealed. If, in relation to a particular base period, the synthetic index number of the cost of production of certain goods has increased by a smaller proportion than the index number of the selling price of the same goods, it can be inferred that the producers' position has improved during the period and vice versa. While in Italy and abroad surveys of costs and prices in agriculture have not been lacking,

(1) This index was calculated by taking the geometric mean of two weighted indices. One was calculated on the basis of pre-war transactions and the other on the basis of 1946.

of promotion economics in agriculture (the purpose of this office is to stimulate efficiency in agriculture) has calculated, on the basis of uniform criteria and of broad surveys all over Italy, the indices of the variations for the period from 1938 to 1944 (1938 = 100) in (a) the purchase price of agricultural requisites; (b) the sale price of agricultural products (2). The calculation for 1945 has, with Professor Albertario's assistance, been made provisionally by the UNRRA Italian Mission. The 1945 data in Tables 55 and 56 (graph) can, however, be regarded as only indicative of a trend.

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(2) A similar index was computed annually after 1929 by the Central Institute of Statistics (indices of the prices of products sold and purchased by farmers). The calculation was discontinued in 1942. Such official indices had a more limited scope (since they covered only variations in prices that were of particular interest to farmers). The indices did not cover some important items included in Professor Albertario's calculation, which permit of a comparison, over a period of time, of the variation in farmers' costs and receipts.

(3) The 1938 "weights" remain unvaried in the calculation of the indices. To determine more correctly the combined index of costs and receipts it would be necessary to calculate separately an index on the basis of the "presumable weights" of 1945 (which differ substantially from the 1938 weights). The geometric mean of the two indices should then be calculated.

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TABLE 55

Italian Agricultural Production etc.: 1939 to 1945

(to show the trend of costs and prices)

Classes of goods & services	Indices: 1938 = 100 (3)									
	1939	1940	1941	1942	1944			1945		
					Official Prices	Free Prices	Average (1)	Official Prices	Free Prices	Average (1)
	A. *Indices of the sale prices of agricultural products (receipts from sale).*									
I. *Crop production*	*109.6*	*134.6*	*163.1*	*185.4*	*658.2*	*1,273.0*	*965.6*	*1,669.7*	*2,835.3*	*2,222.5*
a) cereals	103.0	119.7	135.0	160.8	448.9	912.3	680.6	650.0	2,000.0	1,325.0
b) dried legumes	135.1	153.7	185.7	189.6	359.2	2,155.7	1,257.4	870.0	2,800.0	1,835.0
c) industrial crops	108.7	122.4	148.9	163.2	491.6	541.2	519.4	1,800.0	1,800.0	1,800.0
d) potatoes, fruit & fruit crops	128.1	164.7	178.6	254.7	1,579.8	2,954.8	2,267.3	3,500.0	5,000.0	4,250.0
e) dried and fresh fruits	108.8	146.8	230.1	240.6	725.8	1,367.6	1,046.7	1,900.0	2,500.0	2,200.0
f) citrus fruits	102.6	122.5	136.1	170.8	686.8	1,196.3	941.5	1,600.0	2,500.0	2,050.0
g) wine	120.4	198.7	222.6	222.6	1,871.8	2,713.6	2,294.2	3,500.0	4,500.0	4,000.0
h) olive oil	111.6	123.9	199.4	199.4	895.0	2,003.2	1,449.1	2,400.0	5,000.0	3,700.0
II. *Animal products*	*107.3*	*138.1*	*177.1*	*200.9*	*496.2*	*835.2*	*665.7*	*1,400.0*	*2,500.0*	*1,950.0*
a) foodstuffs	107.6	138.0	177.5	201.9	510.5	852.8	681.6	—	—	—
b) non-foodstuffs	102.1	139.8	170.8	184.4	306.0	585.0	445.5	—	—	—
GENERAL INDEX OF RECEIPTS FROM SALE	108.8	135.8	167.9	190.7	597.7	1,094.3	846.6	1,534.4	2,714.9	2,124.7
	B. *Indices of purchase prices of agricultural requisites and other costs.*									
I. *Labour*	*107.1*	*117.5*	*148.4*	*162.5*	*306.0*	*451.8*	*423.9*	*900.0*	*1,400.0*	*1,150.0*
II. *Interest on capital invested in livestock, machinery, etc.* (2)	*106.3*	*133.6*	*149.1*	*166.1*	*953.5*	*1,315.3*	*1,134.4*	*2,000.0*	*2,400.0*	*2,200.0*
III. *Working capital*	*102.8*	*121.0*	*133.9*	*163.5*	*327.9*	*497.9*	*412.9*	*1,279.1*	*3,385.0*	*2,332.0*
a) chemical fertilizers	101.4	114.1	127.0	145.1	243.0	624.4	433.7	1,380.0	3,000.0	2,190.0
b) fodder	106.8	128.2	134.2	145.2	215.2	484.0	349.6	450.0	2,500.0	1,475.0
c) seeds	108.4	129.7	145.0	172.8	539.6	645.9	592.7	1,150.0	1,400.0	1,275.0
d) pesticides	97.3	115.9	121.0	267.1	804.7	6,005.0	3,404.8	2,300.0	7,500.0	4,900.0
e) motive power, fuel, lubricants	103.1	141.5	171.9	179.0	409.3	989.3	699.3	880.0	2,000.0	1,440.0
IV. *Agricultural machines & tools* (maintenance and amortizement)	*103.0*	*129.4*	*142.4*	*169.8*	*597.7*	*726.8*	*662.2*	*1,600.0*	*1,900.0*	*1,750.0*
V. *Buildings & fixed installations* (maintenance and amortization)	*105.2*	*137.1*	*166.4*	*183.0*	*334.2*	*1,139.6*	*736.9*	*1,500.0*	*3,200.0*	*2,350.0*

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Classes of goods & services	1939	1940	1941	1942	1944 Official Prices	1944 Free Prices	1944 Average (1)	1945 Official Prices	1945 Free Prices	1945 Average (1)
A. *Indices of the sale prices of agricultural products (receipts from sale).*										
I. *Crop production*	*109.6*	*134.6*	*163.1*	*185.4*	*658.2*	*1,273.0*	*965.6*	*1,569.7*	*2,835.3*	*2,202.5*
a) cereals	103.0	119.7	135.6	160.8	448.9	912.3	680.6	650.0	2,000.0	1,325.0
b) dried legumes	135.1	153.7	185.7	189.6	359.2	2,155.7	1,257.4	870.0	2,800.0	1,835.0
c) industrial crops	108.7	122.4	148.9	163.2	494.6	544.2	519.4	1,800.0	1,800.0	1,800.0
d) potatoes, fruit & fruit crops	128.1	164.7	178.6	254.7	1,579.8	2,954.8	2,267.3	3,500.0	5,000.0	4,250.0
e) dried and fresh fruits	108.8	146.8	230.1	240.6	725.8	1,367.6	1,046.7	1,900.0	2,500.0	2,200.0
f) citrus fruits	102.6	122.5	136.1	170.8	686.8	1,196.3	941.5	1,600.0	2,500.0	2,050.0
g) wine	120.1	198.7	222.6	222.6	1,874.8	2,713.6	2,294.2	3,500.0	4,500.0	4,000.0
h) olive oil	111.6	123.9	199.1	199.1	895.0	2,003.2	1,449.1	2,400.0	5,000.0	3,700.0
II. *Animal products*	*107.3*	*138.1*	*177.1*	*200.9*	*496.2*	*835.2*	*665.7*	*1,400.6*	*2,500.0*	*1,950.0*
a) foodstuffs	107.6	138.0	177.5	201.9	510.5	852.8	681.6	—	—	—
b) non-foodstuffs	102.1	139.8	170.8	184.4	306.0	585.0	445.5	—	—	—
GENERAL INDEX OF RECEIPTS FROM SALE	108.8	135.8	167.9	190.7	597.7	1,094.3	846.0	1,534.4	2,711.9	2,124.7
B. *Indices of purchase prices of agricultural requisites and other costs.*										
I. *Labour*	*107.1*	*117.5*	*148.4*	*162.5*	*396.0*	*451.8*	*423.9*	*900.0*	*1,400.0*	*1,150.0*
II. *Interest on capital invested in livestock, machinery, etc.* (2)	*100.3*	*133.0*	*149.1*	*166.1*	*953.5*	*1,315.3*	*1,134.4*	*2,000.0*	*2,400.0*	*2,200.0*
III. *Working capital*	*102.8*	*121.0*	*133.9*	*163.5*	*327.9*	*497.9*	*412.9*	*1,279.1*	*3,385.0*	*2,332.0*
a) chemical fertilizers	101.4	114.1	127.0	145.1	243.0	624.4	433.7	1,380.0	3,000.0	2,190.0
b) fodder	106.8	123.2	134.2	145.2	215.2	484.0	349.6	450.0	2,500.0	1,475.0
c) seeds	108.4	129.7	145.0	172.8	539.6	645.9	592.7	1,150.0	1,400.0	1,275.0
d) pesticides	97.3	115.9	121.0	267.1	804.7	6,005.0	3,404.8	2,300.0	7,500.0	4,900.0
e) motive power, fuel, lubricants	103.1	141.5	171.9	179.0	409.3	989.3	699.3	880.0	2,000.0	1,440.0
IV. *Agricultural machines & tools* (maintenance and amortizement)	*103.0*	*129.4*	*142.4*	*169.8*	*597.7*	*726.8*	*662.2*	*1,600.0*	*1,900.0*	*1,750.0*
V. *Buildings & fixed installations* (maintenance and amortization)	*105.2*	*137.1*	*156.4*	*183.0*	*334.2*	*1,139.6*	*736.9*	*1,500.0*	*3,200.0*	*2,350.0*
VI. *Taxes, fees, social security contributions*	*110.5*	*125.6*	*149.4*	*150.9*	*225.9*	*225.9*	*225.9*	*350.0*	*350.0*	*350.0*
GENERAL INDEX OF COST	106.1	123.1	145.5	162.2	403.5	509.8	456.6	1,108.5	1,859.8	1,484.1

(1) Unweighted arithmetic mean of the indices of official and free prices.
(2) Interest on capital invested in livestock, machines, tools, fodder, seeds, etc.
(3) *Sources*: (a) From 1938 to 1944 PAOLO ALBERTARIO:
The economic situation of agriculture and price policy (mimeographed yearly reports).
(b) From official and other data. Calculations for 1945 made by UNRRA Italy Mission (Operational Analysis).
See also Table (Graph) 56.

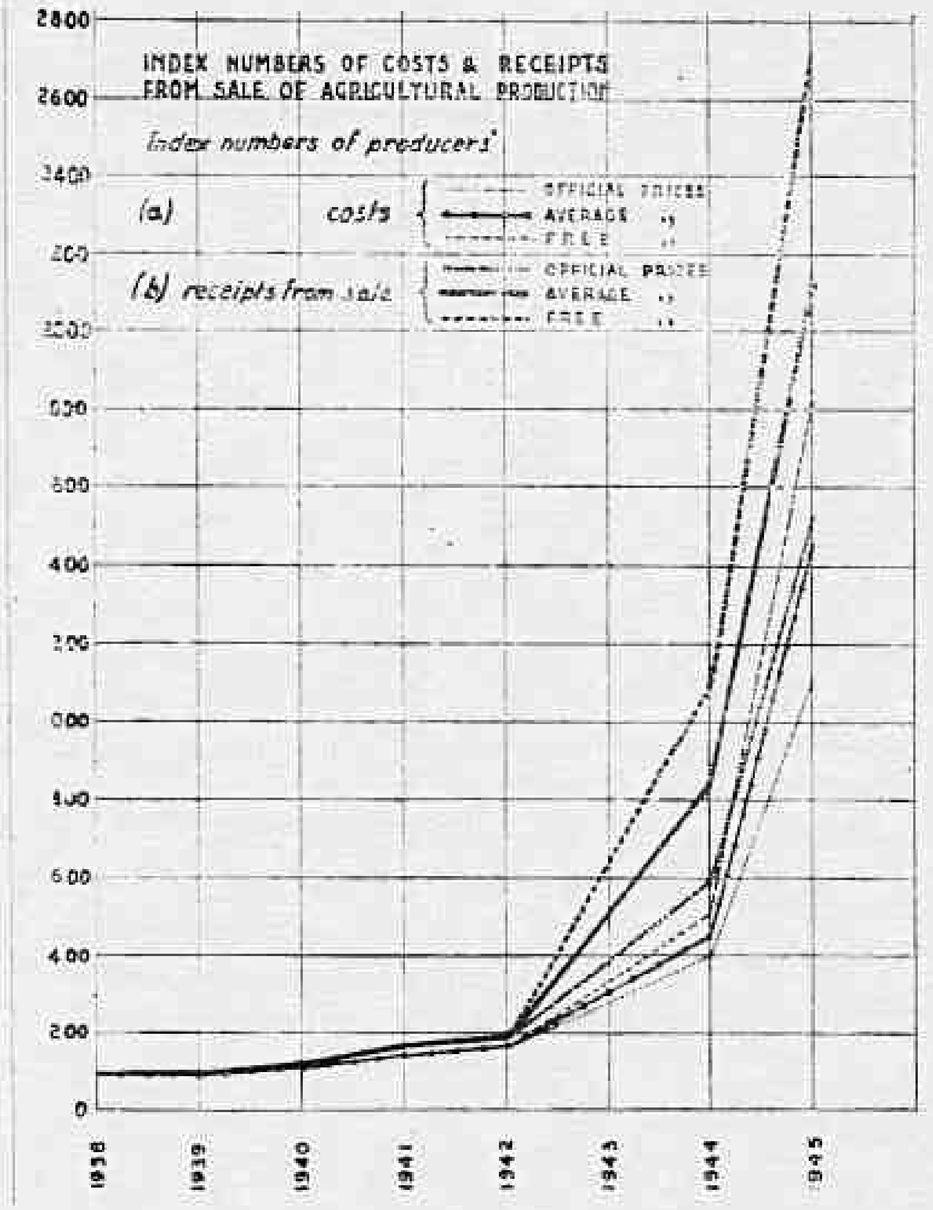
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only a very small quantity is allotted at official prices—ere for the pesticide group (75 times) and chemical fertilizers (30 times the 1938 level); (d) the agricultural products for which farmers received the highest prices (free prices), as compared with 1938, are potatoes, fruit and vegetables (50 times), wine (45 times) i.e. products not closely controlled, for which the demand was high; (e) as can be seen from Table 55, there is a considerable difference as between the costs of one item and another in the increases shown in the indices. These differences are evidence (as regards requisites subject to official prices) of lack of efficient regulatory measures and, for those on the free market, of a continuing disequilibrium and economic maladjustment.

321. It is not possible, owing to lack of data, to construct an index combining for industry, (a) costs of raw materials, semi-finished products, wages, etc., and (b) wholesale prices of finished products. A comparison between the movement of wages, as an element in the cost of production, and the wholesale price indices shows that the indices of wages have maintained a much lower level than the indices of wholesale prices.

TABLE 56

INDICES OF THE ECONOMIC SITUATION OF AGRICULTURE



5625

RETAIL PRICES IN ITALY

(A) *FIXING OF RETAIL PRICES AND COLLECTION OF RETAIL PRICE DATA*

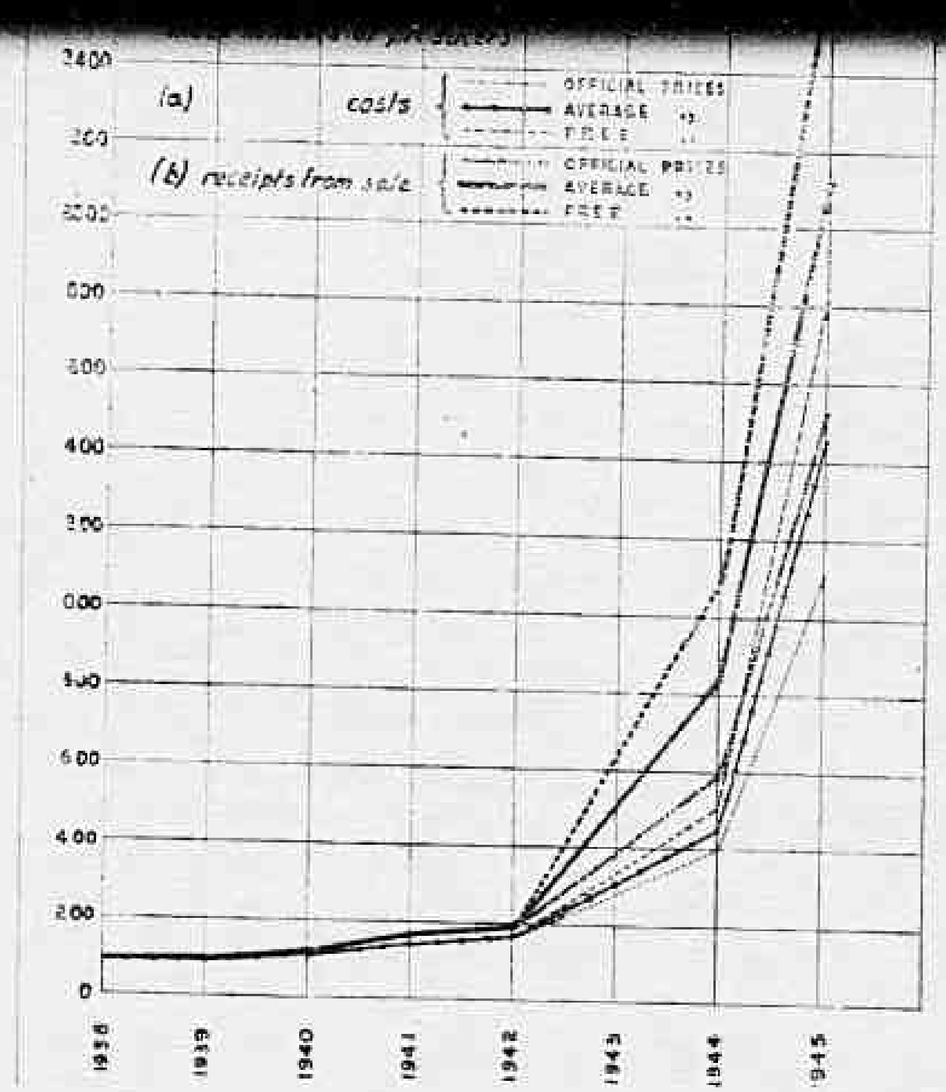
325. The larger Italian communes (mainly the communes of provincial capitals) following a very old tradition (which for Milan goes as far back as the end of the XIIth century), fix the retail price of bread, which, as always, is the predominant item of the Italian people's diet. To the cost of flour is added the cost of baking. This cost is called "dato di panificazione," and is also ing and the price of bread laid down for the whole of Italy (1).

326. Official retail prices of foodstuffs (other than bread) were, prior to World War I, fixed only during emergency periods of economic depression or in times of widespread unrest provoked by rising costs and low wages. At these times, prices were fixed on the results of quick surveys.

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high; (c) as can be seen from Table 55, there is a considerable difference as between the costs of one item and another in the increases shown in the indices. These differences are evidence (as regards requisites subject to official prices) of lack of efficient regulatory measures and, for those on the free market, of a continuing disequilibrium and economic maladjustment.

321. It is not possible, owing to lack of data, to construct an index combining for industry, (a) costs of raw materials, semi-finished products, wages, etc., and (b) wholesale prices of finished products. A comparison between the movement of wages, as an element in the cost of production, and the wholesale price indices shows that the indices of wages have maintained a much lower level than the indices of wholesale prices.



5625

RETAIL PRICES IN ITALY

(A) *FIXING OF RETAIL PRICES AND COLLECTION OF RETAIL PRICE DATA*

325. The larger Italian communes (mainly the communes of provincial capitals) following a very old tradition (which for Milan goes as far back as the end of the XIIth century), fix the retail price of bread, which, as always, is the predominant item of the Italian people's diet. To the cost of flour is added the cost of baking. This cost is called "dato di panificazione," and is also determined by the Commune authorities or the Prefect. The observance of the official price of bread has generally been enforced for large loaves of 450 to 1,000 grams which are more greatly consumed than the somewhat more expensive 100 to 200 grams sizes. In one year only, 1 July 1942 to 30 June 1943, a single price applying to the whole country was fixed for flour, and a uniform procedure for determining the cost of baking and the price of bread laid down for the whole of Italy (1).

326. Official retail prices of foodstuffs (other than bread) were, prior to World War I, fixed only during emergency periods of economic depression or in times of widespread unrest provoked by rising costs and low wages. At these times, prices were fixed on the results of quick surveys.

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(1) For this purpose Italy was divided into 10 zones and for each zone a different price of bread was established. Loaves of two sizes only could be sold i.e. of 150 and 150 grams. For 150 grams size the price ranged from a minimum of 2 lire (Frosinone, Teramo, Matera and Palermo provinces) to a maximum of 2.50 lire (for Turin, Milan, Venice and Rome provinces).

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327. Only a few communes (or Chambers of Commerce) published price-lists (listini) or market lists (mercuriali) for retail prices of foodstuffs in popular consumption. Some larger communes have collected data on the prices of main foods in consumption under regulations made by the Ministries concerned, which published weekly or monthly the data collected.

328. During and after World War I, as a result of the increasing Government control over consumption and of the adoption of rationing systems and of price ceilings, retail prices were fixed for a larger number of non-rationed commodities.

329. Retail prices were fixed: (a) for rationed commodities, by the addition of a percentage to the wholesale prices set by the Provincial agencies (these prices, in turn, were based on the national prices, as established by Governmental agencies, plus transportation, distribution and other charges). In these charges were also included processing costs (for flour, bread, pasta, butter, olive oil, cheese, meat, etc.) as determined periodically by Provincial or municipal authorities, on the basis of actual cost surveys; (b) for non-rationed commodities, the criteria applied in price fixing are approximately the same as when there is an official price, provincial or national. In the absence of any official price, a percentage was added to the wholesale price ruling in the market.

330. During and after World War I it was the practice of larger communes and Chambers of Commerce to publish periodically retail price-lists for consumers' goods. These price-lists, in periods of wide-spread economic depression, were for ceiling prices and were used by the consumers' cooperatives and by "aziende annonarie comunali" (communal cooperative retail shops). These communal shops, prior to fascism, had developed to a noteworthy extent.

331. Before the war the Central Institute of Statistics collected through the authorities in provincial capitals, and in accordance with uniform technical rules, data on retail prices (beginning in 1923) for about 20 foodstuffs in large consumption, together with similar data on clothing, drugs, stationery, etc. These data were used in the calculation of index numbers of total cost of living. For foodstuffs, the collection of data on prices usually took place on the last Saturday of each month in a number of shops and markets, selected ac-

for all communes (with capital towns) in accordance with new uniform technical rules which for the first time included the methods to be used in the collection of information on black market prices. In this way, the existence and the importance of the black market, to which the consumer was driven by the insufficiency of his allotted rations, were officially but indirectly admitted. Data were collected on prices of about 50 commodities (including fruit and vegetables).

333. In 1946 the Central Institute of Statistics added the collection of statistics, each month, on maximum, minimum, or prevailing prices, for some 30 items of clothing, linen, etc., and for miscellaneous items (such as newspapers, books, medicines, cigarettes, etc.). No publication has been made in 1946 of the prices of non-foodstuffs so collected.

334. Up to 1935 no official regulations were in force regarding the compilation and publication of retail price-lists. In 1935 all provincial capital-communes were requested to publish a list of maximum retail prices for the most important consumer goods. The prices were worked out by the "Consigli Provinciali dell'Economia Nazionale" (Provincial Councils of National Economy) on the basis of the maximum national price, as established by the Central Government agencies, with the addition of a percentage, varying from province to province, for transportation and distribution costs. In 1937 it was made optional for the other communes (i.e. other than provincial capital-communes) to publish such price lists. The prices in the list (which had to be displayed in all shops) had to be complied with by the retailer. For the more important communes the prices were collected and published monthly by the Central Institute of Statistics (see para. 331).

335. After July 1943, the municipalities discontinued the publication of lists of maximum prices; the larger communes, however, continued to publish them, on their own responsibility or because of the insistence of the Provincial Price Committees, i.e. local branches of the "Comitato Interministeriale Prezzi" (Interministerial Price Committee) (see para. 236). The continued publication of foodstuff prices is made by the Central Institute of Statistics (see para. 332) which issues them in its bulletin about two months late. The figures so published are also used, in conjunction with

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data on the prices of main foods in consumption under regulations made by the Ministries concerned, which published weekly or monthly the data collected.

328. During and after World War I, as a result of the increasing Government control over consumption and of the adoption of rationing systems and of price ceilings, retail prices were fixed for a larger number of non-rationed commodities.

329. Retail prices were fixed: (a) for rationed commodities, by the addition of a percentage to the wholesale prices set by the Provincial agencies (these prices, in turn, were based on the national prices, as established by Governmental agencies, plus transportation, distribution and other charges). In these charges were also included processing costs (for flour, bread, pasta, butter, olive oil, cheese, meat, etc.) as determined periodically by Provincial or municipal authorities, on the basis of actual cost surveys; (b) for non-rationed commodities, the criteria applied in price fixing are approximately the same as when there is an official price, provincial or national. In the absence of any official price, a percentage was added to the wholesale price ruling in the market.

330. During and after World War I it was the practice of larger communes and Chambers of Commerce to publish periodically retail price-lists for consumers' goods. These price-lists, in periods of wide-spread economic depression, were for ceiling prices and were [illegible]sed by the consumers' cooperatives and by "aziende annonarie comunali" (communal cooperative retail shops). These communal shops, prior to fascism, had developed to a noteworthy extent.

331. Before the war the Central Institute of Statistics collected through the authorities in provincial capitals, and in accordance with uniform technical rules, data on retail prices (beginning in 1923) for about 20 foodstuffs in large consumption, together with similar data on clothing, drugs, stationery, etc. These data were used in the calculation of index numbers of total cost of living. For foodstuffs, the collection of data on prices usually took place on the last Saturday of each month in a number of shops and markets, selected according to standards laid down by the Rome Central Institute of Statistics.

332. The collection of data continued during the war except in the period July 1943 to June 1944. At the latter date (immediately after the liberation of Rome) the Central Institute of Statistics resumed the collection of statistics on retail prices for the most important communes. In January 1945 these statistics were collected the existence and the importance of the black market, to which the consumer was driven by the insufficiency of his allotted rations, were officially but indirectly admitted. Data were collected on prices of about 50 commodities (including fruit and vegetables).

333. In 1946 the Central Institute of Statistics added the collection of statistics, each month, on maximum, minimum, or prevailing prices, for some 30 items of clothing, linen, etc., and for miscellaneous items (such as newspapers, books, medicines, cigarettes, etc.). No publication has been made in 1946 of the prices of non-foodstuffs so collected.

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335. After July 1943, the municipalities discontinued the publication of lists of maximum prices; the larger communes, however, continued to publish them, on their own responsibility or because of the insistence of the Provincial Price Committees, i.e. local branches of the "Comitato Interministeriale Prezzi" (Interministerial Price Committee) (see para. 236). The continued publication of foodstuff prices is made by the Central Institute of Statistics (see para. 332) which issues them in its bulletin about two months late. The figures so published are also used, in conjunction with other price data (see para. 333), to calculate the cost of living index figure. A good source of data on retail food prices in the open market, is, however, supplied by the quotations published daily by the Italian press (1).

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(1) The "Globo," a Rome daily, has a bureau for the daily collection of retail prices. A weekly index of retail prices is also calculated by the "Globo."

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336. For most agricultural products there were, during the 1940-45 war, official wholesale prices, and consequently, for most food-stuffs (even non-rationed foodstuffs), the corresponding official retail prices were increasingly used. After a period of disorganization during 1943 and 1944, price fixing was again enforced. In 1946, official prices (for bread, pasta, rice, oil, butter and sugar) are determined, in each province, by the Provincial Price Committees (local branches of the Inter-ministerial Price Committee). These Provincial Committees act independently. They are not required to adhere to any regulation of nation-wide application although they accept, as basis, the national prices fixed by the Inter-ministerial Price Committee. Whereas in North Italy a uniform official cost of milling and baking is determined and the price of flour and pasta to the consumer is the same; in Central and Southern Italy, where zoning of prices is not so disciplined, prices vary from province to province. The price of bread in the latter is established for each province by the provincial authority independently and following different standards.

337. In the larger communes, where there are established fruit and vegetable markets, the communal authorities set the fruit and vegetables retail prices and control their observance. The prices of other foodstuffs are free. In September 1946, consequent upon widespread unrest due to rising costs of living, some northern provinces set ceilings also to these non-rationed foods. As a result, black market prices and official market prices were both available.

(B) *THE BLACK MARKET IN RETAIL COMMODITIES*

338. The expression "black market" (1) applies to the sale (wholesale and retail) of rationed commodities or of commodities for which official prices are fixed by the authorities (even when distributed only occasionally), as well as to the sale of products under State monopolies (indigenous and imported tobacco, salt, matches, cigarette-lighters, etc.). The organization of the black market in Italy, in 1946, embraces a significant group of activities and a large number of operators. The black market is served by a close network of intermediaries, informers, carriers and transport agencies. For a large number of families in Italy, black market profits are a source of important income. This has It is also supplied with imported foodstuffs pilfered at sea-ports, from military and civilian warehouses both Italian and Allied. Tobacco for the black market is mainly recruited at some stage during distribution, e.g. by Allied and Italian soldiers who cash their rations. Some illegal factories have also been discovered, where tobacco and tobacco products have been manufactured. There is a retail black market also in gasoline and motor tires. In the cities of Central and Southern Italy black market goods (including State monopoly goods) are openly sold by thousands of small operators—food and tobacco, mainly by women and young boys—on street corners and other places, or even in public market places. In Northern Italy black market transactions generally take place under cover and less openly than in the South.

340. The vast number of interests connected with the black market, and the total inadequacy of the food (2) and tobacco rations, have faced the authorities with a problem of serious dimensions, with which they are not organized or staffed to cope.

341. The gradual contraction of the rationing system to a few main foodstuffs (bread, pasta, rice, edible fats and sugar) has transferred to the open market a number of foodstuffs which could be purchased only against a ration card at official prices (e.g. salami, cheese, meat, dry beans, etc.) These foodstuffs are now displayed in the shop windows of the larger cities. They are sold at high prices and only the higher income groups can afford to buy them. This display impresses superficial observers and foreign visitors as evidence that there is plenty in Italy. In fact during compulsory rationing of these foodstuffs (salami, cheese, meat, etc.) the quantities available for general rationing were so negligible as to make effective control supremely difficult. The expense involved in control was also inordinately high. The official view taken was that if all available supplies were distributed equitably to the whole population, it would result in an inappreciable benefit to the individual, but would be a substantial help to a much smaller number of consumers, the selection of whom was available in the higher income groups. A points rationing scheme such as that adopted in similar circumstances and on grounds of fairness in some other countries would have been a better approach to the problem.

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increasingly used. After a period of disorganization during 1943 and 1944, price fixing was again enforced. In 1946, official prices (for bread, pasta, rice, oil, butter and sugar) are determined, in each province, by the Provincial Price Committees (local branches of the Inter-ministerial Price Committee). These Provincial Committees act independently. They are not required to adhere to any regulation of nation-wide application although they accept, as basis, the national prices fixed by the Inter-ministerial Price Committee. Whereas in North Italy a uniform official cost of milling and baking is determined and the price of flour and pasta to the consumer is the same; in Central and Southern Italy, where zoning of prices is not so disciplined, prices vary from province to province. The price of bread in the latter is established for each province by the provincial authority independently and following different standards.

337. In the larger communes, where there are established fruit and vegetable markets, the communal authorities set the fruit and vegetables retail prices and control their observance. The prices of other foodstuffs are free. In September 1946, consequent upon widespread unrest due to rising costs of living, some northern provinces set ceilings also to these non-rationed foods. As a result, black market prices and official market prices were both available.

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339. Foodstuffs for the black market are supplied by farmers, flour-millers, bakers, manufacturers of pasta,

(1) See footnote (1) para. 218.

by Allied and Italian soldiers who cash their rations. Some illegal factories have also been discovered, where tobacco and tobacco products have been manufactured. There is a retail black market also in gasoline and motor tires. In the cities of Central and Southern Italy black market goods (including State monopoly goods) are openly sold by thousands of small operators—food and tobacco, mainly by women and young boys—on street corners and other places, or even in public market places. In Northern Italy black market transactions generally take place under cover and less openly than in the South.

340. The vast number of interests connected with the black market, and the total inadequacy of the food (2) and tobacco rations, have faced the authorities with a problem of serious dimensions, with which they are not organized or staffed to cope.

341. The gradual contraction of the rationing system to a few main foodstuffs (bread, pasta, rice, edible fats and sugar) has transferred to the open market a number of foodstuffs which could be purchased only against a ration card at official prices (e.g. salami, cheese, meat, dry beans, etc.) These foodstuffs are now displayed in the shop windows of the larger cities. They are sold at high prices and only the higher income groups can afford to buy them. This display impresses superficial observers and foreign visitors as evidence that there is plenty in Italy. In fact during compulsory rationing of these foodstuffs (salami, cheese, meat, etc.) the quantities available for general rationing were so negligible as to make effective control supremely difficult. The expense involved in control was also inordinately high. The official view taken was that if all available supplies were distributed equitably to the whole population, it would result in an inappreciable benefit to the individual, but would be a substantial help to a much smaller number of consumers, the selection of whom was available in the higher income groups. A points rationing scheme such as that adopted in similar circumstances and on grounds of fairness in some other countries would have been a better approach to the problem.

(2) "When the total rations are too small to satisfy the minimum needs of the population, the whole rationing system is threatened. The black market will thrive and further decrease supplies on the legal market. Thus, the success of rationing depends in the last analysis on the ability of the authorities to maintain supplies at or above a level which is acceptable to the population . . . Two aspects of rationing technique may be considered here. In the first place, it is desirable that rations should meet as closely as possible the needs of various categories of consumers. The closer they approach actual needs, the less is the incentive to illicit trade." ("Wartime rationing and consumption" cf.).

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(C) *THE TREND OF RETAIL PRICES OF SINGLE COMMODITIES*

FOODSTUFFS

Average National Prices up to March 1946.

342. The Central Institute of Statistics collected and calculated, prior to the war, *national average prices*, taking the unweighted arithmetic mean of the prices collected monthly in each provincial capital-commune for 20 main foodstuffs. This work came to an end in 1943, and was resumed in 1945 with some revision of criteria. The revision was made retrospective to 1938.

343. The new prices collection system differs from the pre-war in that: (a) the national average price results from the calculation of the weighted arithmetic mean (instead of the unweighted) of prices ruling in the provincial capitals; (b) the number of main foodstuffs considered is 17. The data so far published on (b) appear in Tables 57 and 58 (diagram) from which it may be inferred that:

(i) the official prices of *rationed foods* have increased from 1938 to the average of the first quarter of 1946 as follows: bread 9.37 times; pasta 8.76 times; sugar 13.66 times; olive oil 28.16 times;

(ii) *black market prices* have advanced in the same period from 44 to 123 times, i.e. 44 to 48 times for bread and pasta (political prices), 68 times for olive oil and 123 times for sugar;

(iii) *for non-rationed commodities*, the open market prices increased in the same period from a minimum of 30 to 35 times for beef and milk respectively, to a maximum of 85 to 86 times for potatoes and tomato paste (see Table 58 - diagram).

Trend of Prices in the Individual Communes up to September 1946.

344. From March 1946 onwards comparisons can be made only for a small number of communes. Tables 60 and 61 give the official and black market prices of rationed and open market prices non-rationed foodstuffs in five large cities of Northern, Central and Southern Italy.

345. The increase in official and black market prices of rationed foodstuffs (see Table 60) from 1938 to 30 September 1946, in number of times over pre-war (maximum and minimum prices in Milan, Genoa, Rome, Naples and Palermo), is summarized in para. 346 (B).

TABLE 57

National Average Retail Prices in Italy of Some Foodstuffs and Corresponding Index-numbers: 1938 to 1946

Description of Foodstuff	Unit	Price in lire							Index-numbers (1938 = 100)					
		1938	1940	1942	1945 III Q. Official	1945 III Q. Black and Open Market	1946 I Q. Official	1946 I Q. Black and Open Market	1940	1942	1945 III Q. Official	1945 III Q. Black and Open Market	1946 I Q. Official	1946 I Q. Black and Open Market
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Bread	kg.	1.92	2.23	2.25	15	62	18	85	116.1	117.2	781	3,229	937	4,427
2. Pasta	"	2.74	3.11	3.16	20	91	24	132	113.5	115.3	730	3,321	876	4,818
3. Rice	"	1.90	2.22	2.27	—	52	—	99	116.8	119.5	—	2,737	—	5,210
4. Wheat flour	"	1.93	2.24	2.19	—	63	—	95	116.1	113.5	—	3,323	—	4,922
5. Corn flour	"	1.25	1.71	1.71	—	27	—	56	136.8	136.8	—	2,160	—	4,480
6. Beans	"	2.15	4.19	3.83	—	99	—	158	194.9	271.2	—	4,605	—	7,349
7. Potatoes	"	0.55	0.93	1.60	—	24	—	47	178.2	290.9	—	4,364	—	8,545
8. Tomato paste	"	3.68	5.64	8.52	—	231	—	315	153.3	231.5	—	6,277	—	8,560
9. Sugar	"	6.66	7.28	7.83	41	734	91	818	109.3	117.6	616	11,021	1,366	12,282
10. Wine	liter	2.15	2.59	4.89	—	59	—	72	120.5	227.4	—	2,744	—	3,349
11. Olive oil	kg.	7.67	9.86	14.38	82	529	216	525	128.6	187.5	1,063	6,897	2,816	6,845
									145.9	178.6	—	4,823	—	4,943

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342. The Central Institute of Statistics collected and calculated, prior to the war, *national average prices*, taking the unweighted arithmetic mean of the prices collected monthly in each provincial capital-commune for 20 main foodstuffs. This work came to an end in 1943, and was resumed in 1945 with some revision of criteria. The revision was made retrospective to 1938.

343. The new prices collection system differs from the pre-war in that: (a) the national average price results from the calculation of the weighted arithmetic mean (instead of the unweighted) of prices ruling in the provincial capitals: (b) the number of main foodstuffs considered is 17. The data so far published on (b) appear in Tables 57 and 58 (diagram) from which it may be inferred that:

(i) the official prices of *rationed foods* have increased from 1938 to the average of the first quarter of 1946 as follows: bread 9.37 times; pasta 8.76 times: sugar 13.66 times; olive oil 28.16 times:

prices increased in the same period from a minimum of 30 to 35 times for beef and milk respectively, to a maximum of 85 to 86 times for potatoes and tomato paste (see Table 58 - diagram).

Trend of Prices in the Individual Communes up to September 1946.

344. From March 1946 onwards comparisons can be made only for a small number of communes. Tables 60 and 61 give the official and black market prices of rationed and open market prices non-rationed foodstuffs in five large cities of Northern, Central and Southern Italy.

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TABLE 57

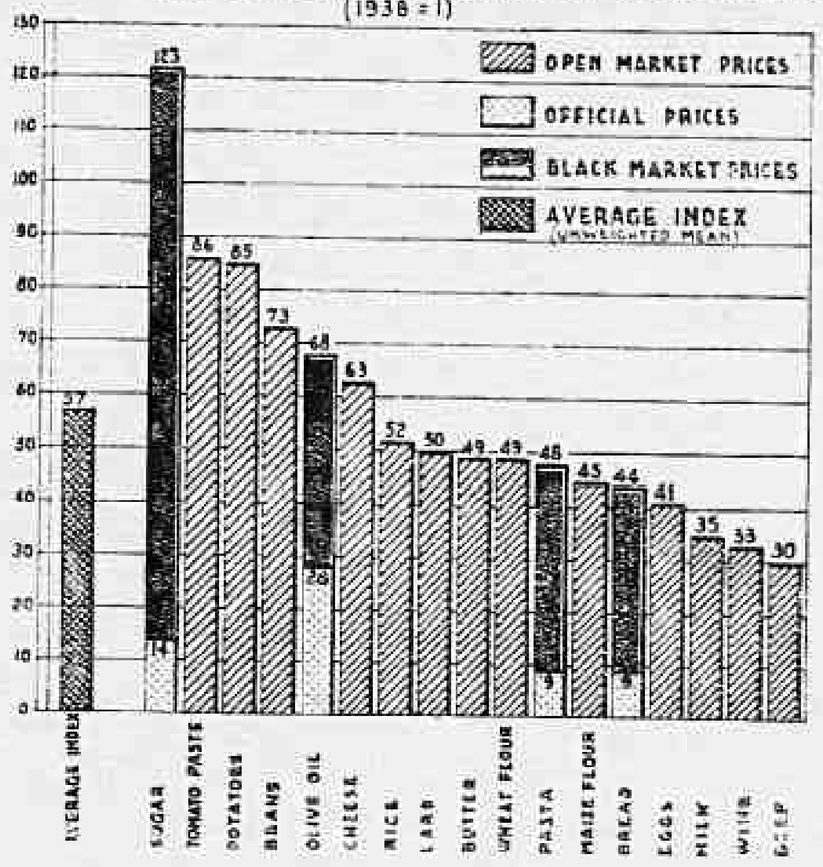
National Average Retail Prices in Italy of Some Foodstuffs and Corresponding Index-numbers: 1938 to 1946

Description of Foodstuff	Unit	Price in lire							Index-numbers (1938 = 100)					
					1945 III Q.		1946 I Q.				1945 III Q.		1946 I Q.	
		1938	1940	1942	Official	Black and Open Market	Official	Black and Open Market	1940	1942	Official	Black and Open Market	Official	Black and Open Market
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
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3. Rice	"	1.96	2.22	2.27	—	52	—	99	116.8	119.5	—	2,737	—	5,210
4. Wheat flour	"	1.93	2.24	2.19	—	68	—	95	116.1	113.5	—	3,523	—	4,922
5. Corn flour	"	1.25	1.71	1.71	—	37	—	56	136.8	136.8	—	2,160	—	4,480
6. Beans	"	2.15	4.19	5.83	—	99	—	158	194.9	271.2	—	4,605	—	7,349
7. Potatoes	"	0.55	0.98	1.60	—	24	—	47	178.2	290.9	—	4,364	—	8,545
8. Tomato paste	"	3.68	5.61	8.52	—	231	—	315	153.3	231.5	—	6,277	—	8,560
9. Sugar	"	6.66	7.28	7.83	41	734	91	818	109.3	117.6	616	11,021	1,366	12,282
10. Wine	liter	2.15	2.59	4.89	—	59	—	72	120.5	227.4	—	2,744	—	3,349
11. Olive oil	kg.	7.67	9.86	14.38	82	529	216	525	128.6	187.5	1,063	6,897	2,816	6,845
12. Butter	"	14.97	21.73	26.74	—	722	—	746	145.2	178.6	—	4,823	—	4,943
13. Lard	"	10.04	12.15	18.50	—	574	—	507	121.0	184.3	—	5,717	—	5,050
14. Beef	"	10.24	12.66	15.82	—	269	—	311	123.6	154.5	—	2,627	—	3,037
15. Cheese (grating)	"	13.05	16.58	23.32	—	629	—	819	127.0	178.7	—	4,820	—	6,276
16. Milk	liter	1.26	1.50	2.19	—	31	—	44	119.0	173.8	—	2,460	—	3,492
17. Eggs	each	0.51	0.74	1.76	—	20	—	21	145.1	345.1	—	3,922	—	4,118

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TABLE 58

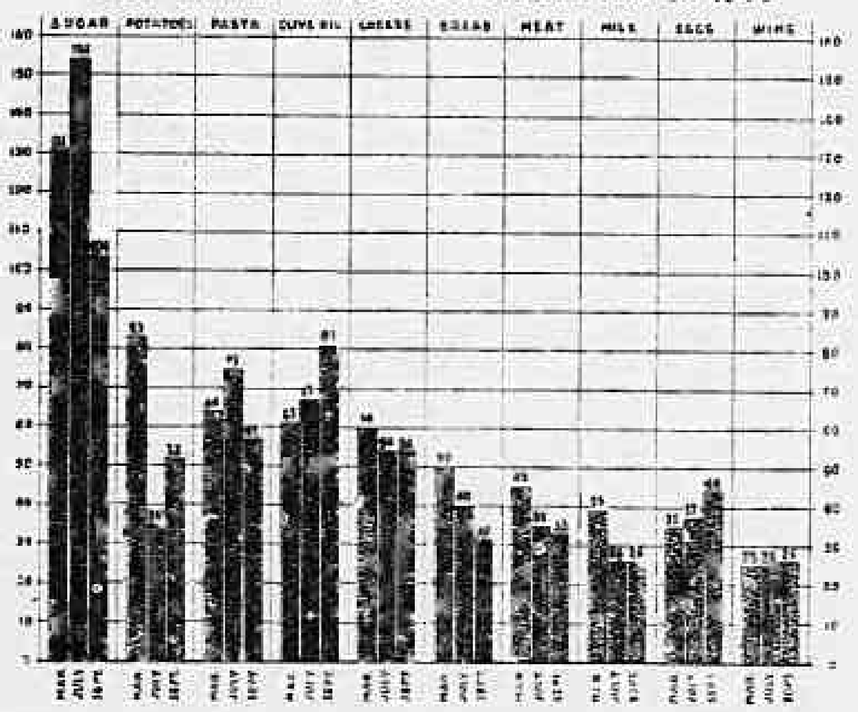
INDICES OF THE AVERAGE NATIONAL RETAIL PRICES OF THE MAIN CONSUMPTION GOODS - 1ST QUARTER 1946
(1938 = 1)



346. (a) Table 59 (diagram) shows the changes which have occurred in some prices in Rome during the representative months of March, July and September 1946.

TABLE 59

INDEX NUMBERS (1938 = 1) OF RETAIL PRICES IN THE ROME OPEN MARKET IN MARCH, JULY & SEPTEMBER 1946



(b) September 1946 Retail Prices (times the Prices in 1938)

As compared with September 1945 the price variations of rationed foodstuffs over the period of one year, i.e. to September 1946, were as follows:

		Index numbers of prices (Sept. 1945 = 100)	
		Official	Black market
Bread	Max.	125.3 (Naples)	254.0 (Genoa)
	Min.	108.9 (Rome)	71.0 (Rome)
Pasta	Max.	122.7 (Milan)	239.8 (Genoa)
	Min.	110.9 (Palermo)	81.4 (Rome)
Sugar	Max.	539.7 (Naples)	119.7 (Naples)
	Min.	174.9 (Genoa)	79.5 (Rome)
Olive oil	Max.	400.0 (Rome)	137.4 (Palermo)
	Min.	389.6 (Naples)	102.3 (Milan)
Butter	Max.	—	137.2 (Naples)
	Min.		106.8 (Rome)

The erratic movement of the above prices is symptomatic of the absence of economic stability.

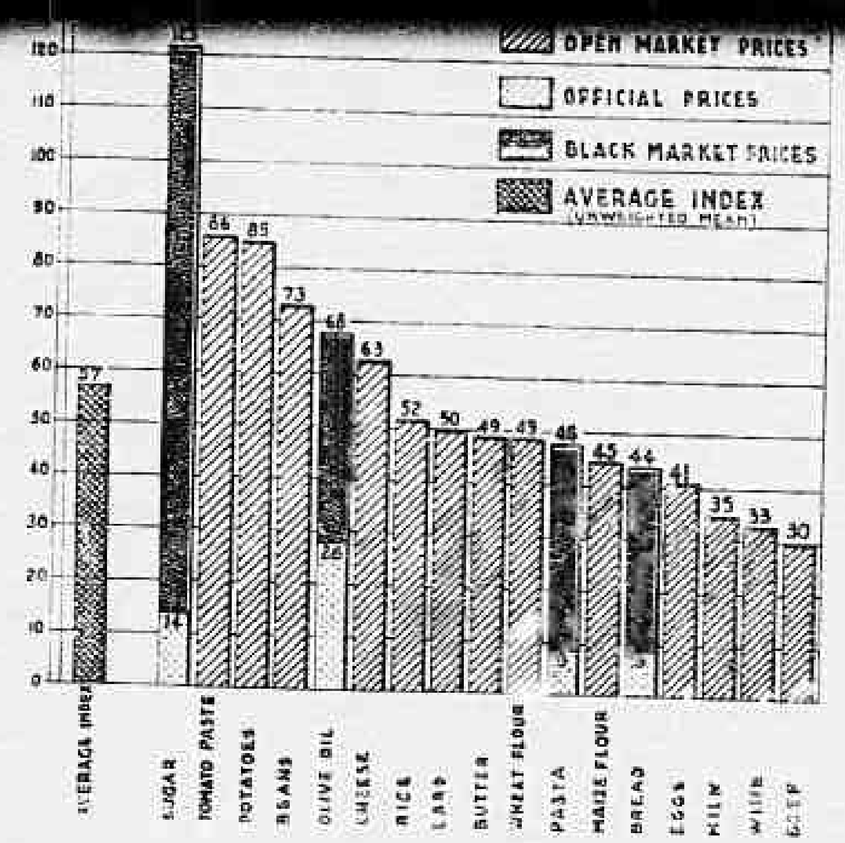
347. The official retail prices in Table 60 of rationed foodstuffs show, from town to town, some differences for which, e.g. bread and sugar, there would seem to be little justification. In September 1946 the difference between the minimum price of bread (Rome: 19.60 lire per kilo) and the maximum price (Palermo: 22.50 lire per kilo) was 14.8 %. For sugar the difference between the maximum price (Milan: 200 lire per kilo) and the minimum price (Palermo: 145 lire per kilo) was 37.9 %. The difference in the five cities between official and black market prices of rationed foodstuffs, in September 1945, July and September 1946, respectively, are shown in Table 62 and for Rome alone in Table 63 (diagram).

348. The variations in the ratios between official and black market prices of rationed foodstuffs shown in Table 62 emphasize the low level of official prices in comparison with black market prices, and suggest scarcity of supply. Except for olive oil, the black market prices, in September 1946, are from 3.6 to 11.3 times higher than the comparable official prices. The difference between the two prices is highest in Genoa.

(i) *Difference in the Regional Open Market Prices.*

349. Table 61 reflects the differences in open market prices for non-rationed foodstuffs in various parts of Italy in September 1946. Table 64, compiled from information in Tables 60 and 61 shows: (a) the dif-

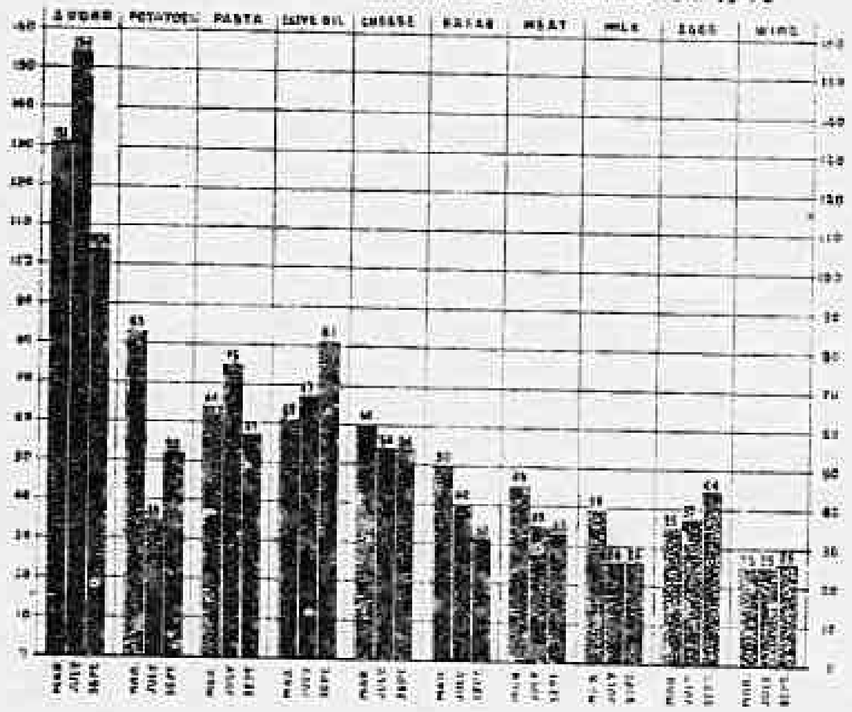
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346. (a) Table 59 (diagram) shows the changes which have occurred in some prices in Rome during the representative months of March, July and September 1946.

TABLE 59

INDEX NUMBERS (1938 = 1) OF RETAIL PRICES IN THE ROME OPEN MARKET IN MARCH, JULY & SEPTEMBER 1946



(b) September 1945 Retail Prices (times the Prices in 1938)

(Summary of Table 60)

	Official	Black market
Bread	9 to 12	32 to 61
Pasta	9 to 11	51 to 97
Sugar	21 to 30	80 to 152
Olive oil	35 to 43	58 to 97
Butter	32	51 to 55

Index numbers of prices (Sept. 1945 = 100)

		Official	Black market
Bread	Max.	125.3 (Naples)	254.0 (Genoa)
	Min.	108.9 (Rome)	71.6 (Rome)
Pasta	Max.	122.7 (Milan)	239.8 (Genoa)
	Min.	110.9 (Palermo)	81.4 (Rome)
Sugar	Max.	539.7 (Naples)	119.7 (Naples)
	Min.	174.9 (Genoa)	79.5 (Rome)
Olive oil	Max.	400.0 (Rome)	137.4 (Palermo)
	Min.	389.6 (Naples)	102.3 (Milan)
Butter	Max.	...	137.2 (Naples)
	Min.	...	106.8 (Rome)

The erratic movement of the above prices is symptomatic of the absence of economic stability.

347. The official retail prices in Table 60 of rationed foodstuffs show, from town to town, some differences for which, e.g. bread and sugar, there would seem to be little justification. In September 1946 the difference between the minimum price of bread (Rome: 19.60 lire per kilo) and the maximum price (Palermo: 22.50 lire per kilo) was 14.8 %. For sugar the difference between the maximum price (Milan: 200 lire per kilo) and the minimum price (Palermo: 145 lire per kilo) was 37.9 %. The difference in the five cities between official and black market prices of rationed foodstuffs, in September 1945, July and September 1946, respectively, are shown in Table 62 and for Rome alone in Table 63 (diagram).

348. The variations in the ratios between official and black market prices of rationed foodstuffs shown in Table 62 emphasize the low level of official prices in comparison with black market prices, and suggest scarcity of supply. Except for olive oil, the black market prices, in September 1946, are from 3.6 to 11.3 times higher than the comparable official prices. The difference between the two prices is highest in Genoa.

(i) *Difference in the Regional Open Market Prices.*

349. Table 61 reflects the differences in open market prices for non-rationed foodstuffs in various parts of Italy in September 1946. Table 64, compiled from information in Tables 60 and 61 shows: (a) the difference between the open market retail prices in Rome (Rome price = 100) and the lowest index of prices in four other cities—Milan, Genoa, Naples and Palermo; (b) the difference between the highest index in the four other cities and the Rome index of 100; (c) the sum of the absolute values of (a) and (b) by adding negative and positive index numbers). This sum shows

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TABLE 60.

Retail Prices of Rationed Foodstuffs and Index Numbers (1938 = 100) in Five Large Italian Cities: 1938, 1945 and 1946

City	Retail prices in lire per kilogram								Index numbers (1938 = 100)						
	1938	1945		1946					1945	1946					
		Sept.	Dec.	Mar.	June	July	Aug.	Sept.	Sept.	Dec.	Mar.	June	July	Aug.	Sept.
Bread: Official prices.															
Milan	2.27	18	18	20	22	22	22	22	793	793	881	969	969	969	969
Genoa	1.99	18	18	18	20	20	22	22	905	905	905	1,005	1,005	1,106	1,106
Rome	2.20	18	19.67	19	19	19	19.60	19.60	818	894	864	864	864	891	891
Naples	1.77	17	17	19	20	20	20	21.30	960	960	1,073	1,130	1,130	1,130	1,203
Palermo	2.06	18.50	21.50	22.50	22.50	22.50	22.50	22.50	898	1,044	1,092	1,092	1,092	1,092	1,092
Bread: Black market prices.															
Milan	2.27	48	55	70	80	80	81	100	2,115	2,422	3,084	3,524	3,524	3,568	4,405
Genoa	1.99	50	84	128	78	146	100	127	2,513	4,221	6,432	3,920	7,037	5,025	6,382
Rome	2.20	100	122	109	139	89	57	71	4,545	5,545	4,955	6,318	4,045	2,591	3,227
Naples	1.77	109	140	143	153	91	87	104	6,158	7,910	8,079	8,644	5,141	4,915	5,876
Palermo	2.06	78	113	110	183	109	103	113	3,786	5,485	5,340	8,883	5,291	5,000	5,485
Pasta: Official prices.															
Milan	2.91	22	—	—	—	27	27	27	756	—	—	—	928	928	928
Genoa	2.91	22.50	22.50	—	—	25	25	25	773	773	—	—	859	859	859
Rome	2.53	24	26	27	—	27	27	27	949	1,028	1,067	—	1,067	1,067	1,067
Naples	2.75	24	24	—	—	27	27	27	873	873	—	—	982	982	982
Palermo	2.41	23	25	25.50	—	25.50	25.50	25.50	954	1,037	1,058	—	1,058	1,058	1,058
Pasta: Black market prices.															
Milan	2.91	75	99	122	139	144	144	170	2,577	3,402	4,192	1,777	4,948	4,948	5,842
Genoa	2.91	118	111	147	151	168	242	283	4,055	3,814	5,052	5,189	5,773	8,316	9,725
Rome	2.53	177	212	163	199	191	160	114	6,996	8,379	6,443	7,866	7,549	6,324	5,692
Naples	2.75	217	262	207	245	247	203	236	7,891	9,527	7,527	8,909	8,982	7,382	8,582
Palermo	2.41	108	127	120	186	111	114	130	4,481	5,270	4,979	7,718	4,730	4,730	5,304
Sugar: Official prices.															
Milan	6.60	75	75	168	168	200	155	200	1,136	1,136	2,545	2,545	3,030	2,348	3,030
Genoa	6.55	87.50	164	—	160	160	160	153	1,336	2,504	—	2,443	2,443	2,443	2,336
Rome	6.51	31.83	58	58	165	165	165	160	489	891	891	2,535	2,535	2,535	2,458
Naples	6.65	31.50	42.75	—	154	155	155	170	474	643	—	2,316	2,331	2,331	2,556
Palermo	7.01	31	53	—	145	145	145	145	442	756	—	2,068	2,068	2,068	2,068
Sugar: Black market prices.															
Milan	6.60	833	931	854	1,201	1,106	965	1,000	12,621	14,105	12,939	18,187	16,758	14,621	15,152
[illegible]	[illegible]	[illegible]	91	1,034	1,136	1,078	1,024	907	12,947	14,015	15,786	17,344	16,458	15,634	13,847

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City	Retail prices in lire per kilogram								Index numbers (1938 = 100)						
	1938	1945		1946					1945		1946				
		Sept.	Dec.	Mar.	June	July	Aug.	Sept.	Sept.	Dec.	Mar.	June	July	Aug.	Sept.
Bread: Official prices.															
Milan	2.27	18	18	20	22	22	22	22	793	793	881	969	969	969	969
Genoa	1.99	18	18	18	20	20	22	22	905	905	905	1,005	1,005	1,106	1,106
Rome	2.20	18	19.67	19	19	19	19.60	19.60	818	894	864	864	864	891	891
Naples	1.77	17	17	19	20	20	20	21.30	960	960	1,073	1,130	1,130	1,130	1,203
Palermo	2.06	18.50	21.50	22.50	22.50	22.50	22.50	22.50	898	1,044	1,092	1,092	1,092	1,092	1,092
Bread: Black market prices.															
Milan	2.27	46	55	70	80	30	81	100	2,115	2,423	3,084	3,524	3,524	3,568	4,405
Genoa	1.99	50	84	128	78	148	160	127	2,513	4,221	6,432	3,920	7,037	5,025	6,382
Rome	2.20	100	122	109	139	89	57	71	4,545	5,545	4,955	6,318	4,045	2,591	3,227
Naples	1.77	109	140	143	153	91	87	104	6,158	7,910	8,079	8,644	5,141	4,915	5,876
Palermo	2.06	78	113	110	183	109	103	113	3,786	5,485	5,340	8,883	5,291	5,000	5,485
Pasta: Official prices.															
Milan	2.91	22	—	—	—	27	27	27	756	—	—	—	928	928	928
Genoa	2.91	22.50	22.50	—	—	25	25	25	773	773	—	—	859	859	858
Rome	2.53	24	26	27	—	27	27	27	949	1,023	1,067	—	1,067	1,067	1,067
Naples	2.75	24	24	—	—	27	27	27	873	873	—	—	982	982	982
Palermo	2.41	23	25	25.50	—	25.50	25.50	25.50	951	1,037	1,058	—	1,058	1,058	1,058
Pasta: Black market prices.															
Milan	2.91	75	99	122	139	144	144	170	2,577	3,402	4,192	4,777	4,948	4,948	5,842
Genoa	2.91	118	111	147	151	168	242	283	4,055	3,811	5,052	5,189	5,773	8,316	9,725
Rome	2.53	177	212	163	199	191	160	144	6,996	8,379	6,448	7,866	7,549	6,324	5,692
Naples	2.75	217	262	207	245	247	203	236	7,891	9,527	7,527	8,909	8,982	7,382	8,582
Palermo	2.41	108	127	120	186	114	114	130	4,481	5,270	4,979	7,718	4,730	4,730	5,394
Sugar: Official prices.															
Milan	6.66	75	75	168	168	200	155	200	1,136	1,136	2,545	2,545	3,030	2,348	3,030
Genoa	6.55	87.50	164	—	160	160	160	153	1,336	2,504	—	2,443	2,443	2,443	2,336
Rome	6.51	31.83	58	58	165	165	165	160	489	891	891	2,535	2,535	2,535	2,458
Naples	6.65	31.50	42.75	—	154	155	155	170	474	643	—	2,316	2,331	2,331	2,556
Palermo	7.01	31	53	—	145	145	145	145	442	756	—	2,068	2,068	2,068	2,068
Sugar: Black market prices.															
Milan	6.60	833	931	854	1,201	1,106	965	1,000	12,621	14,106	12,939	18,187	16,758	14,621	15,152
Genoa	6.55	848	918	1,031	1,136	1,078	1,024	907	12,947	14,015	15,786	17,341	16,458	15,634	13,847
Rome	6.51	850	951	852	1,238	1,093	906	676	13,057	14,608	13,088	19,017	15,407	13,917	10,384
Naples	6.65	717	850	742	1,152	968	962	858	10,782	12,782	11,158	17,323	14,556	14,466	12,902
Palermo	7.01	533	675	667	950	800	622	560	7,603	9,629	9,515	13,552	11,413	8,873	7,989

Source: Central Institute of Statistics.

Note. — The data on black market prices are the mean of data resulting from three surveys made each month by the communal offices of the Central Institute of Statistics. For Rome, the data differ from those collected by the newspaper «Globo» (see table 65) which collects data every day in only one important market.

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(*continued*) TABLE 60.

City	Retail prices in lire per kilogram								Index numbers (1938 = 100)						
	1938	1945		1946					1945		1946				
		Sept.	Dec.	Mar.	June	July	Aug.	Sept.	Sept.	Dec.	Mar.	June	July	Aug.	Sept.
Olive oil: Official prices.															
Milan	7.96	—	247	—	—	—	—	—	—	3,103	—	—	—	—	—
Genoa	7.69	—	—	—	270	—	—	330	—	—	—	3,511	—	—	4,291
Rome	8.00	80	158	235	235	320	320	320	1,000	1,975	2,938	2,938	4,000	4,000	4,000
Naples	7.55	77	78	235	—	300	300	300	1,020	1,033	3,113	—	3,974	3,974	3,974
Palermo	7.35	—	—	—	—		255	255	—	—	—	—	—	3,469	3,469
Olive oil: Black market prices.															
Milan	7.96	733	704	573	565	538	623	750	9,209	8,841	7,198	7,098	6,759	7,827	9,422
Genoa	7.69	601	656	605	540	559	662	749	7,815	8,531	7,867	7,022	7,269	8,609	9,740
Rome	8.00	533	603	484	462	535	583	646	6,663	7,538	6,050	5,775	6,688	7,288	8,075
Naples	7.55	488	558	401	427	474	591	618	6,464	7,391	5,311	5,656	6,278	7,828	8,185
Palermo	7.35	313	666	306	320	385	427	436	4,259	5,442	4,196	4,354	5,238	5,810	5,840
Lard: Official prices.															
Milan	9.88	—	—	—	—	260	260	—	—	—	—	—	2,632	2,632	—
Genoa	9.96	85	68	—	—	145	145	145	853	684	—	—	1,456	1,456	1,456
Rome	10.07	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Naples	10.07	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Palermo	10.60	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Lard: Black market prices.															
Milan	9.88	—	578	302	442	518	572	650	—	5,850	3,968	4,504	5,243	5,789	6,579
Genoa	9.96	623	596	452	446	511	526	602	6,255	5,984	4,538	4,478	5,131	5,281	6,044
Rome	10.07	600	667	450	470	517	580	634	5,958	6,624	4,469	4,667	5,134	5,760	6,296
Naples	10.07	700	650	504	574	591	660	755	6,951	6,455	5,005	5,700	5,869	6,554	7,498
Palermo	10.60	—	—	600	605	650	635	650	—	—	5,660	5,708	6,132	6,179	6,132
Butter: Official prices.															
Milan	15.47	250	250	—	—	—	450	—	1,616	1,616	—	—	—	1,309	—
Genoa	16.62	310	303	—	—	—	—	715	1,935	1,891	—	—	—	—	3,191
Rome	16.54	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Naples	16.76	675	—	—	—	—	—	—	4,027	—	—	—	—	—	—
Palermo	17.75	—	—	—	—	—	—	—	—	—	—	—	—	—	—

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City	1938	1945		1946					1945		1946					
		Sept.	Dec.	Mar.	June	July	Aug.	Sept.	Sept.	Dec.	Mar.	June	July	Aug.	Sept.
Olive oil: Official prices.																
Milan	7.96	—	247	—	—	—	—	—	—	3,103	—	—	—	—	—
Genoa	7.69	—	—	—	270	—	—	330	—	—	—	3,511	—	—	1,291
Rome	8.00	80	158	235	235	320	320	320	1,000	1,975	2,938	2,938	4,000	4,000	4,000
Naples	7.55	77	78	235	—	300	300	300	1,020	1,033	3,113	—	3,974	3,974	3,974
Palermo	7.35	—	—	—	—		255	255	—	—	—	—	—	3,469	3,469
Olive oil: Black market prices.																
Milan	7.96	733	704	573	565	538	623	750	9,209	8,844	7,198	7,098	6,759	7,827	9,422
Genoa	7.69	601	656	605	540	559	662	749	7,815	8,531	7,867	7,022	7,269	8,609	9,740
Rome	8.00	533	603	484	462	535	583	646	6,663	7,538	6,050	5,775	6,688	7,288	8,075
Naples	7.55	488	558	401	427	474	591	618	6,464	7,391	5,311	5,656	6,278	7,828	8,185
Palermo	7.35	313	460	308	320	385	427	430	4,259	5,112	4,190	4,354	5,238	5,810	5,840
Lard: Official prices.																
Milan	9.88	—	—	—	—	260	260	—	—	—	—	—	2,632	2,632	—
Genoa	9.96	85	68	—	—	145	145	145	853	684	—	—	1,456	1,456	1,456
Rome	10.07	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Naples	10.07	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Palermo	10.60	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Lard: Black market prices.																
Milan	9.88	—	578	302	442	518	572	650	—	5,850	3,968	4,504	5,243	5,789	6,579
Genoa	9.96	623	596	452	446	511	526	602	6,255	5,984	4,538	4,478	5,131	5,281	6,044
Rome	10.07	600	667	450	470	517	580	634	5,958	6,624	4,469	4,667	5,134	5,760	6,296
Naples	10.07	700	650	504	571	591	660	755	6,951	6,455	5,005	5,700	5,869	6,554	7,498
Palermo	10.60	—	—	600	605	650	655	650	—	—	5,660	5,708	6,132	6,179	6,132
Butter: Official prices.																
Milan	15.47	250	250	—	—	—	450	—	1,616	1,616	—	—	—	1,309	—
Genoa	16.02	310	303	—	—	—	—	715	1,935	1,891	—	—	—	—	3,191
Rome	16.54	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Naples	16.76	675	—	—	—	—	—	—	4,027	—	—	—	—	—	—
Palermo	17.75	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Butter: Black market prices.																
Milan	15.47	747	781	716	633	636	683	800	4,829	5,048	4,628	4,092	4,111	3,015	5,171
Genoa	16.02	755	872	787	712	668	721	858	4,713	5,443	4,913	4,444	4,170	4,501	5,356
Rome	16.54	784	907	774	706	647	684	837	4,740	5,484	4,680	4,268	3,912	4,135	5,060
Naples	16.76	675	675	639	665	682	726	926	4,027	4,027	3,932	3,968	4,069	4,332	5,525
Palermo	17.75	792	1,033	708	767	728	733	980	4,162	5,826	3,989	4,32	4,101	4,130	5,521

Source: Monthly Bulletin of Central Institute of Statistics.

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TABLE 61

Retail Prices of Some Non-Rationed Foodstuffs and Index Numbers (1938 = 100) in Five Large Italian Cities: 1938, 1945 and 1946.

City	1938 monthly average	1945		1946				
		Sept.	Dec.	March	May	July	Aug.	Sept.
1. EGGS.								
A) *Prices* (lire per egg).								
Milan	0.56	22	28	16	15	17	20	20
Genoa	0.56	22	29	17	16	18	20	22
Rome	0.52	25	31	18	17	19	20	23
Naples	0.56	26	35	18	17	18	20	25
Palermo	0.57	18	29	15	14	16	18	22
B) *Index Numbers* (1938 = 100).								
Milan	100	3,929	5,000	2,857	2,679	3,036	3,571	3,571
Genoa	100	3,929	5,179	3,036	2,857	3,214	3,571	3,929
Rome	100	4,808	5,962	3,462	3,269	3,654	3,846	4,423
Naples	100	4,643	6,250	3,214	3,036	3,214	3,571	4,107
Palermo	100	3,158	5,088	2,632	2,456	2,807	3,158	3,860
C) *Index Numbers* (Rome = 100).								
Milan	108	88	90	89	88	89	100	87
Genoa	108	88	94	94	94	95	100	96
Rome	100	100	100	100	100	100	100	100
Naples	108	104	113	100	100	95	100	100
Palermo	110	72	94	83	82	84	90	90
2. TOMATO PASTE.								
A) *Prices* (lire per Kg.).								

1. MILK.								
A) *Prices* (lire per liter).								
Milan	1.37	28	35	40	38	33	30	30
Genoa	1.46	38	54	59	37	36	37	37
Rome	1.35	57	70	60	50	40	40	40
Naples	1.60	54	61	54	57	57	60	60
Palermo	1.69	42	65	60	60	60	60	60
B) *Index Numbers* (1938 = 100).								
Milan	100	2,044	2,555	2,920	2,774	2,409	2,190	2,190
Genoa	100	2,714	3,857	4,214	2,643	2,571	2,643	2,643
Rome	100	3,677	4,516	3,871	3,226	2,581	2,581	2,581
Naples	100	3,375	3,813	3,375	3,563	3,563	3,750	3,750
Palermo	100	2,485	3,846	3,550	3,550	3,550	3,550	3,550
C) *Index Numbers* (Rome = 100).								
Milan	88	49	50	67	76	83	75	75
Genoa	90	67	77	98	74	90	93	93
Rome	100	100	100	100	100	100	100	100
Naples	103	95	87	90	114	143	150	150
Palermo	109	74	93	100	120	150	150	150
3. POTATOES.								
A) *Prices* (lire per Kg.).								

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City	1938 monthly average	1945		1946				
		Sept.	Dec.	March	May	July	Aug.	Sept.
1. Eggs.								
A) *Prices* (lire per egg).								
Milan	0.36	22	28	16	15	17	20	20
Genoa	0.36	22	29	17	16	18	20	22
Rome	0.32	25	31	18	17	19	20	23
Naples	0.36	26	35	18	17	18	20	23
Palermo	0.37	18	29	15	14	16	18	22
B) *Index Numbers* (1938 = 100).								
Milan	100	3,929	5,000	2,857	2,679	3,036	3,571	3,571
Genoa	100	3,925	5,179	3,036	2,857	3,214	3,571	3,929
Rome	100	4,808	5,962	3,462	3,269	3,654	3,846	4,423
Naples	100	4,643	6,250	3,214	3,036	3,214	3,571	4,107
Palermo	100	3,158	5,088	2,632	2,456	2,807	3,158	3,860
C) *Index Numbers* (Rome = 100).								
Milan	108	88	90	89	88	89	100	87
Genoa	108	88	94	94	94	95	100	96
Rome	100	100	100	100	100	100	100	100
Naples	108	104	113	100	100	95	100	100
Palermo	110	72	94	83	82	84	90	90
2. Tomato Paste.								
A) *Prices* (lire per Kg.).								
Milan	3.49	259	321	302	258	217	188	—
Genoa	3.23	287	331	389	424	223	214	208
Rome	3.65	260	307	253	187	183	167	180
Naples	3.39	253	303	289	273	246	241	220
Palermo	3.64	239	362	364	384	318	326	300

City	1938 Monthly average	1945		1946				
		Sept.	Dec.	March	May	July	Aug.	Sept.
4. Milk.								
A) *Prices* (lire per liter).								
Milan	1.37	28	35	40	38	33	30	30
Genoa	1.40	38	54	59	37	36	37	37
Rome	1.55	57	70	60	50	40	40	40
Naples	1.60	54	61	54	57	57	60	60
Palermo	1.69	42	65	60	60	60	60	60
B) *Index Numbers* (1938 = 100).								
Milan	100	2,044	2,555	2,920	2,774	2,409	2,190	2,190
Genoa	100	2,714	3,857	4,214	2,643	2,571	2,643	2,643
Rome	100	3,677	4,516	3,871	3,226	2,581	2,581	2,581
Naples	100	3,375	3,813	3,375	3,563	3,563	3,750	3,750
Palermo	100	2,485	3,846	3,550	3,550	3,550	3,550	3,550
C) *Index Numbers* (Rome = 100).								
Milan	88	49	50	67	76	83	75	75
Genoa	90	67	77	98	74	90	93	93
Rome	100	100	100	100	100	100	100	100
Naples	103	95	87	90	114	143	150	150
Palermo	109	74	93	100	120	150	150	150
5. Potatoes.								
A) *Prices* (lire per Kg.).								
Milan	0.54	29	49	56	38	24	22	20
Genoa	0.49	29	45	46	32	19	21	26
Rome	0.65	34	57	54	45	23	25	34
Naples	0.46	31	43	48	39	20	24	32
Palermo	0.55	43	69	61	47	24	25	34

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(*continued*) TABLE 61

City	1938 Monthly average	1945		1946				
		Sept.	Dec.	March	May	July	Aug.	Sept.
2. TOMATO PASTE (Contd.)								
B) *Index Numbers* (1938 = 100).								
Milan	100	7,421	9,198	8,625	7,393	6,218	5,387	NA.
Genoa	100	8,883	10,248	12,043	13,127	6,904	6,625	6,440
Rome	100	7,123	8,411	6,932	5,123	5,014	4,575	4,932
Naples	100	7,462	8,938	8,525	8,053	7,257	7,109	6,490
Palermo	100	6,566	9,915	10,006	10,549	8,736	8,956	8,242
C) *Index Numbers* (Rome = 100).								
Milan	96	100	105	119	138	119	113	NA.
Genoa	88	116	108	151	227	122	123	116
Rome	100	100	100	100	100	100	100	100
Naples	93	97	99	111	146	131	141	122
Palermo	100	92	118	144	205	174	195	167
3. DRY BEANS.								
A) *Prices* (lire per Kg.).								
Milan	2.01	103	125	148	148	142	141	150
Genoa	1.97	115	158	160	162	161	156	153
Rome	2.33	166	177	180	177	170	166	168
Naples	2.03	171	212	188	202	169	139	162
Palermo	2.18	126	186	179	166	178	172	171
B) *Index Numbers* (1938 = 100).								
Milan	100	5,124	6,219	7,363	7,363	7,065	7,015	7,462
Genoa	100	5,838	8,020	8,122	8,223	8,122	7,919	8,020
Rome	100	6,867	7,597	7,725	7,597	7,296	6,867	6,867
Naples	100	8,424	10,443	9,261	9,951	8,325	6,847	8,031
Palermo	100	5,780	8,532	8,211	7,615	8,165	7,890	8,119
C) *Index Numbers* (Rome = 100).								
Milan	86	64	71	82	84	84	88	95
Genoa	85	72	89	89	92	95	98	99
Rome	100	100	100	100	100	100	100	100
Naples	100	124	134	104	114	99	87	107

City	1938 monthly average	1945		1946				
		Sep.	Dec.	March	May	July	Aug.	Sept.
5. POTATOES (Contd.)								
B) *Index Numbers* (1938 = 100).								
Milan	100	5,370	9,074	10,370	7,037	4,444	4,074	3,704
Genoa	100	3,912	9,184	9,388	6,531	3,878	4,286	3,306
Rome	100	3,231	8,769	8,308	6,923	3,538	3,846	3,231
Naples	100	6,738	9,348	10,435	8,478	4,348	5,217	6,957
Palermo	100	7,818	12,545	11,691	8,545	4,361	4,545	6,182
C) *Index Numbers* (Rome = 100).								
Milan	83	85	86	104	84	104	88	89
Genoa	75	85	79	85	71	83	84	76
Rome	100	100	100	100	100	100	100	100
Naples	71	91	75	89	87	87	96	94
Palermo	85	126	121	113	104	104	100	100
6. BEEF (1).								
A) *Prices* (lire per Kg.).								
Milan	13.87	391	363	398	393	392	412	400
Genoa	12.86	356	387	406	400	400	436	430
Rome	7.92	353	339	353	277	275	277	261
Naples	12.78	380	536	471	454	465	481	507
Palermo	15.21	256	333	350	290	309	358	417
B) *Index Numbers* (1938 = 100).								
Milan	100	2,819	2,617	2,870	2,833	2,826	2,970	2,884
Genoa	100	2,734	2,633	3,125	3,125	3,125	3,406	3,359
Rome	100	4,457	4,205	4,457	3,497	3,472	3,497	3,295
Naples	100	2,973	3,912	3,685	3,552	3,636	3,787	3,967
Palermo	100	1,644	2,189	2,301	1,907	2,032	2,354	2,742
C) *Index Numbers* (Rome = 100).								
Milan	175	111	109	113	142	143	149	153
Genoa	162	99	101	113	144	145	157	156
Rome	100	100	100	100	100	100	100	100
Naples	161	108	150	133	164	169	175	194

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	1938								1938							
		Sept.	Dec.	March	May	July	Aug.	Sept.		Sept.	Dec.	March	May	July	Aug.	Sept.
2. Tomato Paste (Contd.)									**5. Potatoes (Contd.)**							
B) *Index Numbers* (1938 = 100).									B) *Index Numbers* (1938 = 100).							
Milan	100	7,421	9,198	8,625	7,393	6,218	5,387	NA.	100	5,370	9,074	10,370	7,037	4,444	4,074	3,704
Genoa	100	8,885	10,248	12,043	13,327	6,904	6,625	6,440	100	5,918	9,187	9,388	6,531	3,878	4,286	5,306
Rome	100	7,123	8,411	6,932	5,122	5,914	4,573	4,932	100	5,231	8,769	8,308	6,923	3,538	3,846	5,231
Naples	100	7,162	8,938	8,525	8,053	7,257	7,109	6,196	100	6,739	9,348	10,435	8,478	4,348	5,217	6,957
Palermo	100	6,566	9,945	10,006	10,549	8,736	8,956	8,245	100	7,818	12,545	11,091	8,545	4,364	4,545	6,182
C) *Index Numbers* (Rome = 100).									C) *Index Numbers* (Rome = 100).							
Milan	96	100	105	119	138	119	113	NA.	83	85	86	104	84	104	88	59
Genoa	88	116	108	151	227	122	123	110	75	85	79	85	71	83	84	76
Rome	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Naples	93	97	99	114	146	134	141	122	71	91	75	89	87	87	96	94
Palermo	100	92	118	144	205	174	195	167	85	126	121	113	104	104	100	100
3. Dry beans.									**6. Beef (1).**							
A) *Prices* (lire per Kg.).									A) *Prices* (lire per Kg.).							
Milan	2.01	103	125	148	148	132	141	150	13.87	391	363	398	393	392	412	490
Genoa	1.97	115	158	160	162	161	156	153	12.80	356	337	406	400	400	436	430
Rome	2.33	160	177	180	177	170	160	160	7.92	353	333	353	277	273	277	261
Naples	2.03	171	212	188	202	169	139	163	12.78	380	500	471	454	465	484	507
Palermo	2.18	126	186	179	166	178	172	177	15.21	250	333	350	290	309	358	417
B) *Index Numbers* (1938 = 100).									B) *Index Numbers* (1938 = 100).							
Milan	100	5,124	6,219	7,363	7,363	7,065	7,015	7,463	100	2,819	2,617	2,870	2,833	2,826	2,970	2,884
Genoa	100	5,838	8,020	8,122	8,223	8,122	7,919	8,020	100	2,734	2,632	3,125	3,125	3,125	3,406	3,359
Rome	100	6,867	7,597	7,725	7,597	7,296	6,867	6,867	100	4,457	4,203	4,457	3,497	3,472	3,497	3,295
Naples	100	8,424	10,443	9,261	9,951	8,325	6,817	8,038	100	2,973	3,912	3,685	3,532	3,630	3,787	3,967
Palermo	100	5,780	8,532	8,211	7,615	8,165	7,890	8,119	100	1,644	2,189	2,301	1,907	2,032	2,354	2,742
C) *Index Numbers* (Rome = 100).									C) *Index Numbers* (Rome = 100).							
Milan	86	64	71	82	84	84	88	96	175	111	109	113	142	143	149	153
Genoa	85	72	89	89	92	95	98	98	162	99	101	113	144	145	157	156
Rome	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Naples	87	107	120	104	114	99	87	102	161	108	150	133	164	169	175	194
Palermo	94	79	105	99	94	105	108	111	192	71	100	99	105	112	129	160

(1) Boneless meat, except for Rome where the price relates to meat with 25 % bone.
N. A. = Not available.

Source: Monthly Bulletin of Central Institute of Statistics

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TABLE 62

Relation between Official and Black Market Retail Prices: 1945-46

(Official prices = 1)

Rationed Foodstuffs		Milan	Genoa	Rome	Naples	Palermo
Bread	September 1945	2.67	2.78	5.56	6.41	4.22
	July 1946	3.64	7.40	4.68	4.55	4.84
	September 1946	4.55	5.77	3.62	4.88	5.02
Pasta	September 1945	3.41	5.24	7.38	9.04	4.70
	July 1946	5.33	6.72	7.07	9.15	4.47
	September 1946	6.30	11.32	5.33	3.74	5.10
Sugar	September 1945	11.11	9.69	26.70	22.76	17.19
	July 1946	5.53	6.74	6.08	6.25	5.52
	September 1946	5.00	5.93	4.23	5.05	3.86
Olive oil	September 1945	—	—	6.66	6.34	—
	July 1946	—	—	1.67	1.58	—
	September 1946	—	2.27	2.02	2.96	1.69

Source: Monthly Bulletin of the Central Institute of Statistics.

TABLE 63

INDEX NUMBERS OF PRICES IN THE ROME OPEN MARKET IN SEPTEMBER 1946 (OFFICIAL PRICES=1)

the range of variation within which the prices of these commodities have fluctuated (compared with Rome in September 1945 and in July and September 1946) and gives evidence of a new disorder in prices from July to September 1946.

350. As regards the 11 foodstuffs under consideration, the last columns of Table 64 show that:

(a) from September 1945 to July 1946 the price deviations show a noticeable decline (except for the prices of meat, milk, and tomato paste) (see also para. 213):

(b) from July to September 1946, owing to the pressure of upward prices, the deviations increase (except for eggs, beans and tomato paste) and reach a level which, on the whole (6 foodstuffs out of 11), exceeds the September 1945

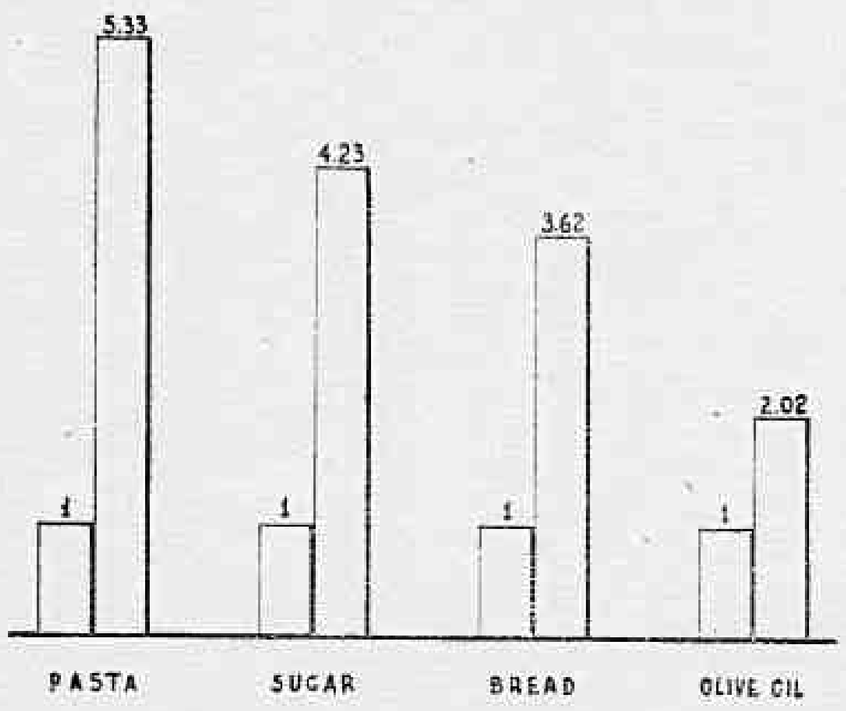
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Rationed Foodstuffs		Milan	Genoa	Rome	Naples	Palermo
Bread	September 1945	2.67	2.78	3.56	6.41	4.22
	July 1946	3.64	7.40	4.68	4.55	4.84
	September 1946	4.55	5.77	3.62	4.38	5.02
Pasta	September 1945	3.41	5.24	7.33	9.04	4.70
	July 1946	5.33	6.72	7.07	9.15	4.47
	September 1946	6.30	11.32	5.33	3.74	5.10
Sugar	September 1945	11.11	9.69	26.70	22.76	17.19
	July 1946	5.53	6.71	6.08	6.25	3.52
	September 1946	5.00	5.93	4.23	5.05	3.86
Olive oil	September 1945	—	—	6.66	6.34	—
	July 1946	—	—	1.67	1.58	—
	September 1946	—	2.27	2.02	2.96	1.69

Source: Monthly Bulletin of the Central Institute of Statistics.

TABLE 63

INDEX NUMBERS OF PRICES IN THE ROME OPEN MARKET IN SEPTEMBER 1946 (OFFICIAL PRICES=1)



the range of variation within which the prices of these commodities have fluctuated (compared with Rome in September 1945 and in July and September 1946) and gives evidence of a new disorder in prices from July to September 1946.

350. As regards the 11 food-stuffs under consideration, the last columns of Table 64 show that:

(a) from September 1945 to July 1946 the price deviations show a noticeable decline (except for the prices of meat, milk, and tomato paste) (see also para. 213);

(b) from July to September 1946, owing to the pressure of upward prices, the deviations increase (except for eggs, beans and tomato paste) and reach a level which, on the whole (6 food-stuffs out of 11), exceeds the September 1945 level. The erratic advance in prices after September 1946 has accentuated the regional price differences (these differences are most marked, as a rule, during the initial period of change in trend). As soon as the prices show a more decided trend, the differences are likely to decrease.

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TABLE 64

Black Market Retail Prices in Milan, Genoa, Naples and Palermo as compared with Rome (= 100): 1945-46

Product.	Difference between Rome and the four other cities as regards: (a) Minimum index (less than 100)			(b) Maximum index (more than 100)			(c) Deviation		
	Sept. 1945	July 1946	Sept. 1946	Sept. 1945	July 1946	Sept. 1946	Sept. 1945	July 1946	Sept. 1946
Bread	— 50	— 10	— 0	+ 9	+ 22	+ 79	59	32	79
Pasta	— 58	— 25	— 0	+ 23	+ 29	+ 97	81	54	97
Sugar	— 37	— 20	— 17	+ 7	+ 4	+ 48	44	24	65
Olive oil	— 41	— 28	— 33	+ 38	+ 4	+ 16	79	32	49
Butter	— 14	— 2	— 4	+ 1	+ 13	+ 17	15	15	21
Eggs	— 28	— 16	— 13	+ 4	+ 0	+ 10	32	16	13
Dry beans	— 36	— 16	— 6	+ 7	+ 5	+ 2	43	12	8
Potatoes	— 15	— 17	— 4	+ 26	+ 4	+ 0	41	21	41
Beef	— 29	— 6	— 0	+ 11	+ 69	+ 94	40	69	94
Milk	— 33	— 17	— 25	+ 0	+ 50	+ 50	33	67	75
Tomato paste	— 8	— 0	— 0	+ 10	+ 74	+ 67	78	74	67

(ii) *Daily Quotations for Foodstuffs in Rome up to end October 1946.*

351. The upward trend of the black market prices after August 1946 has a practical significance because the upward tendency occasioned widespread unrest throughout the Republic. The statistics used are those collected and published daily by the "Globo" newspaper. The data on prices and the corresponding index numbers (January 1946=100), for each period of 10 days and for each month, after May 1946 are given in Table 65. The prices of olive oil, rice, and meat were higher in October 1946 than in January 1946, while, for the other foodstuffs given in Table 65 the prices in October 1946 were well below the peak reached in the winter of 1945-46.

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TABLE 55

Open Market and Black Market Retail Prices in Rome: 1946.

A) *Lire per Kilo*

1946	Household Bread	Grain Flour	Pasta (white)	Oil	Sugar	Raw Coffee	Rice	Beans	Butter	Lentils	Pecorino (cheese)	Boneless Meat	Eggs	Potatoes
Jan. 1	140	130	215	590	950	3,200	132	190	950	200	800	500	29.5	60
Feb. 1	127	117	165	445	800	2,200	132	175	810	190	800	550	19	48
Mar. 1	130	120	170	450	775	2,400	135	165	750	180	750	450	19.5	—
Apr. 1	130	125	160	450	800	1,400	140	130	750	150	700	500	19.5	—
May 1	170	167.5	190	450	975	875	160	180	700	190	650	475	16	45
June 1	155	137.5	210	420	990	775	155	175	650	165	575	405	15.3	33
10	145	135	195	435	1,075	720	157.5	165	545	165	575	375	16.5	30
20	140	140	210	430	1,050	700	150	165	550	170	525	375	16.5	25
July 1	120	117.5	190	430	950	675	130	162.5	550	150	575	375	17.5	21
10	110	105	185	440	975	700	175	160	615	140	575	375	18	21
20	85	95	155	530	940	700	165	150	600	130	575	425	16	24
Aug. 1	75	87.5	147.5	595	850	675	175	130	600	130	550	400	19.5	24
10	90	90	147.5	570	800	675	200	135	615	130	575	415	19.5	23
20	75	87.5	160	575	900	675	195	125	615	130	575	400	19.5	24
Sept. 1	80	85	127	600	670	675	187.5	130	775	140	575	450	21.5	28
10	77.5	82.5	135	625	680	675	202.5	145	825	145	650	500	22	32
20	90	87.5	132.5	640	670	700	210	140	725	160	650	500	22	31
Oct. 1	95	95	150	680	600	700	197.5	160	750	160	650	500	22	34
10	105	100	147.5	730	660	700	225	160	775	160	650	500	22.5	36
20	100	100	150	710	615	700	190	160	845	160	675	545	22.5	35.5

B) *Index Numbers* (January 1946 = 100).

Jan.	1	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Feb.	1	90.7	90	76.7	75.4	84.7	68.7	100	92.1	85.3	95	100	110	64.4	80
Mar.	1	92.9	92.3	79.1	76.3	81.6	75	102.3	86.8	78.9	90	93.8	90	66.1	—
Apr.	1	92.9	96.1	74.4	76.3	84.7	43.7	106.1	68.4	78.9	75	87.5	100	66.1	—
May	1	121.4	128.8	88.4	76.3	102.6	27.3	121.2	91.7	73.7	95	81.2	95	54.2	71.7
June	1	110.7	121.1	99.5	71.2	104.2	24.2	117.4	92.1	68.4	82.5	71.9	81	52.5	55.0
	10	103.6	103.8	90.7	73.7	113.1	22.5	119.5	86.8	57.1	82.5	71.9	75	55.9	50.0
	20	100.0	107.7	97.7	72.9	110.5	21.9	113.6	86.8	57.9	85	71.9	75	55.9	41.7
July	1	85.7	90.4	88.4	72.9	100.0	21.1	136.4	85.5	57.9	75.0	71.9	75	59.3	35.0
	10	78.6	80.8	86.0	74.6	102.6	21.9	132.6	84.2	64.7	70.0	71.9	75	61.0	35.0
	20	60.7	73.1	72.1	89.8	98.9	21.9	125.0	78.9	63.2	65.0	71.9	85	54.2	40.0
Aug.	1	53.6	67.3	68.6	100.8	89.5	21.1	132.6	63.4	63.2	65.0	63.8	80	66.1	40.0
	10	64.3	69.2	68.6	96.6	84.2	21.1	151.3	74.1	64.7	65.0	71.9	83	66.1	38.3
	20	53.6	67.3	74.4	97.5	94.7	21.1	140.2	65.8	64.7	65.0	71.9	80	66.1	40.0
Sept.	1	57.1	65.4	59.1	101.7	70.5	21.1	142.0	68.4	81.6	70.0	71.9	90	72.9	46.7
	10	55.4	63.5	62.8	105.9	71.6	21.1	153.1	76.3	86.8	72.5	81.2	100	74.6	53.3

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1946	Household Bread	Grain Flour	Pasta white	Oil	Sugar	Raw Coffee	Rice	Beans	Butter	Lentils	Pecorino (cheese)	Boneless Meat	Eggs	Potatoes
Jan. 1	140	130	215	590	950	3,200	132	190	950	200	800	500	29.5	60
Feb. 1	127	117	165	445	800	2,200	132	175	810	190	800	550	19	48
Mar. 1	130	120	170	450	775	2,400	135	165	750	180	750	450	19.5	—
Apr. 1	130	125	160	450	800	1,400	140	130	750	150	700	500	19.5	—
May 1	170	167.5	190	450	975	875	160	180	700	190	650	475	16	45
June 1	155	157.5	210	420	990	775	135	175	650	165	575	405	15.3	33
10	145	135	195	435	1,075	720	157.5	165	545	165	575	375	16.5	30
20	140	140	210	430	1,050	700	150	165	550	170	525	375	16.5	25
July 1	120	117.5	190	430	950	675	130	162.5	550	150	575	375	17.5	21
10	110	105	185	440	975	700	175	160	615	140	575	375	18	21
20	85	95	155	530	940	700	165	150	600	130	575	425	16	24
Aug. 1	75	87.5	147.5	595	850	675	175	130	600	130	550	400	19.5	24
10	90	90	147.5	570	800	675	200	135	615	130	575	415	19.5	23
20	75	87.5	160	575	900	675	195	125	615	130	575	400	19.5	24
Sept. 1	80	85	127	600	670	675	187.5	130	775	140	575	450	21.5	28
10	77.5	82.5	135	625	680	675	202.5	145	825	145	650	500	22	32
20	90	87.5	132.5	640	670	700	210	140	725	160	650	500	22	31
Oct. 1	95	95	150	680	600	700	197.5	160	750	160	650	500	22	34
10	105	100	147.5	730	660	700	225	160	775	160	650	500	22.5	36
20	100	100	150	710	615	700	190	160	845	160	675	545	22.5	35.5

B) *Index Numbers* (January 1946 = 100).

Jan.	1	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Feb.	1	90.7	90	76.7	75.4	84.7	68.7	100	92.1	85.3	95	100	110	64.4	80
Mar.	1	92.9	92.3	79.1	76.3	81.6	75	102.3	86.8	78.9	90	93.8	90	66.1	—
Apr.	1	92.9	96.1	74.4	76.3	84.7	43.7	106.1	68.4	78.9	75	87.5	100	66.1	—
May	1	121.4	128.8	88.4	76.3	102.6	27.3	121.2	94.7	73.7	95	81.2	95	54.2	71.7
June	1	110.7	121.1	99.5	71.2	104.2	24.2	117.1	92.1	68.4	82.5	71.9	81	52.5	55.0
	10	103.6	103.8	90.7	73.7	113.1	22.5	119.5	86.8	57.4	82.5	71.9	75	55.9	50.0
	20	100.0	107.7	97.7	72.9	110.5	21.9	113.6	86.8	57.9	85	71.9	75	55.9	41.7
July	1	85.7	90.4	88.4	72.9	100.0	21.1	136.4	85.5	57.9	75.0	71.9	75	59.3	35.0
	10	78.6	80.8	86.0	74.6	102.6	21.9	132.6	84.2	64.7	70.6	71.9	75	61.0	35.0
	20	60.7	73.1	72.1	89.8	98.9	21.9	125.0	78.9	63.2	65.0	71.9	85	54.2	40.0
Aug.	1	53.6	67.3	68.6	100.8	89.5	21.1	132.6	63.1	63.2	65.0	68.8	80	66.1	40.0
	10	64.3	69.2	68.6	96.6	84.2	21.1	151.5	71.1	64.7	65.0	71.9	83	66.1	38.3
	20	53.6	67.3	74.4	97.5	94.7	21.1	140.2	65.8	64.7	65.0	71.9	80	66.1	40.0
Sept.	1	57.1	65.4	59.1	101.7	70.5	21.1	142.6	68.1	81.6	70.0	71.9	90	72.9	46.7
	10	55.4	63.5	62.8	105.9	71.6	21.1	153.1	76.3	86.8	72.5	81.2	100	74.6	53.3
	20	64.3	67.3	61.6	108.5	70.5	21.9	159.1	73.7	76.3	80.0	81.2	100	74.6	51.7
Oct.	1	67.9	73.1	69.8	115.3	63.2	21.9	149.6	84.2	78.9	80.0	81.2	100	74.6	56.7
	10	75.0	76.9	68.6	123.7	69.5	24.9	170.5	84.2	81.6	80.0	81.2	100	76.3	60.0
	20	71.4	76.9	63.8	120.3	64.7	21.9	143.9	84.2	88.3	80.0	84.4	109	76.3	53.2

Source: The "Globo", Rome.

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Retail Price of Commodities Other than Foodstuffs

352. The quality of fabrics, wearing apparel and footwear differs so greatly from pre-war that comparisons of retail prices are not helpful and may be misleading.

(a) *Footwear.*

353. A special survey of footwear prices was made by the "Confederazione Generale Italiana del Commercio" (Italian General Confederation of Commerce). An average price for all types of footwear was arrived at, by dividing the aggregate receipts from sales of footwear in a number of individually-owned shops in Rome, by the number of pairs sold each month from 1938 to 1946. The data are shown in Table 66. On the assumption that the proportions between men's, women's and boys' shoes sold remained unchanged, Table 66 can be considered as sufficiently representative of the trend of prices of footwear, without taking into account changes in quality.

354. The highest level is recorded in the last four months of 1945, when the average price was 55 times higher than pre-war (1938-39). Subsequently, there was a drop in prices through March 1946 (42.6 times the pre-war level followed by an increase in the later months). Having regard to the changes in quality and type which occurred during and after the war, short period price comparisons are more valuable than long. Tables 67 and 68 (graph) show the prices of haberdashery (including the prices of footwear and footwear repairs) in Rome from December 1945 onwards. From July to September 1946 there was no appreciable change in prices of footwear.

355. The average price of a pair of leather shoes in Rome was in September 1946 about 5,000 lire, i.e. about 29 % of the monthly salary of the lowest paid clerks in Italian Government employ. The comparable price was before the war 62 lire, or 7.4 % of the monthly salary of that category.

(b) *Textiles - Suitings - Socks and Stockings.*

356. Since no comparison with pre-war can be made for textiles, etc., owing to changes in quality and type, Tables 67 and 68 (graph) give 1945 and 1946 prices.

Table 66

Average Index Number of Retail Footwear Prices in Rome from 1938 to 1946

Base: Average 1938-39 = 100

Months	1938	1939	1940	1941	1942	1943	1944	1945	1946
January	97.89	80.57	130.62	152.95	276.33	312.84	690.70	3,810.71	5,106.64
February	80.57	73.72	130.27	131.32	279.60	267.95	688.74	4,128.42	[illegible]
March	92.58	165.83	156.67	201.09	275.16	199.11	1,307.57	1,255.22	1,258.66
April	96.70	90.63	164.61	207.58	263.29	156.75	1,026.66	1,583.17	1,431.50
May	95.71	109.50	161.71	196.87	195.25	232.87	949.82	1,224.17	1,737.38
June	92.81	96.13	147.96	189.28	188.08	242.26	1,145.88	1,293.72	1,684.71
July	88.62	163.64	139.50	181.56	180.30	309.65	2,410.40	1,161.60	—
August	90.91	108.71	132.14	199.85	189.72	149.33	2,053.07	1,123.24	
September	101.50	117.81	134.12	235.85	227.78	209.53	2,628.80	5,594.05	—
October	101.08	126.33	167.49	342.35	233.99	279.72	2,911.04	5,375.31	—
November	104.52	132.36	182.67	252.12	230.97	419.56	3,058.56	5,479.69	—
December	110.28	138.29	189.49	277.86	234.62	245.17	3,206.19	5,312.45	—

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wear differs so greatly from pre-war that comparisons of retail prices are not helpful and may be misleading.

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353. A special survey of footwear prices was made by the "Confederazione Generale Italiana del Commercio" (Italian General Confederation of Commerce). An average price for all types of footwear was arrived at, by dividing the aggregate receipts from sales of footwear in a number of individually-owned shops in Rome, by the number of pairs sold each month from 1938 to 1946. The data are shown in Table 66. On the assumption that the proportions between men's, women's and boys' shoes sold remained unchanged, Table 66 can be considered as sufficiently representative of the trend of prices of footwear, without taking into account changes in quality.

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type which occurred during and after the war, short period price comparisons are more valuable than long. Tables 67 and 68 (graph) show the prices of haberdashery (including the prices of footwear and footwear repairs) in Rome from December 1945 onwards. From July to September 1946 there was no appreciable change in prices of footwear.

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(b) *Textiles - Suitings - Socks and Stockings.*

356. Since no comparison with pre-war can be made for textiles, etc., owing to changes in quality and type, Tables 67 and 68 (graph) give 1945 and 1946 prices.

TABLE 66

Average Index Number of Retail Footwear Prices in Rome from 1938 to 1946

Base: Average 1938-39 = 100

Months	1938	1939	1940	1941	1942	1943	1944	1945	1946
January	97.89	80.57	130.62	182.05	276.43	343.84	690.70	3,810.74	5,106.64
February	80.57	73.72	130.27	134.32	279.60	267.95	688.74	4,128.42	[illegible]
March	92.58	103.83	136.67	291.09	275.16	199.11	1,307.57	4,255.22	4,258.66
April	96.70	96.63	164.61	207.53	263.29	156.75	1,926.66	4,583.17	4,131.50
May	95.71	109.50	161.71	196.87	195.25	232.87	949.62	4,224.17	4,737.38
June	92.81	96.43	147.96	189.28	138.06	242.26	1,145.88	4,293.72	4,684.71
July	88.62	103.64	139.50	184.56	180.30	209.65	2,410.40	4,161.60	—
August	90.94	108.71	132.14	199.85	189.52	149.33	2,053.07	4,123.24	—
September	101.50	117.81	151.42	235.85	227.78	209.53	2,628.80	3,591.05	—
October	101.08	126.33	167.49	312.35	233.99	279.72	2,911.01	3,375.31	—
November	104.52	132.36	182.67	252.42	230.97	419.56	3,058.50	3,479.69	—
December	110.26	138.29	189.49	277.86	234.62	245.17	3,206.19	3,412.45	—

Source: "Il Notiziario" (Confederazione Generale Italiana del Commercio).

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TABLE 67

Retail Prices in Rome of Haberdashery and Foot-wear: December 1945 to September 1946

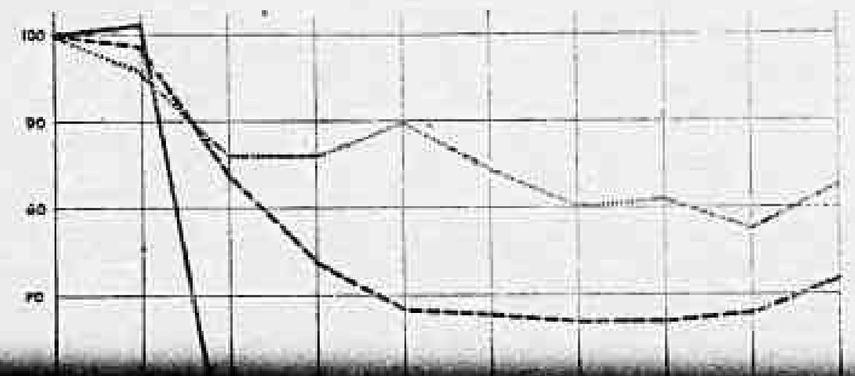
Commodities	Units	Prices (Lire)						Index numbers - December 1945 = 100				
		Dec. 1945	January 1946	March 1946	May 1946	July 1946	Sept. 1946	January 1946	March 1946	May 1946	July 1946	Sept. 1946
Linen piece goods	meter	460	467	219	226	213	239	101.5	47.6	49.1	46.3	52.0
Bed sheeting	»	580	632	346	229	229	239	109.0	59.7	39.5	39.5	41.2
Thread	100 meters	220	220	147	117	116	116	100.0	66.8	53.2	52.7	52.7
Socks (men's)	pairs	432	434	369	238	238	268	100.5	85.4	55.1	55.1	62.0
Stockings	»	697	689	515	474	468	500	98.9	73.9	68.0	67.1	71.7
Socks (boys')	»	140	120	105	80	80	103	85.7	75.0	57.1	57.1	73.6
Men's shoes	»	6,057	5,800	5,214	5,117	4,913	5,006	95.8	86.1	84.5	81.1	82.6
Women's shoes	»	2,826	3,095	2,745	2,066	3,106	3,079	109.5	97.1	73.1	109.9	109.0
Boys' shoe repair (half soles)	»	750	745	710	581	550	550	99.3	94.7	77.5	73.3	73.3
Lining (for men's winter suitings)	meter	6,600	6,200	5,730	5,021	5,017	5,088	93.9	87.1	76.1	76.0	77.1

357. From July to September 1946, the retail prices of textiles have increased more than other items. These increases have been due in part to the reduced availability of textiles in the domestic market, owing to the appreciable revival of the export trade. These increases in price have caused discontent. The wear and tear of clothing during the war and immediate post-war period, have created an urgent need for replacements, which can only be satisfied if prices are low.

TABLE 68

INDICES OF PRICES

Retail price indices
(December 1945=100) of haberdashery in Rome



358. To relieve this situation UNRRA has been importing in 1945-46 both used clothing for free distribution, and raw cotton and wool for the manufacture of new clothing-materials. Of the former 5,311,323 garments and 1,064,591 pairs of shoes were distributed between August 1, 1945, and November 15, 1946. Approximately 1,000 tons of raw cotton, imported under the 1945 programme, have already been manufactured into 1,500,000 articles of underwear which are now in the process of distribution free of charge. In accordance with the programme for 1946, the UNRRA Tessile (Textile) Committee arranged for the manufacture of a quantity of cotton textiles from 31,000 tons of UNRRA-imported raw cotton (see note to Table 47). These materials are being manufactured over a period of nine months commencing October, 1946. The schedule of deliveries by the mills forecast an output of 500,000 kilos in October, 1946, increasing to a maximum of 4,000,000 kilos in March and April, 1946. Distribution of approximately one third of the finished materials will be free, while the remaining two thirds will be sold at fixed low prices. The first free distribution will be made to hospitals and institutions only during the month of December. General distribution of low-priced goods will start in January 1947.

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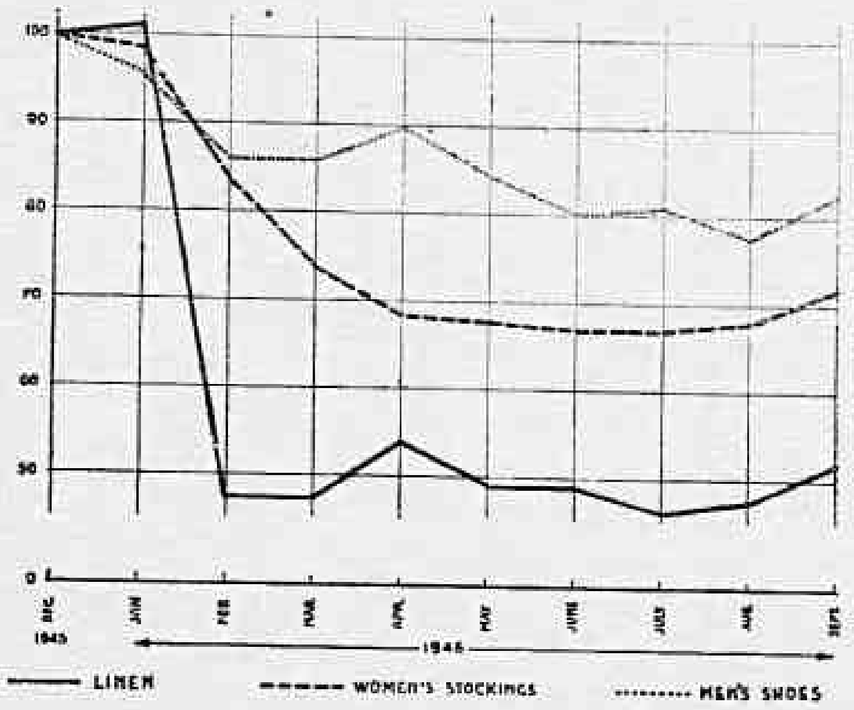
Commodities	Units	Dec. 1945	January 1946	March 1946	May 1946	July 1946	Sept. 1946	January 1946	March 1946	May 1946	July 1946	Sept. 1946
Linen piece goods	meter	460	467	219	226	213	239	101.5	47.6	49.1	46.3	52.0
Bed sheeting	"	580	632	346	229	229	239	109.0	59.7	39.5	39.5	41.2
Thread	100 meters	220	220	147	117	115	116	100.0	66.8	53.2	52.7	52.7
Socks (men's)	pairs	432	434	369	238	238	268	100.5	85.4	55.1	55.1	62.0
Stockings	"	697	689	515	474	468	500	98.9	73.9	68.0	67.1	71.7
Socks (boys')	"	140	120	105	80	80	103	85.7	75.0	57.1	57.1	73.6
Men's shoes	"	6,057	5,800	5,214	5,117	4,913	5,006	95.8	86.1	84.5	81.1	82.6
Women's shoes	"	2,826	3,095	2,745	2,066	3,106	3,079	109.5	97.1	73.1	109.9	109.0
Boys' shoe repair (half soles)	"	750	745	710	581	550	550	99.3	94.7	77.5	73.3	73.3
Lining (for men's winter suitings)	meter	6,600	6,200	5,750	5,021	5,017	5,088	93.9	87.1	76.1	76.0	77.1

357. From July to September 1946, the retail prices of textiles have increased more than other items. These increases have been due in part to the reduced availability of textiles in the domestic market, owing to the appreciable revival of the export trade. These increases in price have caused discontent. The wear and tear of clothing during the war and immediate post-war period, have created an urgent need for replacements, which can only be satisfied if prices are low.

TABLE 68

INDICES OF PRICES

Retail price indices
(December 1945=100) of haberdashery in Rome



358. To relieve this situation UNRRA has been importing in 1945-46 both used clothing for free distribution, and raw cotton and wool for the manufacture of new clothing-materials. Of the former 5,311,323 garments and 1,064,591 pairs of shoes were distributed between August 1, 1945, and November 15, 1946. Approximately 1,000 tons of raw cotton, imported under the 1945 programme, have already been manufactured into 1,500,000 articles of underwear which are now in the process of distribution free of charge. In accordance with the programme for 1946, the UNRRA Tessile (Textile) Committee arranged for the manufacture of a quantity of cotton textiles from 31,000 tons of UNRRA-imported raw cotton (see note to Table 47). These materials are being manufactured over a period of nine months commencing October, 1946. The schedule of deliveries by the mills forecast an output of 500,000 kilos in October, 1946, increasing to a maximum of 4,000,000 kilos in March and April, 1946. Distribution of approximately one third of the finished materials will be free, while the remaining two thirds will be sold at fixed low prices. The first free distribution will be made to hospitals and institutions only during the month of December. General distribution of low-priced goods will start in January 1947.

39,000 tons of raw wool and 10,000 tons of wool rags have been imported by UNRRA. Some part of these raw materials will be used for the manufacture of wool clothing-materials, but the quantity and the prices to be charged for its sale are still under discussion.

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State Monopolies

Salt.

359. As a result of war conditions, an acute shortage of salt was experienced throughout Italy after July 1943. The shortage was particularly severe in Northern Italy, because solar salt is mainly produced in Sicily and in Southern Italy. In 1944 and in 1945 when salt was rationed, the black market price of salt—especially north of the Gothic line—reached a very high peak (300 to 500 times the 1938 monopoly price). The black market was supplied by transitory producers along the coast and salt was frequently used in barter transactions. The situation showed an improvement when, in July 1945, controlled rationing (100 grams monthly per head against a pre-war consumption of about 200 grams) was introduced. In May 1946 salt rationing was repealed and salt was thereafter sold without restriction. (The production of edible salt during the first half of 1946 was 63 % that of the first half 1938). Retail salt prices, in September 1946, are below the index of inflation (see Table 69).

Table 69

Price of Salt in Italy: 1938 and 1944 to 1946

Date	Prices			Index numbers 1938 = 100	
				Prices	
	Official	Black Market	Index number (official price=1)	Official	Black market
	Lire per kilogram				
1938	1.50	1.50	1.0	100	100
January, 1944	10	240	24.0	667	16,000
April	10	160	16.0	667	10,667
July, 1945	20	45	2.5	1,333	3,000
August (1)	24	52	2.2	1,600	3,467
December	24	83	3.5	1,600	5,533
January, 1946	24	72	3.0	1,600	4,800
February	24	53	2.2	1,600	3,533
March	24	50	2.1	1,600	3,333
April	24	60	2.5	1,600	4,000
May	24	24	1.0	1,600	1,600
June	24	24	1.0	1,600	1,600

(1) In Central and Northern Italy, the black market price of salt was 150 to 160 lire per kilo.

Drugs.

360. The black market in medical drugs flourished in

The following were the official and black market prices of penicillin in Rome:

Date	Official price of UNRRA imported penicillin set in Sept. 1945	Black market price
	Lire per 100,000 units	
1944	—	10,000 to 20,000
1945, June - December	500	5,000 to 8,000
1946, January - May	500	5,000 to 8,000
1946, June	300	5,000 to 8,000
1946, August	—	700 to 800

The UNRRA import of 277,000 vials (of 100,000 units) in June and July 1946 was sufficient to meet requirements temporarily. The method of controlled distribution adopted, including the creation of stocks in the provinces for issue to hospitals and University centres, dealt a severe blow to the black market. The black market is now limited to purchases to meet exceptional cases. Some "stabilized" penicillin (not requiring special refrigerative treatment and not generally available) has recently appeared on the black market.

Tobacco.

361. Tobacco (especially cigarettes) has been, since July 1943 one of the principal products sold on the black market, and one of the most profitable—(American and British cigarettes arrived in large quantities on the black market). Table 70 shows the official and black market prices of cigarettes in Rome in October 1946.

The increase in prices of cigarettes, as compared with pre-war, is higher than the increase in the inflation index.

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Public Utilities

362. Tables 71 and 72 (graph) show the trend of the prices of representative public utility and transport services. Here the prices are fixed by the State and there is little possibility of evasion. The increase in public utility rates from 1938 has been much less than the general increase in the retail price level and, except for telephone and telegram charges, is substantially below the increase in the currency circulation. Up to 1943 public utility charges were frozen at their pre-war level; in 1944 they were approximately doubled; in 1945 the rates increased from 4 to 6 times. In 1946 public

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The shortage was particularly severe in Northern Italy, because solar salt is mainly produced in Sicily and in Southern Italy. In 1944 and in 1945 when salt was rationed, the black market price of salt—especially north of the Gothic line—reached a very high peak (300 to 500 times the 1938 monopoly price). The black market was supplied by transitory producers along the coast and salt was frequently used in barter transactions. The situation showed an improvement when, in July 1945, controlled rationing (100 grams monthly per head against a pre-war consumption of about 200 grams) was introduced. In May 1946 salt rationing was repealed and salt was thereafter sold without restriction. (The production of edible salt during the first half of 1946 was 63 % that of the first half 1938). Retail salt prices, in September 1946, are below the index of inflation (see Table 69).

TABLE 69

Price of Salt in Italy: 1938 and 1944 to 1946

Date	Prices			Index numbers 1938 = 100	
				Prices	
	Official	Black Market	Index number (official price=1)	Official	Black market
	Lire per kilogram				
1938	1.50	1.50	1.0	100	100
January, 1944	10	240	24.0	667	16,000
April	10	160	16.0	667	10,667
July, 1945	20	45	2.5	1,333	3,000
August (1)	24	52	2.2	1,600	3,467
December	24	83	3.5	1,600	5,533
January, 1946	24	72	3.0	1,600	4,800
February	24	53	2.2	1,600	3,533
March	24	50	2.1	1,600	3,333
April	24	60	2.5	1,600	4,000
May	24	24	1.0	1,600	1,600
June	24	24	1.0	1,600	1,600

(1) In Central and Northern Italy, the black market price of salt was 150 to 160 lire per kilo.

Drugs.

360. The black market in medical drugs flourished in Italy from July 1943 till the close of 1945. The operators were mainly well-stocked wholesalers (especially in the North, where German stocks had accumulated), but pharmacists and other retailers and private speculators took part in the drugs black market, where even imported drugs were found. The highest peaks in price were obtained for insulin and penicillin.

	set in Sept. 1945	
	Lire per 100,000 units	
1944	—	10,000 to 20,000
1945, June - December	500	5,000 to 8,000
1946, January - May	500	5,000 to 8,000
1946, June	300	5,000 to 8,000
1946, August	—	700 to 800

The UNRRA import of 277,000 vials (of 100,000 units) in June and July 1946 was sufficient to meet requirements temporarily. The method of controlled distribution adopted, including the creation of stocks in the provinces for issue to hospitals and University centres, dealt a severe blow to the black market. The black market is now limited to purchases to meet exceptional cases. Some "stabilized" penicillin (not requiring special refrigerative treatment and not generally available) has recently appeared on the black market.

Tobacco.

361. Tobacco (especially cigarettes) has been, since July 1943 one of the principal products sold on the black market, and one of the most profitable—(American and British cigarettes arrived in large quantities on the black market). Table 70 shows the official and black market prices of cigarettes in Rome in October 1946.

The increase in prices of cigarettes, as compared with pre-war, is higher than the increase in the inflation index.

PUBLIC UTILITIES

362. Tables 71 and 72 (graph) show the trend of the prices of representative public utility and transport services. Here the prices are fixed by the State and there is little possibility of evasion. The increase in public utility rates from 1938 has been much less than the general increase in the retail price level and, except for telephone and telegram charges, is substantially below the increase in the currency circulation. Up to 1943 public utility charges were frozen at their pre-war level; in 1944 they were approximately doubled; in 1945 the rates increased from 4 to 6 times. In 1946 public utility service charges departed from their pre-war interrelationship. Prices vary from about four times their 1938 level—for electric light, to 29 times—telegram rates. Most of these rates have, however, increased on the average to about 6 to 10 times the pre-war level. An increase in most public utility rates is to be anticipated in 1947.

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TABLE 70

Black Market Prices for Cigarettes in lire in Rome: 1938 and October 1946

Brand of cigarettes	Prices per 10 cigarettes				Index numbers (1938 = 100)	
	Official		Black market (Oct.)		Black Marcket Prices	Official Price
	1938	1946	October 1946	Official price = 1		
Italian:						
Nazionali	1.70	30	80	2.67	4,706	1,765
Macedonia	2.00	40	70	1.75	3,500	2,000
Giuba	2.50	50	100	2.00	4,000	2,000
Macedonia extra	3.20	60	110	1.83	3,438	1,875
Serraglio	3.50	75	120	1.60	3,429	2,143
American:						
Morris, Lucky Strike, Chesterfield, Old Gold.	4.00	—	150	—	3,750	—
Pall Mall	—	—	165	—	—	—
English:						
Craven, Capstan and Gold Flake	4.00	—	125	—	3,125	—
Woodbine	—	—	100	—	—	—

TABLE 71

Rates in lire for Some Public Utility and Transport Services in Italy: 1938 to 1946

	Rates						Indices (1938 = 100)					
	Dec. 1938	Dec. 1942	Dec. 1944	Dec. 1945	Feb. 1946	Sept. 1946	Dec. 1938	Dec. 1942	Dec. 1944	Dec. 1945	Feb. 1946	Sept. 1946
1. *Postal rates:*												
Letter	0.50	0.50	1.00	2.00	4.00	4.00	100	100	200	400	800	800
Post-card	0.30	0.30	0.60	1.20	3.00	3.00	100	100	200	400	1,000	1,000
2. *Telegram* (10 words)	2.10	2.10	4.00	30.00	61.25	61.25	100	100	190	1,429	2,917	2,917
3. *Railway fares and rates* (1):												
Passengers 1st class	63.00	63.00	126.00	252.00	504.00	504.00	100	100	200	400	800	800
" 2nd	43.00	43.00	86.00	172.00	258.00	258.00	100	100	200	400	600	600
" 3rd	26.00	26.00	52.00	104.00	156.00	156.00	100	100	200	400	600	600
Goods (2):												
Wheat	28.61	28.61	68.74	137.47	297.84	297.84	100	100	240	480	1,040	1,040
Coal	26.16	26.16	62.64	125.28	261.76	261.76	100	100	240	480	1,003	1,003
Gasoline	56.65	56.65	135.96	271.92	553.04	553.04	100	100	240	480	976	976
Cement	30.59	30.59	73.42	146.83	315.12	315.12	100	100	240	480	1,030	1,030
Non-wrought iron in bars	36.85	36.85	88.44	176.88	366.56	366.56	100	100	240	480	995	995
4. *Yearly charge for use of radio*	81.00	81.00	81.00	162.00	420.00	420.00	100	100	100	200	519	519
5. *Electric power in Rome* (per kwh)	1.941	2.001	4.625	6.251	6.771	8.376	100	103	238	322	349	432
6. *Gas* Rome (per mc.)	0.777	0.817	0.977	4.650	5.650	5.650	100	105	126	598	727	727
Milan (per mc.)	0.670	—	—	7.660	7.660	8.326	100	—	—	1,143	1,143	1,242
7. *Street-car fares:*												

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	1938	1946	October 1946	Official price = 1	Marcket Prices	Official Price
Italian :						
Nazionali	1.70	30	80	2.67	4,706	1,765
Macedonia	2.00	40	70	1.75	3,500	2,000
Giuba	2.50	50	100	2.00	4,000	2,000
Macedonia extra	3.20	60	110	1.83	3,438	1,875
Serraglio	3.50	75	120	1.60	3,429	2,143
American :						
Morris, Lucky Strike, Chesterfield, Old Gold.	4.00	—	150	—	3,750	—
Pall Mall	—	—	165	—	—	—
English :						
Craven, Capstan and Gold Flake	4.00	—	125	—	3,125	—
Woodbine	—	—	100	—	—	—

TABLE 71

Rates in lire for Some Public Utility and Transport Services in Italy: 1938 to 1946

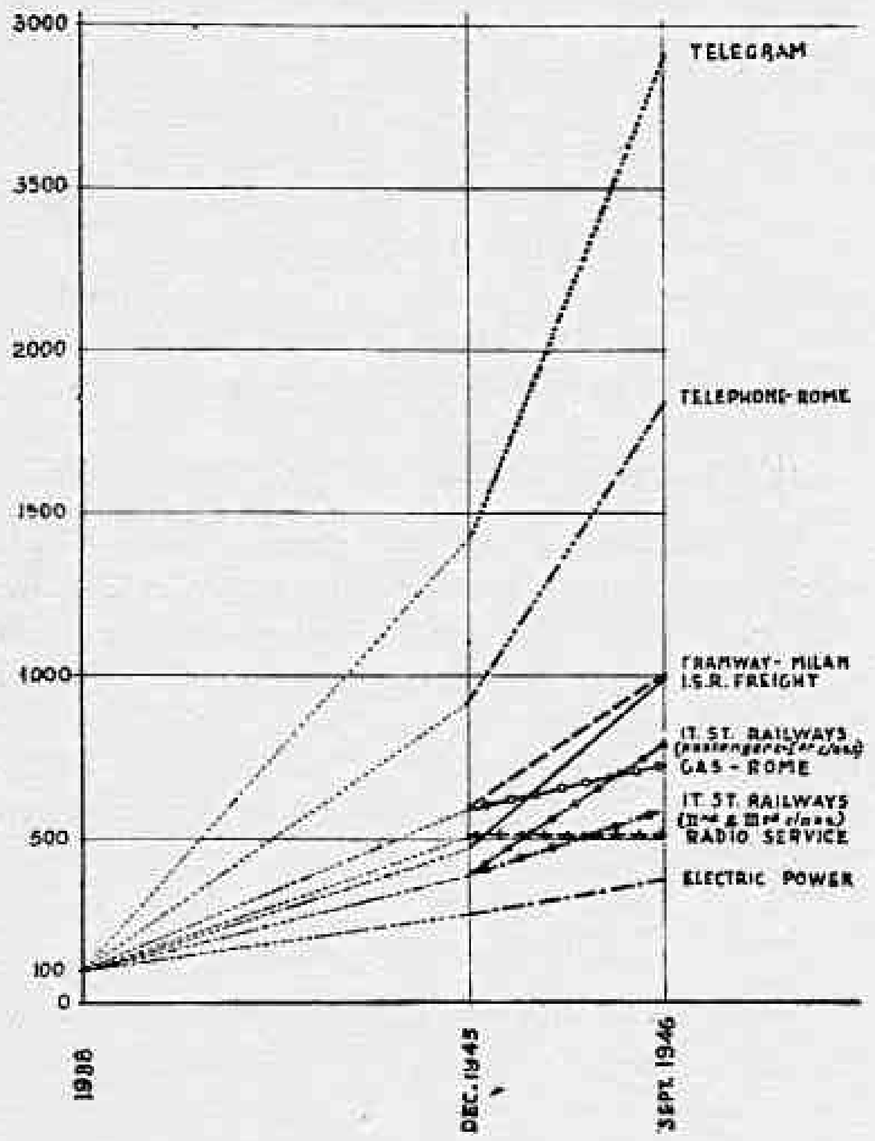
	Rates						Indices (1938 = 100)					
	Dec. 1938	Dec. 1942	Dec. 1944	Dec. 1945	Feb. 1946	Sept. 1946	Dec. 1938	Dec. 1942	Dec. 1944	Dec. 1945	Feb. 1946	Sept. 1946
1. *Postal rates :*												
Letter	0.50	0.50	1.00	2.00	4.00	4.00	100	100	200	400	800	800
Post-card	0.30	0.30	0.60	1.20	3.00	3.00	100	100	200	400	1,000	1,000
2. *Telegram* (10 words)	2.10	2.10	4.00	30.00	61.25	61.25	100	100	190	1,429	2,917	2,917
3. *Railway fares and rates* (1) :												
Passengers 1st class.	63.00	63.00	126.00	252.00	504.00	504.00	100	100	200	400	800	800
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Goods (2) :												
Wheat	28.61	28.61	68.74	137.47	297.81	297.84	100	100	240	480	1,040	1,040
Coal	26.10	26.10	62.64	125.28	261.76	261.76	100	100	240	480	1,003	1,003
Gasoline	56.65	56.65	135.96	271.92	553.04	553.04	100	100	240	480	976	976
Cement	30.59	30.59	73.42	146.83	315.12	315.12	100	100	240	480	1,030	1,030
Non-wrought iron in bars	36.85	36.85	88.44	176.88	366.56	366.56	100	100	240	480	995	995
4. *Yearly charge for use of radio*	81.00	81.00	81.00	162.00	420.00	420.00	100	100	100	200	519	519
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6. *Gas* Rome (per mc.)	0.777	0.817	0.977	4.650	5.650	5.650	100	105	126	598	727	727
Milan (per mc.)	0.676	—	—	7.660	7.660	8.320	100	—	—	1,113	1,143	1,242
7. *Street-car fares* :												
Milan	0.50	0.50	1.00	3.00	5.00	5.00	100	100	200	600	1,000	1,000
Rome	0.50	—	—	4.00	5.00	5.00	100	—	—	800	1,000	1,000
8. *Telephone* (Rome) (3)	586.50	586.50	598.00	5,429.00	5,429.00	10,858.00	100	100	102	926	926	1,851
9. *Taxi fares* (Rome) (4)	3.70	—	—	—	—	120.00	100	—	—	—	—	3,243

(1) Fare for 100 km. — (2) Rate for one ton for 100 km. — (3) Annual rate on the basis of 10 telephone calls per day for business organizations and 4 for homes. — (4) Two persons for two kilometers.
(See also table 72 (graph.).

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TABLE 72

PRICE INDICES OF SOME PUBLIC UTILITY SERVICES



GENERAL CONCLUSIONS

363. An examination of individual commodity prices and inter-price relationships and comparison with pre-war, throw light on the price distortions during the recent difficult period of Italian history. A most striking feature has been the occurrence, side by side with the official market, of an illegal market and of an open market. A black market exists for goods the prices and distribution of which are under Government control—for some commodities this market became even more important than the official market. There is also be considered as of secondary importance during the war and up to July 1943, owing to the increasing importance of State-controlled distribution. From July 1943 up to the liberation of the North of Italy in April 1945 the black market (i.e. the market for goods for which official prices had been set), except for a few agricultural products and rationed foodstuffs was in Central and Southern Italy—the normal market for all transactions. The immediate after-liberation period saw the resumed intervention of the Government in price policy, but price fixing was confined to a limited number of commodities. With the setting up of the Republic, the Government extended the control over prices and distribution, including (in conjunction with UNRRA) goods imported by UNRRA, and took steps to limit the black market.

365. This situation, and the reduced possibilities of satisfactory statistical analysis owing to less organized collection of data, have made it difficult to follow closely price changes in the official, open and black markets, for individual commodities, groups of commodities or the position of all commodities taken together.

366. On the basis, however, of the data available, incomplete due to absence of records for a sufficient number of commodities and particularly because of the limited areas covered by the surveys made, the following points are of note:

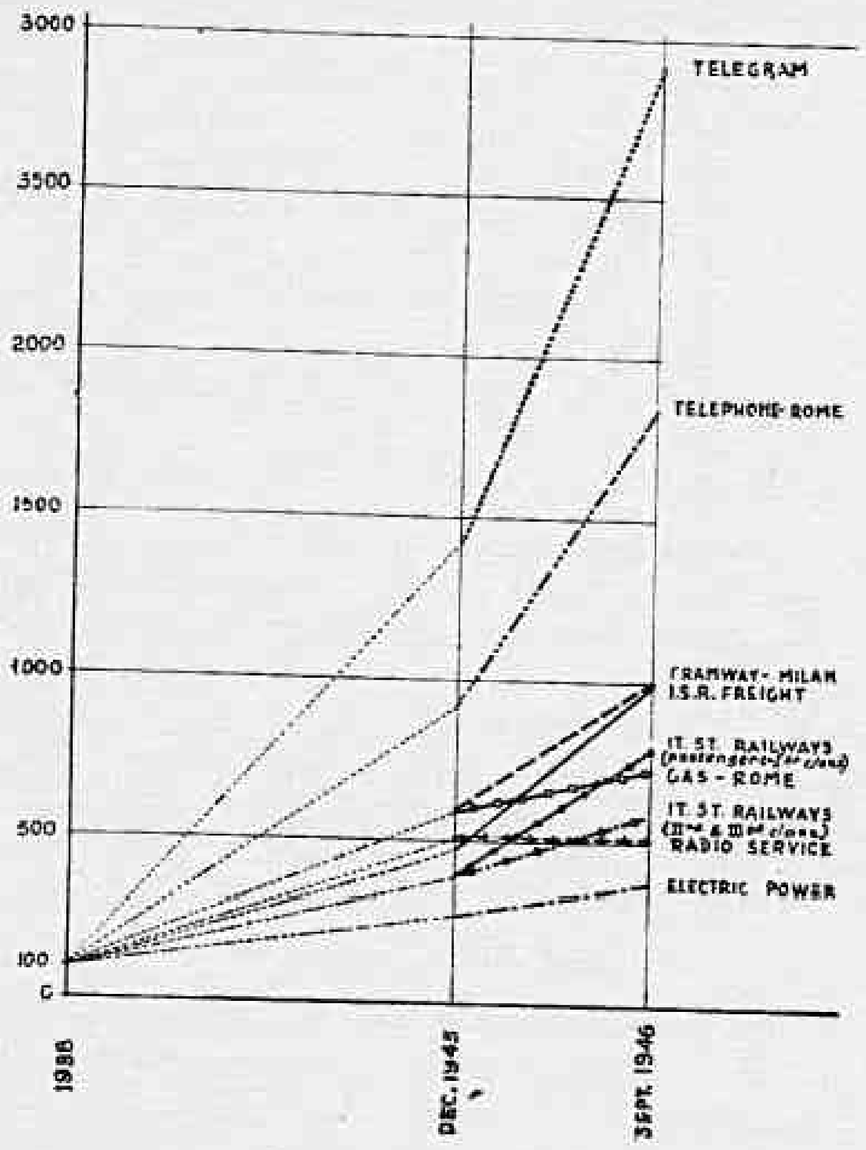
Wholesale Prices.

(a) *For Individual Commodities.*

(i) After December 1945 the margin between official and black market prices has tended to narrow as a result of the increase in official prices and the fall in black market prices. This adjustment, due mainly to larger imports, was clearly visible up to July 1946. Then came a reversal of the trend, which is still under way and is characterized by an upward movement of prices.

(ii) As regards prices of agricultural products and fertilizers—the position is as follows: (a) official prices keep in line, generally, with the level of the currency circulation (about 20 times over pre-war); and (b) free prices are at a level of about 40 to 50 times pre-war.

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GENERAL CONCLUSIONS

363. An examination of individual commodity prices and inter-price relationships and comparison with pre-war, throw light on the price distortions during the recent difficult period of Italian history. A most striking feature has been the occurrence, side by side with the official market, of an illegal market and of an open market. A black market exists for goods the prices and distribution of which are under Government control—for some commodities this market became even more important than the official market. There is also an open market for commodities not included in the Government's distribution control system.

364. A black market was present in Italy even prior to the war. It became more prominent during the war in that its operations extended to a larger number of commodities. The role of the black market in relation to the total volume of transactions can, however, [illegible] the black market (i.e. the market for goods for which official prices had been set), except for a few agricultural products and rationed foodstuffs was in Central and Southern Italy—the normal market for all transactions. The immediate after-liberation period saw the resumed intervention of the Government in price policy, but price fixing was confined to a limited number of commodities. With the setting up of the Republic, the Government extended the control over prices and distribution, including (in conjunction with UNRRA) goods imported by UNRRA, and took steps to limit the black market.

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366. On the basis, however, of the data available, incomplete due to absence of records for a sufficient number of commodities and particularly because of the limited areas covered by the surveys made, the following points are of note:

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(iii) For prices of raw materials and of industrial products: (a) official prices are at about the level of the currency circulation; and (b) free prices are at 20 to 40 times the pre-war level.

(iv) The costs of building and house repair have increased over pre-war by about 26 times.

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(b) *For Groups of Commodities.*

Comparison of the movement of selling prices and the movement of costs shows that the situation of agricultural producers has improved substantially as compared with pre-war. The indications are that a similar improvement has occurred in industry.

(c) *For all commodities together* (index number of wholesale prices) sold at official and at free prices, it can be estimated roughly that the prices in September 1946 stood at a level of 32 to 38 times pre-war. The general index showed a marked rise in 1945 (in January 1945 it was 30 times over pre-war, while in November it was 37 times), followed by a consistent decline up to July 1946 (to a level of 29.5 times over 1938). This new level was near to January 1945 level and resulted from a readjustment of prices (official, black market and free prices) resulting partly from the import of UNRRA goods and partly from the expected more favourable financial, economic and political outlook for Italy.

(d) UNRRA price policy for UNRRA-imported goods (about two-thirds of the total value of Italian imports up to end October 1946) contributed towards reducing costs of production from imported raw materials. The fall in the level of prices did not result solely from the flow to the Italian market of commodities subject to price control but was also the result of indirect psychological influences favorable to price reduction. When it was generally known that the UNRRA program would be completed within a short time an upward movement of prices commenced which offset the effect of the larger UNRRA arrivals after August, 1946.

(e) The distributive margin between wholesale and retail prices, mainly of imported goods of which distribution is controlled, is higher than before the war. This is due to increase in taxes and in transportation and risk charges. Profits of intermediaries handling controlled commodities have been set officially at percentages not greatly differing from pre-war. Margins on uncontrolled goods sold at free prices on the open market have increased substantially.

Retail Prices.

(a) Foodstuffs

National Prices

28 times for olive oil. The black market prices had increased from 44 times for bread, 68 for olive oil to 123 times for sugar.

(ii) The average national prices of commodities sold on the open market up to March 1946 increased from 30 to 86 times.

Prices in the Individual Communes in September 1946.

(i) The official prices of rationed foods had increased over pre-war: from 9 times (subsidized price of bread) to 43 times (olive oil).

(ii) The black market prices increased: from 32 times (bread) to 152 times (sugar).

(iii) The regional differences in retail prices declined substantially during 1946 up to July; afterwards they showed a tendency to increase.

(b) Prices of Commodities other than Food

Clothing and footwear in Rome: the price of footwear increased to December 1945 by about 55 times over pre-war and then fell to 47 times in June 1946. For other items of wearing apparel no comparison can be drawn with 1938 owing to changes in quality of the products. From December 1945 to September 1946 a substantial decline occurred in haberdashery, ranging from 20 % to 60 %.

(c) State Monopolies

The price of salt increased 16 times over pre-war. The official prices of cigarettes of indigenous production increased over pre-war: from 18 to 21 times. Black market prices increased from 34 to 47 times for Italian cigarettes and for American and British 31 to 38 times over pre-war.

(d) Public Utilities (Position in September 1946)

Public utilities rates are all official. They have, in general (except taxicab fares, which increased by 32 times over pre-war, and telegram rates, which increased by 22 times), maintained a lower level than the currency circulation. Electric power rates increased 4.3 times, postal tariff 8 to 10 times, railway fares 6 to 8, railway goods rates 9 to 10 times.

The variations in retail prices of all products and services follow the same trend as the wholesale prices but at a higher level.

Summary.

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improvement has occurred in industry.

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(e) The distributive margin between wholesale and retail prices, mainly of imported goods of which distribution is controlled, is higher than before the war. This is due to increase in taxes and in transportation and risk charges. Profits of intermediaries handling controlled commodities have been set officially at percentages not greatly differing from pre-war. Margins on uncontrolled goods sold at free prices on the open market have increased substantially.

Retail Prices.

(a) Foodstuffs

National Prices.

(i) The average national prices of rationed foods were published up to March 1946. Since then the prices in Italian cities only are available. Up to March 1946 official prices had increased over pre-war: from 10 times for bread (subsidized price) and 13 times for sugar, up to

[illegible] from 30 to 60 times.

Prices in the Individual Communes in September 1946.

(i) The official prices of rationed foods had increased over pre-war: from 9 times (subsidized price of bread) to 43 times (olive oil).
(ii) The black market prices increased: from 32 times (bread) to 152 times (sugar).
(iii) The regional differences in retail prices declined substantially during 1946 up to July; afterwards they showed a tendency to increase.

(b) Prices of Commodities other than Food

Clothing and footwear in Rome: the price of footwear increased to December 1945 by about 55 times over pre-war and then fell to 47 times in June 1946. For other items of wearing apparel no comparison can be drawn with 1938 owing to changes in quality of the products. From December 1945 to September 1946 a substantial decline occurred in haberdashery, ranging from 20 % to 60 %.

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The variations in retail prices of all products and services follow the same trend as the wholesale prices but at a higher level.

Summary.

367. As a general statement it can be said that the average level of prices for money transactions in all commodities and services from the end of 1945 to August 1946 has moved in harmony with the level of the currency circulation. This is a favorable element in any judgment made on the general situation.

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368. In August 1946 internal and international factors and the announcement of the termination of the UNRRA program caused a reversal of the trend. (In November 1946 the wholesale price index stands at about 35 times over pre-war). This noteworthy increase has probably resulted from a more unfavorable outlook and from the threat of inflation. The movement does not appear, however, to be gathering momentum.

369. The Italian economic situation, as a result of concomitant favorable circumstances, UNRRA assistance in 1946 and Italy's own efforts, is ready for recovery. The position in agricultural and industrial production and international trade suggests that after the signature of the peace treaty and with Italy's re-entry into the international monetary system, danger of a monetary and economic breakdown will have been definitely averted. Prices will, no doubt, increase further in the near future. Assuming reasonably normal conditions, prices should be capable of being adjusted, in 1947, to a level not very different from their level in November 1946.

30 November 1946.

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35 times over pre-war). This noteworthy increase has probably resulted from a more unfavorable outlook and from the threat of inflation. The movement does not appear, however, to be gathering momentum.

369. The Italian economic situation, as a result of concomitant favorable circumstances, UNRRA assistance in 1946 and Italy's own efforts, is ready for recovery. and economic breakdown will have been definitely averted. Prices will, no doubt, increase further in the near future. Assuming reasonably normal conditions, prices should be capable of being adjusted, in 1947, to a level not very different from their level in November 1946.

30 November 1946.

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NOTE REGARDING THE NINTH SUPPLEMENT IN THE SURVEY OF ITALY'S ECONOMY IN 1946

Section 3 of the Economic Supplements on Labor, Prices, Cost of Living and Wages in Italy, will include part four — Cost of Living and Wages in Italy. The tenth and Eleventh (i.e. the final) Supplements in the 1946 Economic Survey Series will deal with Italy's Foreign Trade.

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"GREETINGS AND GOOD WISHES"

A Christmas Message from Mr. S. M. Keeny, Chief of the UNRRA Italian Mission

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

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ECONOMIC NOTES

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"GREETINGS AND GOOD WISHES"

A Christmas Message from Mr. S. M. Keeny, Chief of the UNRRA Italian Mission

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

S. M. Keeny

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THE WORK OF UNRRA IN 1946

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

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

90,000 Tons of Coal

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

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

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

January Prospects

Even in December, in spite of all the difficulties, Italy should receive 319,000 tons of

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

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

Programme Difficulties

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

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January Prospects

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

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

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

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

UNRRA Grain Supplies

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

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

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

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

For most of this year (since UNRRA coal to increase their output. In December, it is estimated. 100,000 tons will be mined in Sardinia.

Liquid Fuel

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

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

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

Cotton Goods for 20,000,000 People

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

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

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

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STATISTICAL SURVEY — OCTOBER, 1946

Description	Unit of Measurement	1945 Jan.	1945 June	1945 Sept.	1945 Oct.	1946 Jan.	1946 June	1946 Sept.	1946 Oct.
CURRENCY. PRICES									
Currency circulation	1938 = 100	1,590	1,815	1,788	1,805	1,837	1,932	2,111	2,136 (1)
Current accounts and deposits	»	—	367	402	424	519	631	675 (2)	—
Fine gold price (open market)	»	3,108	3,527	3,581	3,312	2,981	2,673	3,642	3,604
Dollar:									
Legal rates–Official	»	526	526	526	526	526	526	526	526
–Commercial	»	—	—	—		—	1,184	1,184	1,184
–Export	»	—	—	—	—	—	1,984	3,132	3,158
Black Market	»	1,758	1,532	1,752	1,779	2,011	1,926	2,616	2,647
Share prices (Milan)	»	733	673	508	607	455	574	786	748
Wholesale prices (Florence)	»	—	3,392	3,604	3,698	3,404	3,965	3,209	3,505
COST OF LIVING, WAGES, LABOUR									
Cost of living (Milan) Total	»	1,355	1,798	3,388	2,413	2,431	2,607	2,944	3,280
» » » Food	»	2,018	2,408	2,987	3,164	3,132	3,492	3,328	3,738
Wages in Milan:									
Unskilled workers	»	498	606	1,347	1,375	1,566	1,880	2,101	2,846
Skilled labour	»	423	498	1,033	1,051	1,182	1,410	1,579	2,134
Technical officials	»	298	324	588	588	762	898	974	1,324
Unemployed registered	Thousands	—	—	—	—	1,428	1,531	1,858	1,946
PRODUCTION									
Pig iron (3)	1938 = 100	—	—	—	—	5	32	46	28
Steel (3)	»	—	—	—	—	28	52	65	69
Rolled steel (3)	»	—	—	—	—	32	49	62	73
Cotton thread (3)	»	3	3	5	7	22	88	65	88
Artificial textile fibres	»	2	3	4	6	6	30	51	56
Mechanical - Fiat Co.	»	8	32	43	56	56	57	65	76
Chemical - Montecatini Co.	»	12	10	15	20	24	54	71	66
Electric power (4)	»	97	77	77	102	108	108	112	113
FOREIGN TRADE (5)									
Exports	Dols. ('000)	—	—	—	—	3,339	85,424	167,656	198,948 (8)
Imports (6)	» »	—	—	—	—	33,845	376,302	657,361	753,436 (8)
Wheat imports (6)	Tons ('000)	—	—	—	—	94	943	1,125	1,183
Coal imports (6)	» »	—	—	—	—	459	2,627	4,162	4,720
POL imports (UNRRA) (7)	» »	—	—	—		—	664	1,181	1,333
STATE RAILWAY TRAFFIC									
Passengers	Thousands	—	—	15,268	17,132	17,626	19,138	(9)	(9)
Goods	Tons ('000)	—	—	2,053	2,306	2,389	2,476	2,847 (8)	(9)

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

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

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

(6) Cumulative, including UNRRA. (Wheat crop 1945: 4,206,000 metric tons; 1946: 6,089,000 metric tons).

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

(8) Provisional. (9) Not available.

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

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STATISTICAL SURVEY FOR OCTOBER

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

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

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

Wages and Labour

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

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

In spite of smaller UNRRA coal imports in October due to the two maritime strikes in the United States, the full effects were not felt [illegible] the coal industrial production again level. The index of industrial production is believed to have improved in October.

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

Import Figures

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

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

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

NEW PRICE DECISIONS

New prices for UNRRA-imported petroleum products have been fixed by the Italian

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In spite of smaller UNRRA coal imports in October due to the two maritime strikes in the United States, the full effects were not felt in that month, and industrial production again showed an increase. According to calculations by the General Confederation of Industrialists, the general index of national industrial production (including textiles, mining, metals, building materials, chemicals and electric production) was in July 55.5 per cent. of the 1939

ports from 1 January to 31 October [illegible] amounted, by value, to slightly more than one-fourth of the imports. In volume, exports amounted to 763,613 metric tons. They increased steadily up to the end of August, when they were stated to be 32,887,000 dollars (£8,221,750 sterling), receded in September (25,469,000 dollars) and improved again in October to 31,292,000 dollars (£7,823,000 sterling). Provisional returns for October indicate that exports were higher than in any other month of the year, excluding August, which was an exceptionally good month. The main exports were textiles (artificial fibres, silk and cotton goods), fruit and wines.

Import Figures

The official Italian figure for imports from 1 January to 31 October, 1946, is 8,230,931 metric tons. UNRRA arrivals up to 31 October were 6,601,000 metric tons. It is known, however, that not all the UNRRA arrivals are included in the official Italian import figures, as UNRRA shipments are often recorded some time after they actually arrive.

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

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

NEW PRICE DECISIONS

New prices for UNRRA-imported petroleum products have been fixed by the Italian Government and the UNRRA Italian Mission, on recommendations approved by the Price Committee at its meeting on 30 November. Prices have also been approved for soap and several industrial raw materials imported in the UNRRA programme.

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

	New Price (Lire)	Old Price (Lire)	Percentage Increase
GASOLINE:			
(Per litre to consumer) . . .	35	27	29
DIESEL OIL:			
(Per litre to consumer) . . .	30	24	25
KEROSENE:			
(Per kilogram to consumer, ex retail selling point, including handling charges)	36.28	28.50	27
FUEL OIL:			
(Per kilogram, ex CIP coastal tanks, including handling charges)	8	8	(No change)

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

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

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

TOILET SOAP:

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

LAUNDRY SOAP:

to special classes (including hospitals) and as a special ration to normal consumers in urban areas.

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

XYLOL-NITRATION:

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

SOLVENT NAPHTHA (Aromatic):

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

WOOD ROSIN:

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

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

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

NOVEMBER IMPORTS

Supplies unloaded at Italian ports during November on UNRRA account totalled 514,172 tons, as against 512,724 tons received in October. The second maritime strike which held up shipping in United States ports from October 3 to October 27 seriously affected deliveries in November.

Coal accounted for 320,748 tons of the

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

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TOILET SOAP:

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

LAUNDRY SOAP:

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

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

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

SOLVENT NAPHTHA (Aromatic):

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

WOOD ROSIN:

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

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

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

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

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

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

Continued from Page 3

THE WORK OF UNRRA IN 1946

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

"These are some of the ways in which UNRRA has helped to restore Italy during the past year. The benefits of much of what has been brought in have still to be realized. I have spoken of the textiles that will not be spun or woven until next year. The same is true of many other commodities. The fertilizer and seed, for instance, which UNRRA has provided, are for *next season's* crops. The full effect of UNRRA's supplies is by no means immediate.

First Stage

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

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

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

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

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THE WORK OF UNRRA IN 1946

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

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"ECONOMIC SURVEY" SUPPLEMENT

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

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(6 - 14 DECEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Henry Dearborn	Savona	6 December	UNRRA	Wool	2,187
Facto	Genoa	» »	»	General	1,054
Mont Rolland	»	7 »	»	»	4,417
Bothnia	Naples	8 »	»	»	727
	Genoa	13 »			
Phaex II	»	8 »	»	Minerals	1,606
Samuel H. Walker	Savona	9 »	»	Wool	1,796
Apollo (1)	Taranto	» »	It. Government	Minerals	1,800
Finland	Genoa	12 »	UNRRA	General	235
Saint Cergue	»	» »	Swiss	Cereals	7,100
Exminster	Naples	14 »	UNRRA	General	2,370
Gudrun	»	» »	»	Minerals	548
				Total tonnage	23,240

NOTE: (1) Also discharged at Crotone

LATEST COAL SHIPMENTS

(7 - 14 DECEMBER INCLUSIVE)

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

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Phaex II	"	8 "	"	Minerals	1,006
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John W. Powell	Venice	10 "	United States	"	8,807
Edward J. Berwind	"	12 "	" "	"	9,315
Thomas Nelson	Civitavecchia	13 "	" "	"	9,009
Alexander W. Doniphan	Naples	14 "	" "	"	8,615
Flagstaff Victory	Bari	" "	" "	"	8,741
				Total Tonnage	101,608

NOTE: (1) Also discharged at Messina

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LABOR, PRICES, COST OF LIVING AND WAGES (Section 2)

PART THREE - WHOLESALE AND RETAIL PRICES IN ITALY (2)

(A) *MAIN PRICE CHANGES FROM 1922 TO 1946*

From 1922 to 1943.

194. In Table (graph) 21 the wholesale price trend and monetary circulation are compared. From 1922 to 1938 the general price curve runs close to the monetary circulation curve, and is sensitive to international economic events (in spite of the efforts made to disengage the Italian market from the outside world). The so-called monetary stabilization policy, on which the fascist government embarked in 1926, developed into a deflationary process when the 1929 world depression started. At this juncture the price curve falls substantially below the monetary level (see graph - Table 21). The fascist government endeavoured to disengage the Italian economy from dependence on the international market, and intervened more and more in the country's economic life. Controls were set on retail (3) and wholesale prices, on rates of exchange, on foreign trade, on foreign currencies, on credit, and on wages. Notwithstanding these regulatory measures the Government was forced to adjust the domestic market to the international situation. In October 1936 the lira was aligned to the dollar by setting a new gold parity. The price curve moved substantially upwards.

195. As this pre-war State intervention in the Italian economy became more marked, a black market of goods, gold and foreign currencies appeared. For this reason the index numbers (of the cost of living, of wholesale prices, of foreign exchange rates, etc.) based on official quotations became more and more distant from reality and lost their significance. When Italy entered the war (June 1940) steps were immediately taken for a general freezing of prices (blocco), services, wages and rents.

196. In this period it became more and more difficult to hold these fixed prices. The scarcity of raw material and of finished products (especially for civilian consumption), the increasing spread between the quantities of goods available and the currency in circulation, the urge to increase prices to stimulate production by every means, resulted in an increased difficulty of control. The difference between official prices (which remained below the inflation curve - see Table 21) and real prices on the black market (which move much above the curve) became wider and wider. The collection of data on black market prices was, however, practically impossible at this time.

197. Up to mid 1943 inflation was however kept within relatively modest limits. The index rose to 379 in December 1942 (1938=100) and to 463 in June 1943.

198. With the Allied landings in Italy and the ensuing political and military events, the price control system in Central and Southern Italy was shattered. To a growing inflation was added the break up of a national market into a large number of local, provincial and regional markets. This was facilitated, apart from war operations, by a serious destruction of land and sea transportation facilities and by scarcity of fuel, rubber, spare parts, etc. The black market, outside the few rationed food commodities (available irregularly and in insufficient quantities), ruled the whole economic activity in Central and Southern Italy. There were black market transactions in all available commodities, valuables, and foreign currencies and capital invest-

(2) See Note (1) page 11 for Price Terminology.

(3) Control of retail prices as part of the "campaign against rising prices" was begun in 1927 by the fascist party, through a central committee and a number of provincial organizations. The work was subjected to political coercion. In 1936 the fascist party was forced to admit the failure of its price control policy, which has been confined to the regulation of retail prices and not of distribution. Control was then extended to cover all marketing stages from the production to the consumption point. The task proved to be too vast for the organization created and in the following year (1937), the whole problem was referred to the corporative boards of the Ministry of Corporations which had, in the meantime been set up. Prices of a whole range of goods and services and wages were frozen as at 5 October 1938. These were to remain in force as a whole until 31 December 1940. Changes could be made in individual items after investigation. With the entry of

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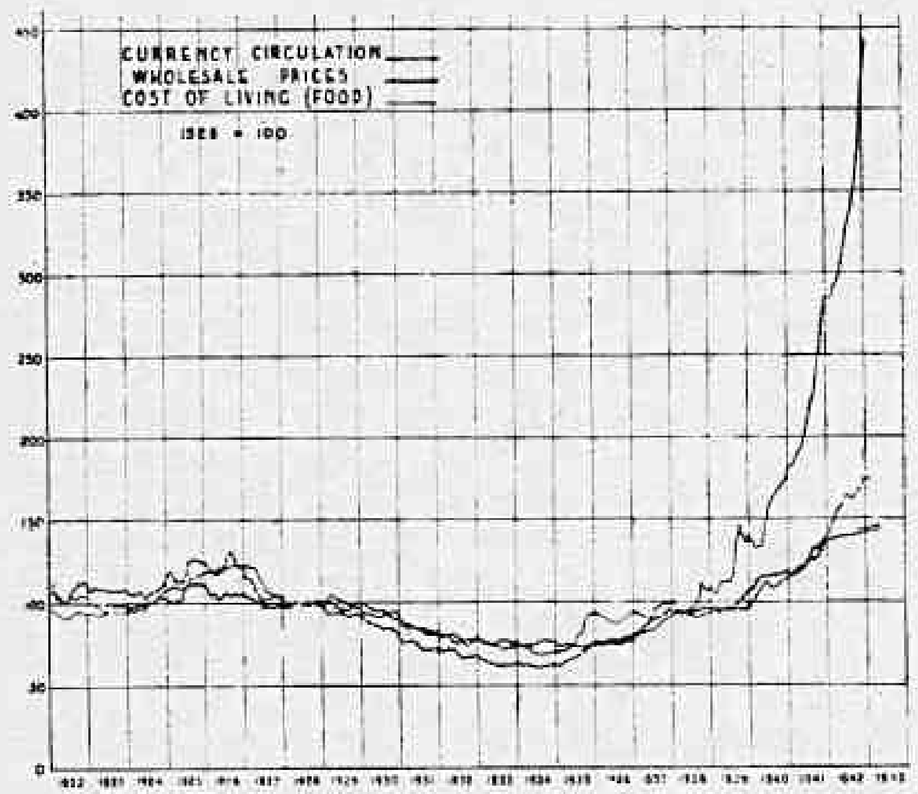
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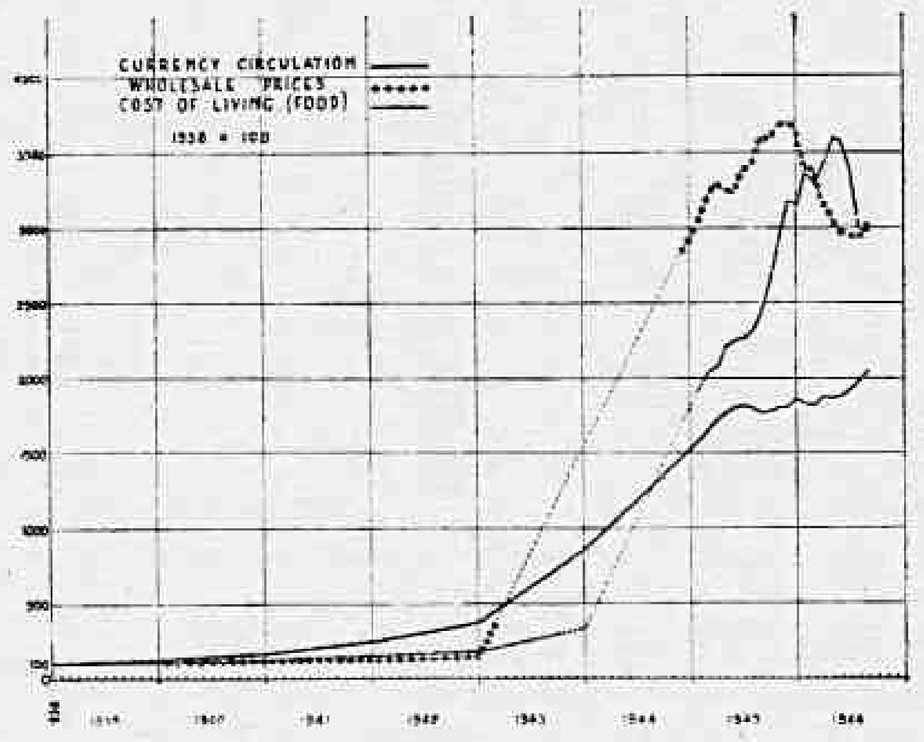
(1) *See Supplement to Vol. I No. 27 for Introduction to Survey of Italy's Economy and for Survey of Finance; No. 28 for Survey of Agriculture and Food in Italy; Nos. 30 and 31 for Survey of Italian Industry; No. 32 for Survey of Transportation and Communications; No. 34 for Survey of Health and Welfare in Italy, and No. 37 for Labor, Prices, Cost of Living and Wages in Italy (Section I). Part one Employment and Labor Problems, Part two Social Insurance and Security). The present Supplement is the eighth in the series.*

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TABLE 21

(a) Wholesale Price Trend (b)





Prices Below and Above the Gothic Line.

199. The investigations by the Allied Commission in August 1944 in Central and Southern Italy confirmed not only the numerous differences in prices from the Gothic Line to Sicily, but differences within one region or one province (Sources: Censuses and Surveys for the National Reconstruction - Allied Commission February 1945). The black market price for bread was 12 lire per kilogram in Perugia, 120 lire in Avellino and 150 lire in Frosinone; the olive oil price was 80 lire per kilogram in Brindisi, 500 lire in Rome and 600 lire in Viterbo and Rieti; the price of sugar was 140 lire in Brindisi, 400 in Rome and 420 in Naples.

Within the Lazio region, bread was priced at 20 lire in Rieti and 150 lire in Frosinone. In Sicily the price of bread varied from 12 lire in Agrigento to 114 lire in Messina. Within the Terni province, bread varied from 20 lire in Terni to 50 lire in the smaller towns. In the Frosinone province bread varied from 150 lire in Frosinone to 81 lire in small towns.

A pair of men's winter boots was sold for 4.500 lire in Trapani and 2.000 lire in Pescara. Gasoline was sold for 100 lire per liter in Trapani, 45 lire in Rome and 35 lire in Naples. Truck transportation cost was

201. Official prices in Northern Italy, fixed for a greater number of commodities, were kept much lower than in Central and Southern Italy. The official retail prices of rationed foods in Milan and Rome in October 1944, March and May 1945 were as follows:

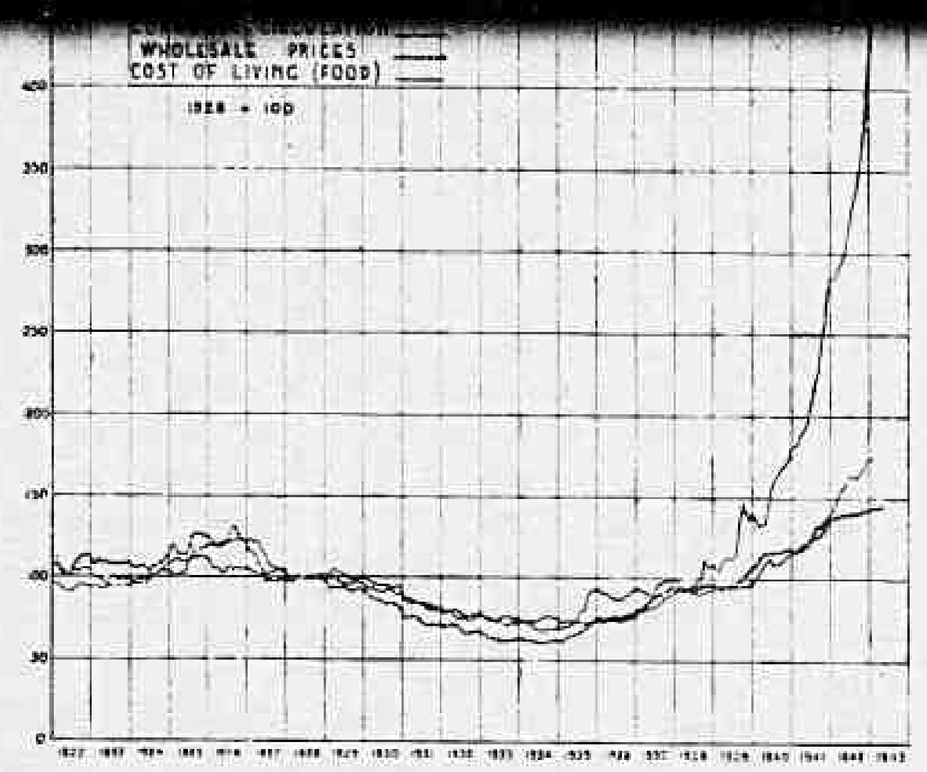
Official retail prices of rationed foods in lire per kilogram

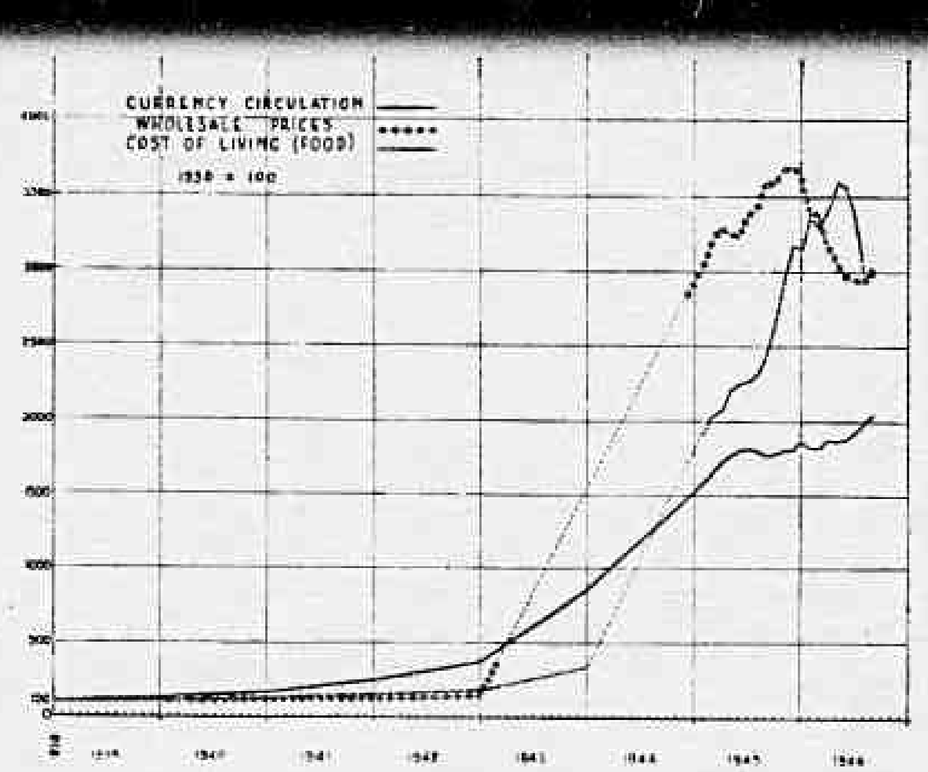
	October 1944		March 1945		May 1945	
	Milan	Rome	Milan	Rome	Milan	Rome
Bread (1) . .	2.60	5.—	5.—	18.—	5.—	18.—
Pasta (1) . .	3.80	7.—	3.80	22.50	3.80	22.50
Rice . . .	3.70	25.—	7.20	—	—	—
Sugar . . .	12.50	16.25	27.30	20.	27.30	—
Beef . . .	28.50	160.—	41.—	340.—	41.—	—
Potatoes . .	10.—	15.—	13.—	—	13.—	—
Dry Beans . .	6.—	39.—	6.—	95.—	6.	95.
Milk (per liter) .	4.—	7.—	6.—	30.—	6.—	30.—

(1) In Milan the subsidized (or «political») price of bread and pasta was retained, while in Central and Southern Italy it was modified in March 1945.

Note: Prices for olive oil not available.

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Prices Below and Above the Gothic Line.

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Within the Lazio region, bread was priced at 20 lire in Rieti and 150 lire in Frosinone. In Sicily the price of bread varied from 42 lire in Agrigento to 114 lire in Messina. Within the Terni province, bread varied from 20 lire in Terni to 50 lire in the smaller towns. In the Frosinone province bread varied from 150 lire in Frosinone to 81 lire in small towns.

A pair of men's winter boots was sold for 4.500 lire in Trapani and 2.000 lire in Pescara. Gasoline was sold for 100 lire per liter in Trapani, 45 lire in Rome and 35 lire in Naples. Truck transportation cost was 5.25 lire per quintal-kilometer in Rome and 11-13 lire in the towns of the Rome province, while in the small towns of the Lecce and Messina provinces it was higher than 14 lire.

200. Above the Gothic Line the machinery of price control and of commodity distribution remained reasonably efficient.

201. Official prices in Northern Italy, fixed for a greater number of commodities, were kept much lower than in Central and Southern Italy. The official retail prices of rationed foods in Milan and Rome in October 1944, March and May 1945 were as follows:

Official retail prices of rationed foods in lire per kilogram

	October 1944		March 1945		May 1945	
	Milan	Rome	Milan	Rome	Milan	Rome
Bread (1) . .	2.60	5.—	5.—	18.—	5.—	18.—
Pasta (1) . .	3.80	7.—	3.80	22.50	3.80	22.50
Rice . . .	3.70	25.—	7.20	—	—	—
Sugar . . .	12.50	16.25	27.30	20.	27.30	—
Beef . . .	28.50	160.—	41.—	340.—	41.—	—
Potatoes . .	10.—	15.—	13.—	—	13.—	—
Dry Beans . .	6.—	39.—	6.—	95.—	6.	95.
Milk (per liter) .	4.—	7.—	6.—	30.—	6.—	30.—

(1) In Milan the subsidized (or «political») price of bread and pasta was retained, while in Central and Southern Italy it was modified in March 1945.
Note: Prices for olive oil not available.

202. The differences in prices not set officially, became wider between North and South especially for locally produced goods (chiefly for finished products which are mainly manufactured in the North). The official price for soft wheat (for wheat delivered to the amassing points) was 350 lire per quintal in the North and 900 lire in the South. The price of superphosphates

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amounted to 3.40 lire (for one unit of $P_2 O_5$) in the North and 35 lire in the South. The price of ammonium sulphate was 138.20 per quintal in the North and 394.5 in the South. (See paras. 274 and 275 and Tables 38 and 39). In Northern Italy the price level (except for the special products found mainly in Central and Southern Italy) remained substantially lower than below the Gothic line.

203. As the fighting moved North and the end of the war approached, the same phenomenon of high regional black market price differences (although not so marked) occurred also in Northern Italy. The black market price of bread in March 1945 was 10 lire per kilogram in Modena, 18 in Novara, 35 in Turin, 45 in Milan. The price of olive oil was 450 lire per kilogram in Modena, 1.300 lire in Milan, 1,500 in Piacenza. The price of sugar varied from 350 lire in Padua and Piacenza to 550 lire in Milan to 1.000 lire in Vercelli, etc.

Prices after the Liberation of Italy.

204. When the whole of the national territory was liberated, it was intended at first to keep Northern Italy separated economically from the rest (and thus to keep the higher price region separate), but it was clear that this economic barrier could be maintained only for a few months. The lower prices—official and others—in the north moved rapidly upwards to the higher price level prevailing in Central and Southern Italy (see Tables 22 and 23 - graph).

205. Prices in Milan, substantially lower (except for olive oil) than in Rome, rose rapidly, so that after January 1944 the rise is substantially higher in Milan than in Rome (see Table 22, (B)). From July 1944 (immediately after the liberation of Rome) to March 1945 (one month before the liberation of Milan) prices in Rome were much higher than in Milan (except for olive oil), but the price difference diminished substantially after the liberation of Northern Italy (see Table 22, (C)).

206. From this time a disorderly adjustment process began, due largely to the delay in restoration of transport. The restoration of a national market was slow and unplanned. In this newly-forming national market, price control and commodity distribution mechanism generally needed overhauling. (Exception must be

207. Prices were affected in the meantime by increasing inflation, evidenced in the index figures of currency circulation (1,532 in December 1944—(1938 = 100)—1.815 in June 1945 and 1.871 in December 1945). Lack of confidence in the lira, grave uncertainty concerning the future, the difficult political situation of the Government, the fear that the large profits taken by manufacturers and tradesmen and by farmers (mostly hoarded in currency) might be absorbed by the Government (mainly by currency conversion), caused a rush to commodity or other more stable values. The effect was that prices rose rapidly up to the end of 1945.

208. The position at the end of 1945 was thus:

(a) Open market prices had increased over pre-war, varying in degree from product to product. All prices had increased much more than the increase in circulation.

(b) For the same product the prices were widely divergent between province and province and region and region.

(c) Official prices—set by two separate and independent central price organizations, one in Milan (having authority in the regions north of what was known as the "Gothic Line") and the other in Rome—above and below the Gothic Line, were markedly different, and adjustment was a slow process.

All these factors contributed to a confused situation and a slowing up in the improvement of price control measures. Contributing to this situation were also uncertainties of Government policy and the inefficiency of the central and local controlling agencies (official amassing prices for soft wheat were about six times as high as pre-war, for wool twelve times as high, hemp 14 times, olive oil and sugar beet 20 times, cocoons 32 times).

209. The existence of an official market side by side with an increasingly operating black market, added to the economic disorder. Some of the official prices were only nominal, since no transactions took place at the quoted prices: official prices of commodities, for which the official distributing agencies were responsible, were effective for large consumer transactions (e.g. railways and large industrial companies).

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in the South. (See paras. 274 and 275 and Tables 38 and 39). In Northern Italy the price level (except for the special products found mainly in Central and Southern Italy) remained substantially lower than below the Gothic line.

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206. From this time a disorderly adjustment process began, due largely to the delay in restoration of transport. The restoration of a national market was slow and unplanned. In this newly-forming national market, price control and commodity distribution mechanism generally needed overhauling. (Exception must be made as regards the early arrival of relief goods imported and efficiently distributed by the Allied armies). In the North, the organizations set up by the Committees of National Liberation had been retained by the Allies—and there the control of prices and distribution was better than in the Center and the South and black market transactions less prevalent.

1,815 in June 1945 and 1,871 in December 1945). Lack of confidence in the lira, grave uncertainty concerning the future, the difficult political situation of the Government, the fear that the large profits taken by manufacturers and tradesmen and by farmers (mostly hoarded in currency) might be absorbed by the Government (mainly by currency conversion), caused a rush to commodity or other more stable values. The effect was that prices rose rapidly up to the end of 1945.

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210. Rent and public utility charges (transportation, electric power and gas) were still determined by price control regulations and remained practically unchanged. These prices were thus not affected by the general upward movement.

211. Wages lost 60 to 70 % of their purchasing power.

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TABLE 22

Black market retail prices in Milan and in Rome

		1944			1945		
		January	July	December	March	July	December
A) RETAIL PRICES							
Bread (per kilogram)	Milan	20	20	25	45	45	60
	Rome	30	90	80	90	78	120
Pasta (per kilogram)	Milan	25	25	40	60	90	120
	Rome	60	180	183	165	116	155
Rice (per kilogram)	Milan	20	22	22	45	50	60
	Rome	80	250	—	300	165	144
Beef (per kilogram)	Milan	80	180	230	480	400	350
	Rome	152	352	420	700	362	550
Butter (per kilogram)	Milan	180	370	600	650	700	800
	Rome	375	718	825	875	780	938
Olive Oil (per liter)	Milan	400	600	900	1,300	700	700
	Rome	310	563	337	447	477	605
Eggs (each)	Milan	8	9	16	14.5	21	27
	Rome	13	40	34	27	23	30
Sugar (per kilogram)	Milan	80	130	400	550	550	1,000
	Rome	195	450	812	1,212	745	975
B) INDEX NUMBERS (January 1944 = 100)							
Bread	Milan	100.0	100.0	125.0	225.0	225.0	300.0
	Rome	100.0	300.0	266.7	300.0	260.0	400.0
Pasta	Milan	100.0	100.0	160.0	240.0	360.0	480.0
	Rome	100.0	316.7	305.0	275.0	193.3	258.3
Rice	Milan	100.0	110.0	110.0	225.0	250.0	300.0
	Rome	100.0	312.5	—	625.0	206.3	180.0
Beef	Milan	100.0	225.0	287.5	600.0	500.0	437.5
	Rome	100.0	231.6	276.3	460.5	238.2	361.8
Butter	Milan	100.0	205.6	333.3	361.1	388.9	444.4
	Rome	100.0	191.5	220.0	233.3	208.0	250.1
Olive Oil	Milan	100.0	150.0	225.0	325.0	175.0	175.0
	Rome	100.0	181.6	108.7	144.2	153.9	195.2
Eggs	Milan	100.0	112.5	200.0	181.3	262.5	337.5
	Rome	100.0	307.7	261.5	207.7	176.9	230.8
Sugar	Milan	100.0	162.5	500.0	687.5	687.5	1,250.0
	Rome	100.0	203.8	416.4	621.5	382.1	500.0
C) ROME PRICES (Milan prices = 100)							
Bread		150	450	320	200	173	200
Pasta		240	760	458	275	129	129
Rice		400	1,136	—	1,111	330	257
Beef		190	196	183	146	91	157

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		1944			1945		
		January	July	December	March	July	December
A) RETAIL PRICES							
Bread (per kilogram)	Milan	20	20	25	45	45	60
	Rome	30	90	80	80	78	120
Pasta (per kilogram)	Milan	25	25	40	60	90	120
	Rome	60	190	183	165	116	155
Rice (per kilogram)	Milan	20	22	92	45	50	60
	Rome	80	250	—	500	165	144
Beef (per kilogram)	Milan	80	180	230	480	400	350
	Rome	152	352	420	700	362	550
Butter (per kilogram)	Milan	180	370	600	650	700	899
	Rome	375	718	825	875	780	938
Olive Oil (per liter)	Milan	400	600	900	1,300	700	700
	Rome	310	562	337	447	477	605
Eggs (each)	Milan	8	9	16	11.5	21	27
	Rome	13	40	31	27	23	30
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	Rome	100.0	300.0	266.7	300.0	260.0	400.0
Pasta	Milan	100.0	100.0	160.0	240.0	360.0	480.0
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Rice	Milan	100.0	110.0	110.0	225.0	250.0	300.0
	Rome	100.0	312.5	—	625.0	206.3	180.0
Beef	Milan	100.0	225.0	287.5	600.0	500.0	437.5
	Rome	100.0	231.6	276.3	460.5	238.2	361.8
Butter	Milan	100.0	205.6	333.3	361.1	388.9	444.4
	Rome	100.0	191.5	220.0	233.3	208.0	250.1
Olive Oil	Milan	100.0	150.0	225.0	325.0	175.0	175.0
	Rome	100.0	181.6	108.7	144.2	153.9	195.2
Eggs	Milan	100.0	112.5	200.0	181.3	262.5	337.5
	Rome	100.0	307.7	261.5	207.7	176.9	230.8
Sugar	Milan	100.0	162.5	500.0	687.5	687.5	1,250.0
	Rome	100.0	203.8	416.4	621.5	382.1	500.0
C) ROME PRICES (Milan prices = 100)							
Bread		150	450	320	200	173	200
Pasta		240	760	458	275	129	129
Rice		400	1,136	—	1,111	330	257
Beef		190	196	183	146	91	157
Butter		208	194	138	135	111	117
Olive Oil		78	94	37	34	68	84
Eggs		163	444	213	186	110	111
Sugar		244	346	203	220	135	98

(See also Table 23 graph)

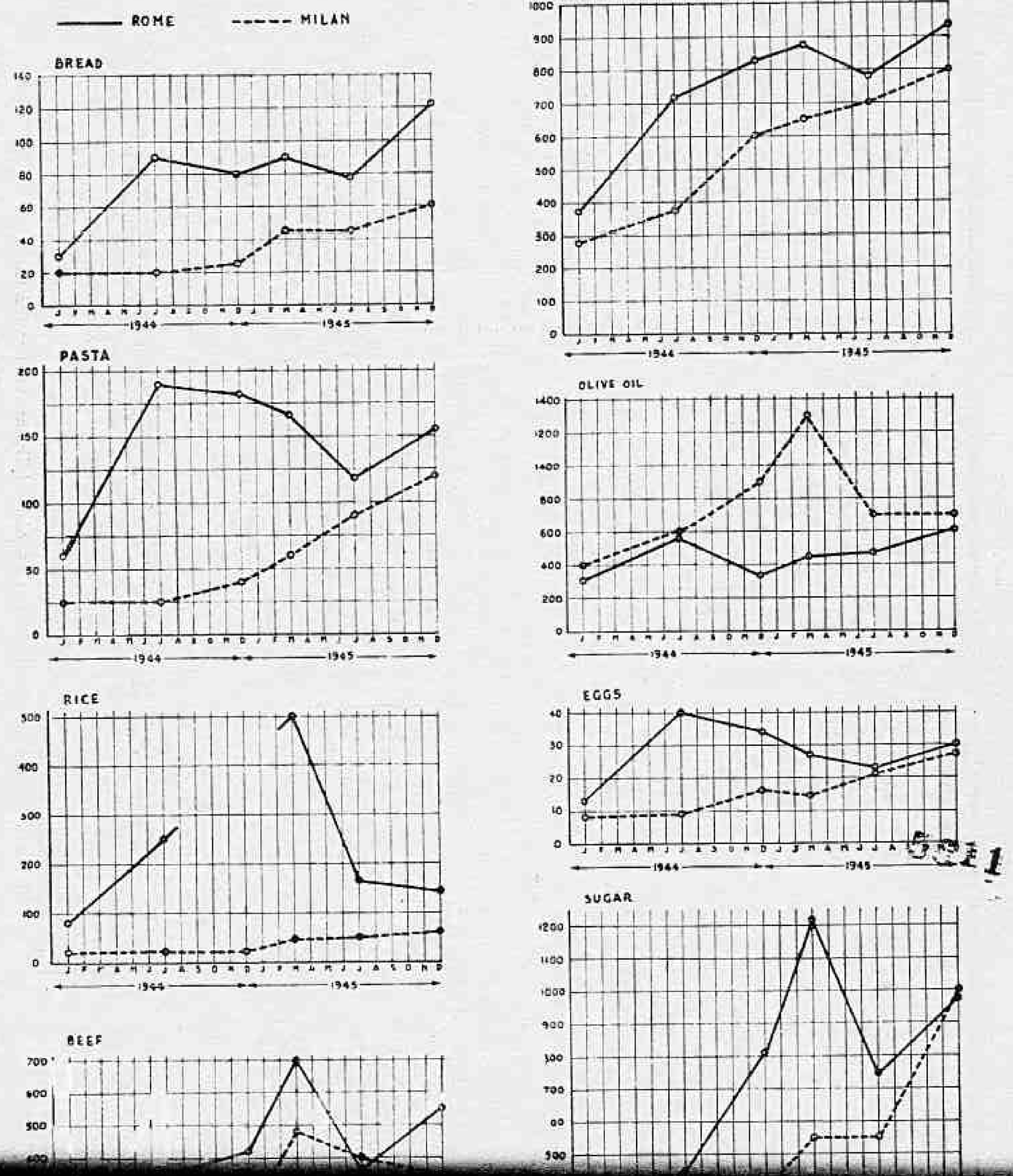
Source: Ministero per la Costituente (Reports of Economic Commission Part III Monetary Problems)

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TABLE 23

OPEN MARKET RETAIL PRICES IN LIRE IN ROME & MILAN IN 1944 - 1945



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Some Indices of Inflation in Italy: 1938 to 1946

(Index numbers: 1938=100)

End of Year or Month	Currency Circulation (1)	Public Debt		State Budget		Bank Deposits			Open Market Gold Prices (6)	Open Market Dollars Rates (7)	Open Market Wholesale Prices (8)	Retail Prices (9)	Cost of Food (10)	Cost of living (10)	Industrial Shares (11)	House Rents	Public Services			
		Total Consolidated & Floating (2)	Floating (2)	Revenue (3)	Expenditure (3)	Current Account & Deposits (4)	Time Deposits	Correspondents (5)									Railway Rates (12)	Post & Telegraph Fee	Gas Rates (12)	Electr. Power Rates (12)
1938	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1940	164	136	175	118	156	124	106	151	131		122		123		149	108				100
1942	379	250	374	150	397	200	151	285	542		153		174		213	110				103
1943: June	463	290	468	178	350	—	—	—	1,385				214		348	110				103
Dec.	869	292	489	—	—	213	169	232	2,116						425	110				103
1944: June	—	312	559	151	593	—	—	—	3,769						738	110				103
Dec.	1,532	350	746	—	—	294	203	375	2,327	1,321					904	110	240	—	—	238
1945: Jan.	1,590	—	—	—	—	—	—	—	3,108	1,758	3,017				733	110	—	—	—	238
Feb.	1,651	—	—	—	—	—	—	—	3,962	2,200	3,204	—	—		747	110	—	—	—	238
Mar.	1,719								4,154	2,158	3,303				736	110	480			308
Apr.	1,768	—	—						4,185	2,083	3,260				769	110	480			303
May	1,805	601	1,607						3,192	1,489	3,240				—	110	480			303
June	1,815	605	1,646	175	859	367	223	416	3,327	1,552	3,392				673	110	480			303
July	1,808	624	1,669			376	223	443	3,985	1,632	3,430	5,099	2,387		519	110	480			322
Aug.	1,770	618	1,590			383	214	426	3,663	1,563	3,607	5,176	2,579		518	110	480			322
Sept.	1,788	653	1,608			402	211	485	3,581	1,752	3,604	5,264	2,792		508	110	480			322
Oct.	1,805	660	1,626			424	218	515	3,312	1,779	3,698	5,485	2,901		607	110	480			322
Nov.	1,816	665	1,647			447	221	551	3,462	1,942	3,718	6,077	3,413		584	110	480			322
Dec.	1,871	670	1,661			478	229	618	3,165	2,026	3,666	6,235	3,288		517	110	480	400	649	322
1946: Jan.	1,837	682	1,714			519	238	583	2,981	2,011	3,404	5,983	3,557	—	445	110	480	400	649	319
Feb.	1,825	697	1,774			543	246	587	2,438	1,842	3,401	5,338	3,015	2,195	441	201	840	800	788	319
Mar.	1,861	706	1,803			569	255	605	2,169	1,660	3,184	5,119	3,247	2,308	345	201	840	800	788	384
Apr.	1,876	725	1,883			591	261	672	2,019	1,479	3,087	5,494	3,256	2,295	337	201	840	800	788	384
May	1,888	743	1,952			641	271	713	2,560	1,753	2,985	5,603	3,406	2,348	487	201	840	800	788	424
June	1,932	761	2,023	173*	1,319*	631	276	804	2,673	1,926	2,965	4,975	3,337	2,326	586	201	840	800	788	424
July	1,993	774	2,072	—	—	675	280	976	2,738	2,111	2,949	4,707	2,883	2,097	635	201	840	800	788	150
Aug.	2,042	—	—	—	—	—	—	—	3,251	2,495	3,016	4,384	2,566	1,929	781	201	840	800	788	450
Sept.	2,111	—	—	—	—	—	—	—	3,642	2,616	3,209	4,744	2,579	1,988	786	201	840	800	788	132

* Provisional.

(1) Bank-notes, State currency, Am-Lire.
(2) Consolidated, redeemable debt, State notes and floating debt (ordinary Treasury Bonds - Advances by Bank of Italy - Current account at interest: interest-b
account: a) Cassa Depositi e Prestiti, b) Institutes of Social Insurance administered by the "Cassa Depositi e Prestiti", c) Bank of Naples).
(3) Revenue and expenditure (excluding movement of capital) as of end of fiscal year (bilancio di competenza).
(4) Private saving deposits (bank and correspondent deposits excluded) with Banks and Saving Banks and Postal Saving Banks.
(5) Correspondent accounts of the main banks.
(6) Open market gold price in Rome (1938 basis = 26 lire per gram open market price).
(7) Open market dollar price in Rome (1938 basis: 19 lire per dollar).
(8) National official indices up to June 1943; open market price indices of the Centro Aziendale of Florence for 1945 and 1946.
(9) Retail prices in Rome.
(10) In Rome.
(11) Industrial share quotations (see also Table 28 and 29 (graphs) in Milan (as calculated by Edison Combine).
(12) For railway: fare indices for passenger and cargo transportation. Gas and electric power: prices of 1 cubic meter and of 1 kwh, respectively, in Rome.
(13) Wages and salaries in a large industrial company of Milan for a semi-skilled worker and for a clerical worker.

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Some Indices of Inflation in Italy 1938 to 1946

TABLE 24

(Index numbers: 1938=100)

Currency (Circulation) (1)	Public Debt		Reale Balances		Bank Deposits			Open Market Gold Prices (6)	Open Market Dollars Rates (7)	Open Market Wholesale Prices (8)	Retail Prices (9)	Cost of Food (10)	Cost of Living (10)	Industrial Shares (11)	House Rents	Public Services				Wages and salaries (13)	
	Total Consolidated & Floating (2)	Floating (3)	Savings (4)	Expenditures (5)	Current Accounts & Deposits (4)	Time Deposits	Correspondents (4)									Railway Rates (12)	Post & Telegraph Fee	Gas Rates (12)	Electr. Power Rates (12)	Manual Workers	Clerical Workers
100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
104	136	135	112	136	124	106	151	131		122		123		149	108					131	127
229	250	274	121	207	200	151	265	532		152		174		218	110					168	146
468	300	492	178	509	—	—	—	1,385				214		548	110					193	
992	392	689	—	—	218	169	282	2,115						425	110					193	212
—	349	559	121	593	—	—	—	2,269						388	110					193	
1,589	350	719	—	—	264	202	375	2,327	1,221					664	110	240	—	—	238	463	248
1,520	—	—	—	—	—	—	—	2,159	1,755	3,047				720	110	—	—	—	238	488	327
1,654	—	—	—	—	—	—	—	2,962	2,270	3,204	—	—		747	110	—	—	—	238	488	327
1,719	—	—						1,154	2,158	3,393				736	110	480			303	488	327
1,768	—	—						4,185	2,068	3,260				769	110	480			303	488	327
1,970	661	1,078						3,192	1,489	3,240				—	110	480			303	488	327
1,815	915	1,615	175	456	393	282	446	3,327	1,532	3,362				673	110	480			303	496	351
1,876	624	1,009			330	229	413	3,985	1,592	3,420	5,169	2,587		549	110	480			322	1,140	548
1,770	648	1,580			283	214	426	3,668	1,563	3,607	5,176	2,579		518	110	480			322	1,210	577
1,788	658	1,610			402	211	485	3,581	1,752	3,604	5,264	2,792		508	110	480			322	1,347	734
1,905	660	1,626			424	218	515	3,312	1,379	3,698	5,685	2,961		607	110	480			322	1,375	734
1,946	665	1,647			443	221	554	3,462	1,042	3,718	6,077	3,113		584	110	480			322	1,439	748
1,944	636	1,604			438	229	618	3,165	2,766	3,666	6,235	3,288		517	110	480	100	649	322	1,505	810
1,937	682	1,714			549	238	593	2,981	2,011	3,491	5,983	3,557		445	110	480	400	649	349	1,566	831
1,925	697	1,774			548	246	597	2,438	1,812	3,491	5,938	3,915	2,165	441	201	840	800	788	349	1,566	831
1,861	708	1,758			509	255	605	2,169	1,690	3,184	5,149	3,247	2,268	345	201	840	800	788	384	1,566	831
1,870	725	1,793			501	264	672	2,019	1,479	3,087	5,494	3,256	2,295	337	201	840	800	788	384	1,663	949
1,886	716	1,762			611	271	713	2,500	1,753	2,985	5,663	3,406	2,318	487	201	840	800	788	424	1,869	1,040
1,872	761	2,023	433*	1,349*	634	298	804	2,673	1,926	2,965	4,975	3,337	2,326	586	201	840	800	788	424	1,880	1,047
1,963	774	2,092	—	—	675	280	976	2,738	2,111	2,949	4,707	2,883	2,097	635	201	840	800	788	450	1,907	1,056
2,042	—	—	—	—	—	—	—	3,251	2,495	3,046	4,384	2,566	1,929	781	201	840	800	788	450	2,011	1,091
2,111	—	—	—	—	—	—	—	3,642	2,616	3,269	4,711	2,579	1,988	786	201	840	800	788	432	—	—

(1) Note currency, Ante Lire.
(2) Consolidated debt, State notes and floating debt (ordinary Treasury Bonds - Advances by Bank of Italy - Current account at interest; interest-bearing current accounts of the main banks.
(3) Treasury Bonds.
(4) Deposits (Bank and correspondent deposits excluded) with Banks and Saving Banks and Postal Saving Banks, a) Cassa Depositi e Prestiti, b) Institutes of Social Insurance administered by the "Cassa Depositi e Prestiti", c) Bank of Naples).
(5) Expenditure (excluding movement of capital) as of end of fiscal year (bilancio di competenza).
(6) Gold price in Rome (1939 basis = 20 lire per gram open market price).
(7) Dollar price in Rome (1939 basis: 19 lire per dollar).
(8) Rome; indices up to June 1943, open market price indices of the Centro Aziendale of Florence for 1945 and 1946.
(9) Rome.
(10) Quotations (see also Table 28 and 29 (graphs) in Milan (as calculated by Edison Combine).
(12) Price indices for passengers and cargo transportation, Gas and electric power; prices of 1 cubic meter and of 1 kwh, respectively, in Rome.
(13) Rates in a large industrial company of Milan for a semi-skilled worker and for a clerical worker.

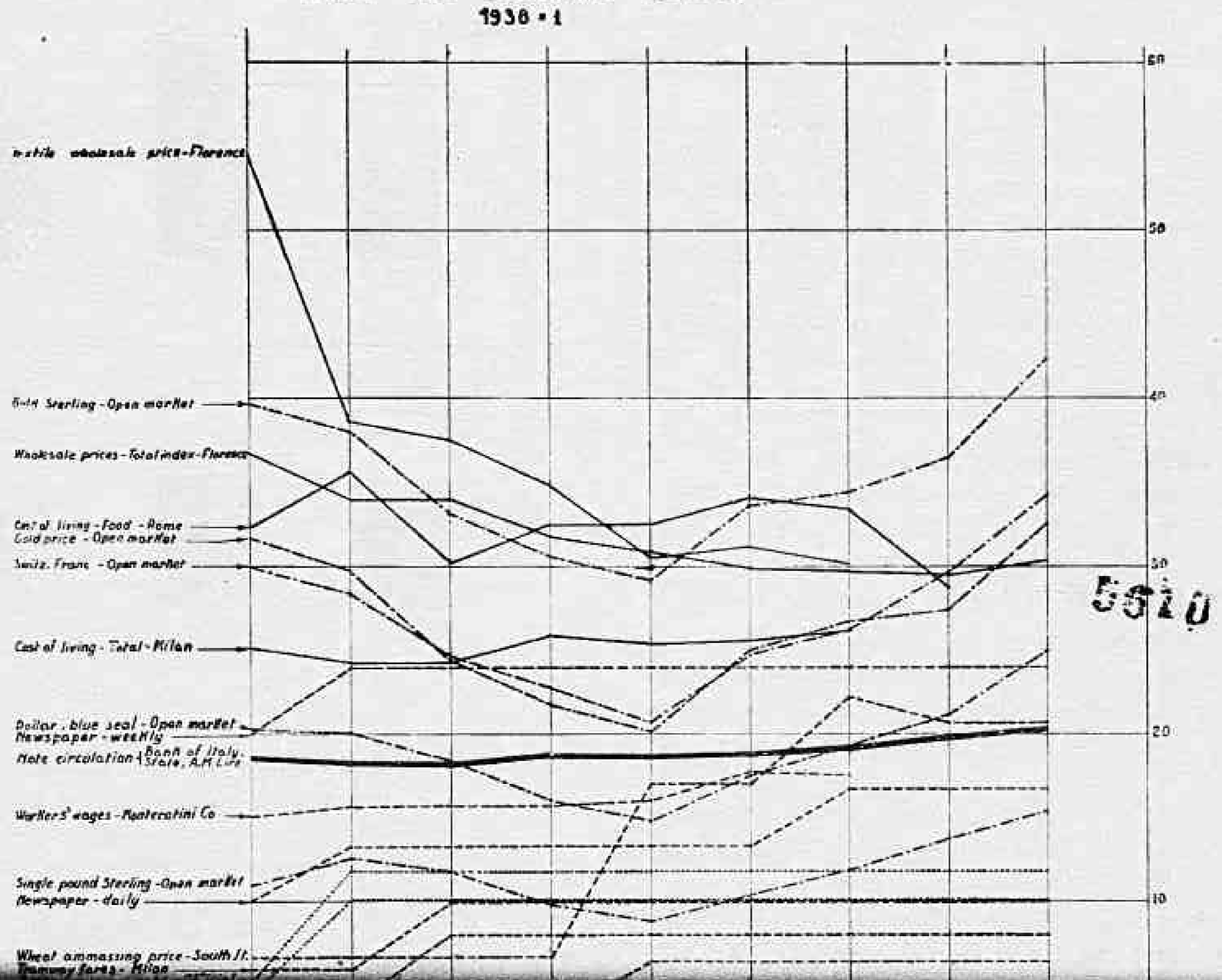
Price Movements in 1946.

212. In 1946, with the carrying into effect of the UNRRA importation plan, the gradual improvement of transportation facilities, the astute anti-inflationary monetary policy and the postponement of currency conversion, a movement towards some stability began. This resulted in a marked flattening out of the high points of the black market prices. Tables 24 and 25 (graph) show that in the first half of 1946 the price trend moves towards the monetary circulation level.

213. The price adjustment process caused a reduction of the high price differences existing from region to region in the same commodities. This is illustrated in Tables 26 and 27 (graph) showing the retail prices on the open market of bread, pasta, and dry beans in Milan, Rome, Naples, in 1938, 1945 and 1946. Much progress was thus made in 1946 along the road towards the unification of the national market. But much ground has yet to be covered before the pre-war situation of uniform prices is reached.

TABLE 25

PRICE AND MONETARY INDICES



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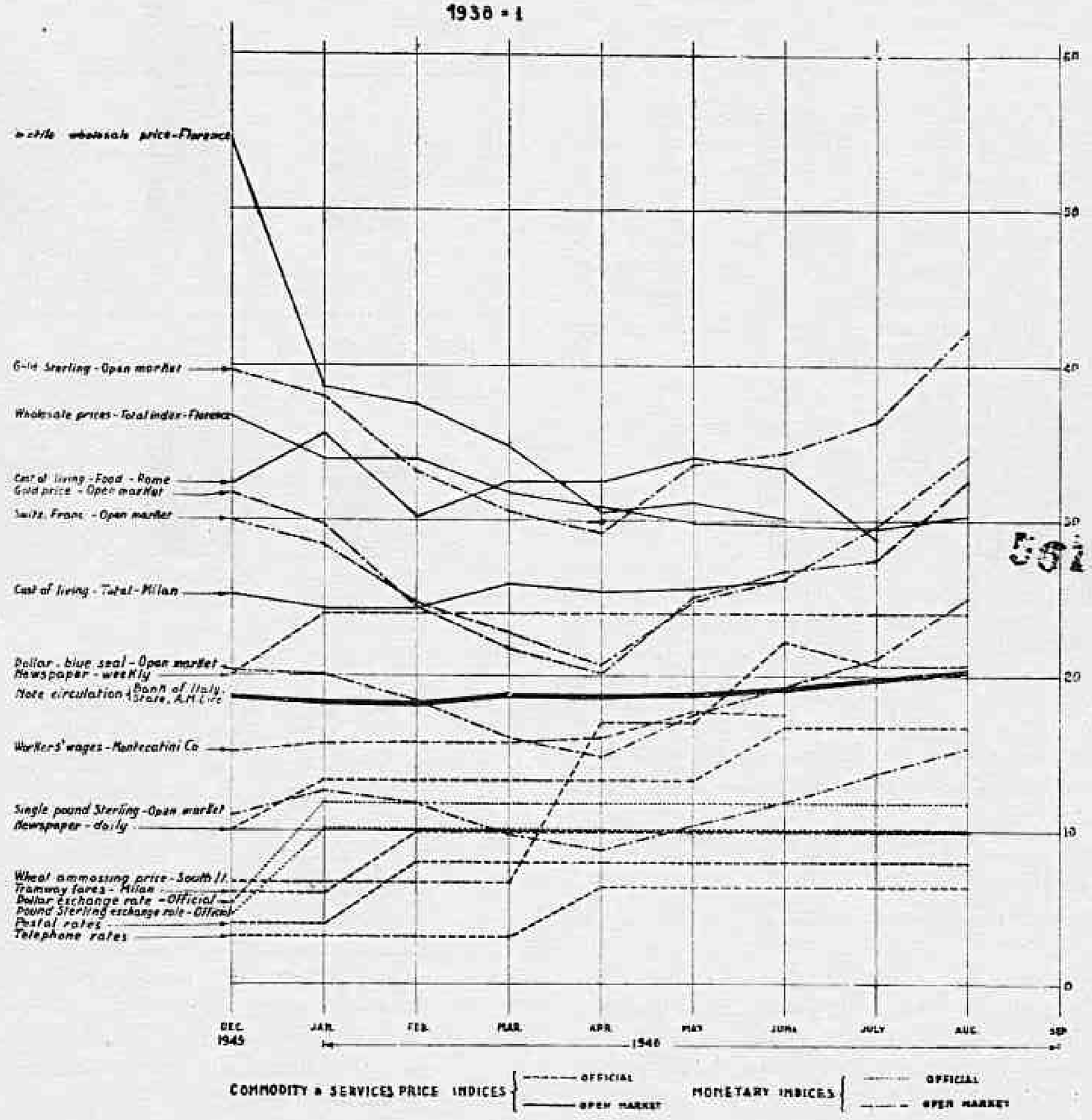
Declassified E.O. 12356 Section 3.3/NND No. 765015

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Milan, Rome, Naples, in 1938, 1945 and 1946. Much progress was thus made in 1946 along the road towards the unification of the national market. But much ground has yet to be covered before the pre-war situation of uniform prices is reached.

TABLE 25

PRICE AND MONETARY INDICES
1938 = 1



5510

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TABLE 26

Regional differences in Free Market retail prices

(Prices in Milan = 100)

Date	Milan		Rome		Naples	
	Lire per kg.	Index Num.	Lire per kg.	Index Num.	Lire per kg.	Index Num.
Bread						
1938	2.27	100	2.20	97	1.77	78
1945, Sept.	48.00	100	100.00	208	109.00	227
1946, June	81.00	100	127.00	157	112.00	138
1946, August	81.00	100	57.00	70	87.00	107
Pasta						
1938	2.91	100	2.53	87	2.75	95
1945, Sept.	75.00	100	177.00	236	217.00	289
1946, June	134.00	100	216.00	161	254.00	190
1946, August	144.00	100	177.00	123	203.00	141
Dry beans						
1938	2.01	100	2.33	116	2.03	101
1945, Sept.	103.00	100	160.00	155	171.00	166
1946, June	151.00	100	170.00	113	212.00	140
1946, August	141.00	100	160,00	113	139.00	99

(See also Table 27 graph)

214. In this first check to the long upward price rush, official prices, particularly public utility charges (transportation, communications, gas, etc.), were gradually increased and the wide margin between these prices and the economic level reduced. This price adjustment—begun by UNRRA through the working out in conjunction with the Government of an objective price policy (see para. 291)—appeared to have been the starting point towards a more normal economic and financial situation.

215. Political, monetary and economic causes, internal and external, after July 1946 tended, however, to reverse this trend.

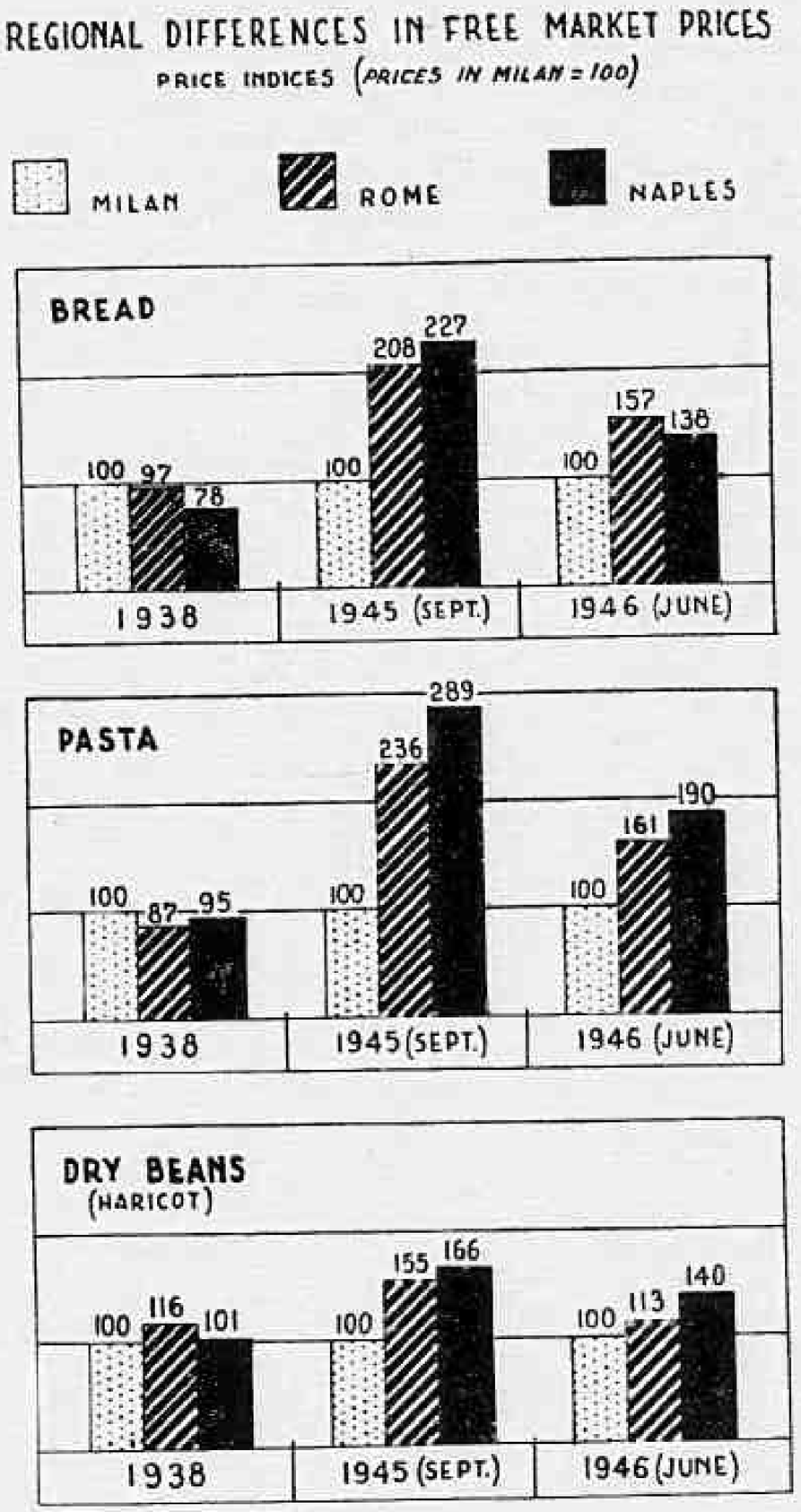
Summary of Main Price Changes.

216. Disturbed monetary, financial and economic structure, price disequilibrium and distortion from pre-war in inter-price relationship, are shown, in broad lines, in Tables 24, 28 (graph), 29 (graph) and 30 (graph).

217. The following is a summary of the main considerations prompted by the examination of these data (up to June 1946):

(a) *Monetary and financial system* (which largely af-

TABLE 27



(ii) bank deposits have increased only 6 to 8 times: this mainly results from: (a) the considerable decrease in the flow of savings from workers and fixed income categories (real wages and salaries have fallen, on the average, to about 50 % of 1938); (b) hoarding of the lira has been a noteworthy development, especially by

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Date	Lire per kg.	Index Num.	Lire per kg.	Index Num.	Lire per kg.	Index Num.
Bread						
1938	2.27	100	2.20	97	1.77	78
1945, Sept.	48.00	100	100.00	208	109.00	227
1946, June	81.00	100	127.00	157	112.00	138
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(See also Table 27 graph)

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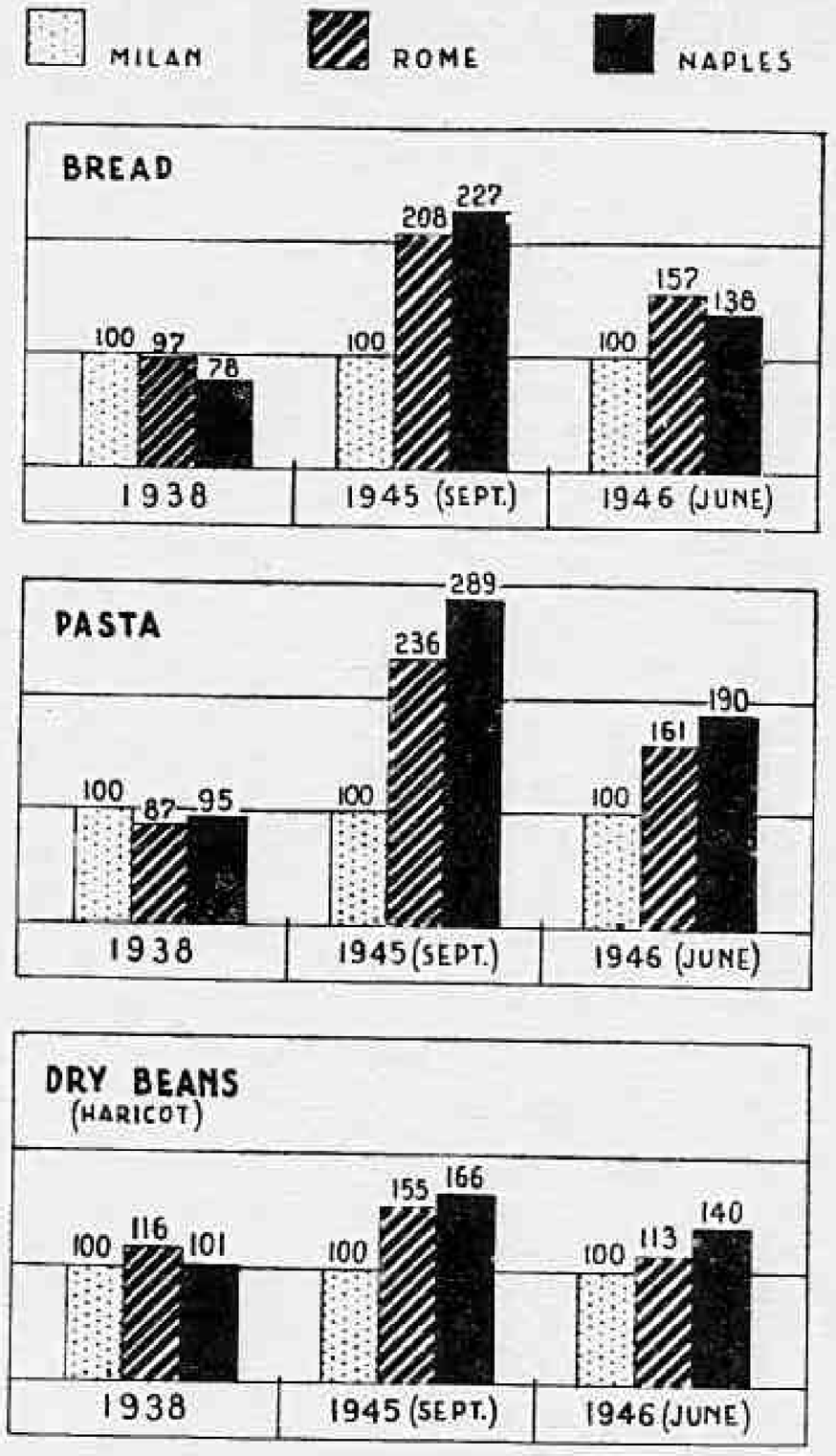
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(a) *Monetary and financial system* (which largely affects price movements):

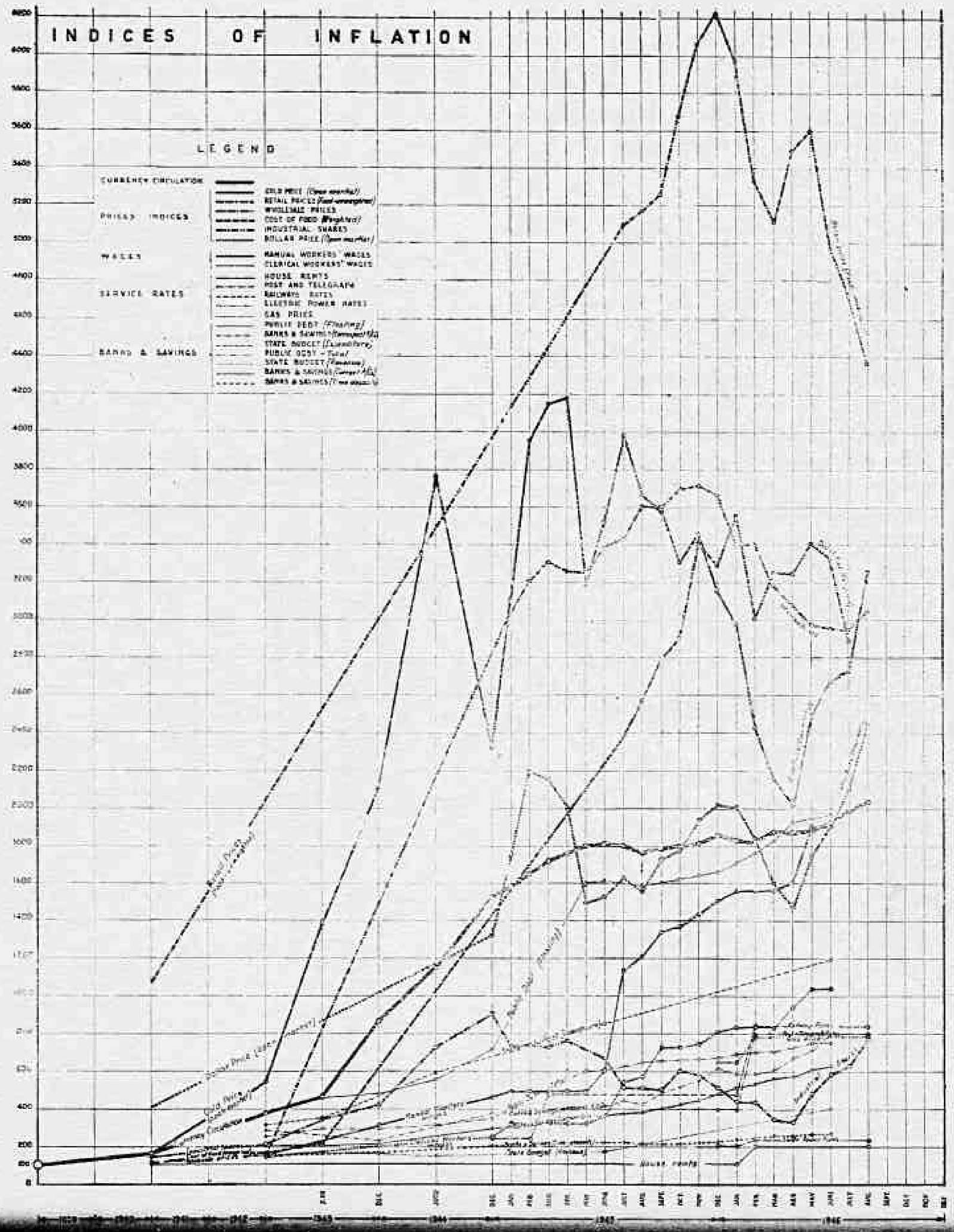
(i) while the monetary circulation in Italy has increased 19.3 times since 1938, ordinary State revenue has increased only five times and expenditure about 13 times (thus causing a heavy financial deficit); public debt has increased 7.5 times (the floating debt alone has increased about 20 times).



(ii) bank deposits have increased only 6 to 8 times: this mainly results from: (a) the considerable decrease in the flow of savings from workers and fixed income categories (real wages and salaries have fallen, on the average, to about 50 % of 1938); (b) hoarding of the lira has been a noteworthy development, especially by farmers; (c) many transactions (especially black market transactions) have taken place outside the banks; (d) the disparity between the level of the currency circulation and the price level makes it necessary to use, for the same volume of transactions, a proportionately greater amount of currency;

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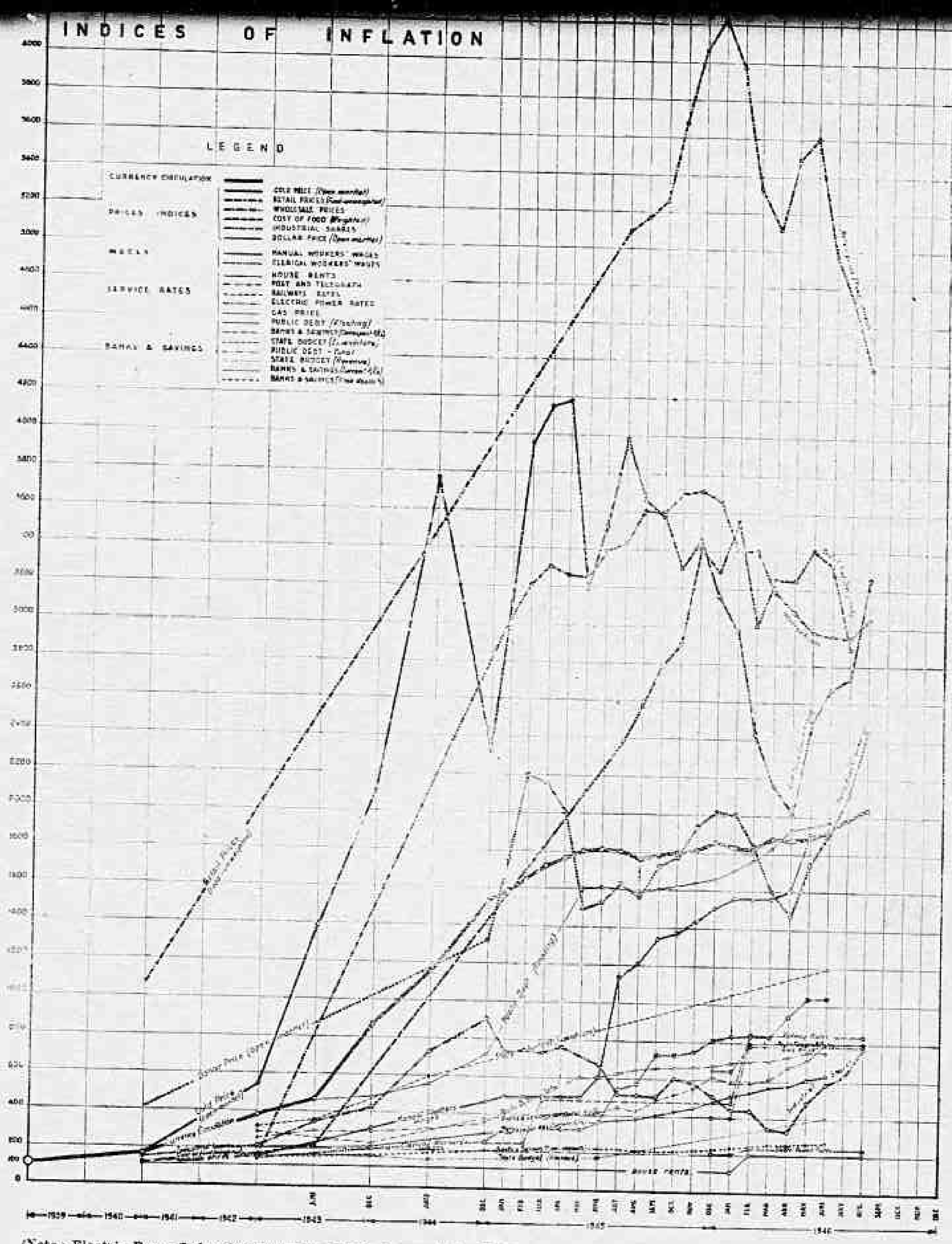
TABLE 28



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0291

INDICES OF INFLATION



(Note: Electric Power Index Revised since Graph Prepared See Table 24)

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(iii) prices of gold and of foreign currencies have remained at a higher level than the currency circulation; the variations in these prices reflect, in a certain degree, the greater or lesser confidence in the lira, although these prices are influenced also by merely speculative activities or by commercial considerations which involve the holding of foreign currencies (e.g. for imports received without disbursement of foreign currencies - franco valuta).

(b) *Prices*:

(i) retail price indices (1938=1) show in June 1946 the highest increase (about 50 times). This can be explained by (a) the scarcity of food (in 1945 crop production was at the lowest point) and the low level of official rations, against which should be set, on the one hand, a high daily demand by an undernourished population and, on the other, a less effective price and consumption control; (b) higher road transportation costs (as a result of the exploitation by truck owners of the risk involved e.g., in carrying food illegally);

(ii) wholesale prices increased to June 1946 about 30 times. The slower rise of wholesale prices as compared with the rise in the retail price index can be explained by the greater elasticity of the demand for industrial products;

(iii) cost of living (food only) increased to June 1946 33 times, which is less than the rise in open market retail prices. Of Italy's food consumption more than one-half is made up of official food rations (i.e., bread, pasta, fats, sugar), sold at official prices (in the case of bread subsidized prices), which have increased much less than open market prices. Total cost of living (including food, clothing, heat, light and miscellaneous items) shows in June 1946 a lesser increase (23 times) because family expenditures for non-food items (and in particular for rent) have increased less than those for food.

In July and August 1946 the increased official rations (bread, pasta and sugar) have resulted in a reduction of expenditure on black market

are for houses occupied by the same tenants since 1940. For leases, there is a very effective black market, particularly in large cities, where a severe housing shortage exists.

TABLE 29

INDICES OF INFLATION
IN AUGUST 1946 (1938 = 100)

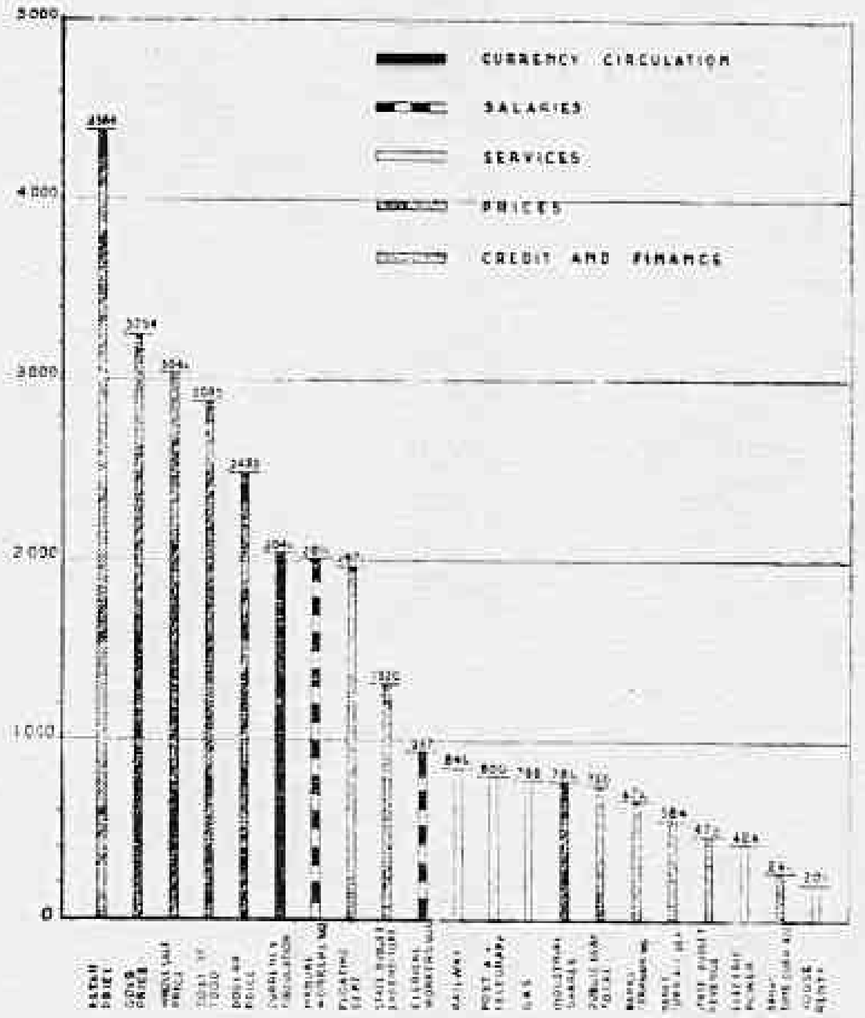


TABLE 30

SHARE PRICE INDICES IN THE MILAN STOCK EXCHANGE
DECEMBER 1938 = 100



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(b) *Prices*:

(i) retail price indices (1938 = 1) show in June 1946 the highest increase (about 50 times). This can be explained by (a) the scarcity of food (in 1945 crop production was at the lowest point) and the low level of official rations, against which should be set, on the one hand, a high daily demand by an undernourished population and, on the other, a less effective price and consumption control; (b) higher road transportation costs (as a result of the exploitation by truck owners of the risk involved e.g., in carrying food illegally);

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In July and August 1946 the increased official rations (bread, pasta and sugar) have resulted in a reduction of expenditure on black market purchases made at high prices. This explains the substantial fall in the cost of living index in those two months;

(iv) rents and services charges, easily controllable, show a smaller increase: rents twice, electric power 2.4, gas 7.9, transportation fares 8.1 times those in 1938. The index numbers for rents

TABLE 29

INDICES OF INFLATION
IN AUGUST 1946 (1938 = 100)

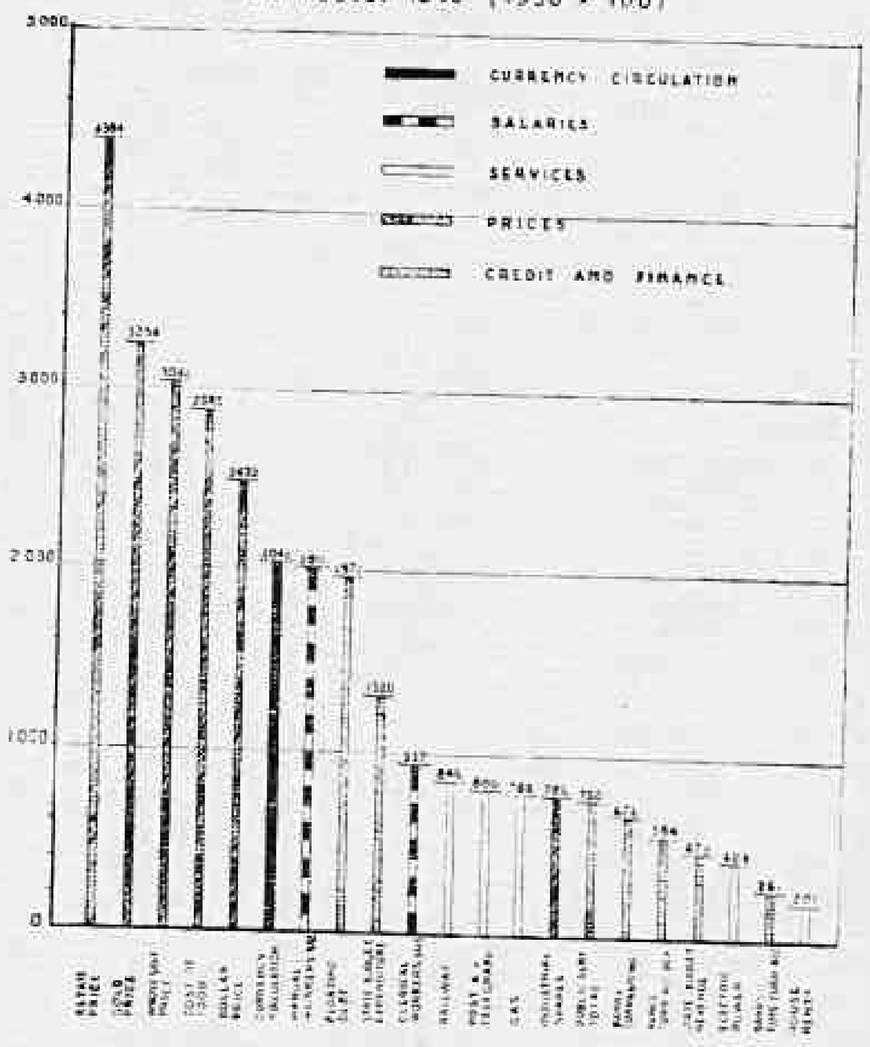
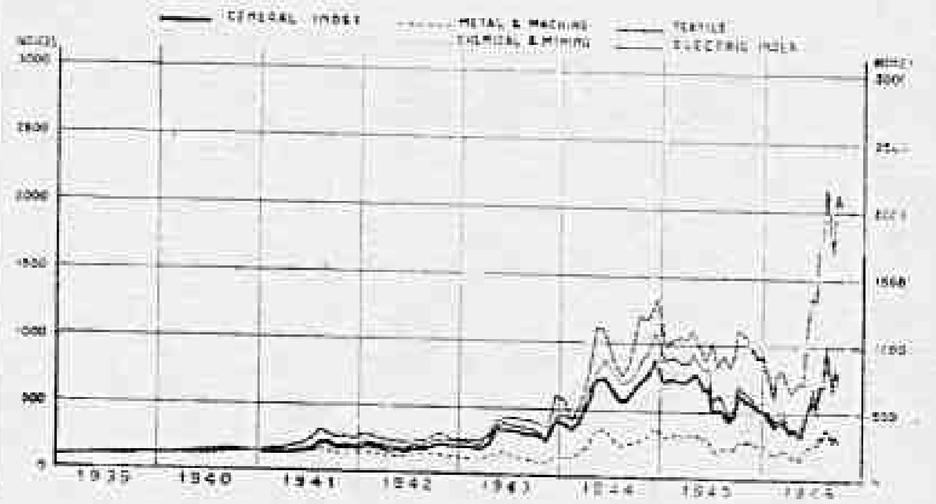


TABLE 30

SHARE PRICE INDICES IN THE MILAN STOCK EXCHANGE
DECEMBER 1938 = 100



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PRICE POLICY (1)

Determination and Control of Official Wholesale Prices.

218. The problem of the establishment and control of prices is in the foreground of the program of the Government and related to this problem is the fixing of prices by UNRRA in conjunction with the Government for the important quantities of foodstuffs, raw materials and goods brought to Italy by UNRRA in 1946. The history of price control in Italy is of interest as showing the results at the time, having regard to the current economic and political circumstances, and as providing a record of experience for future guidance. Price control has been accepted, in war-time or in times of economic instability, by all advanced countries and especially when potential or actual inflation threatens to disturb the national economy and social equilibrium. In such periods price control policy has the following aims:

(a) to deal equitably as between different income categories in the consumption of essential needs;

(b) to keep down prices to a low level, to avoid sharp rises in the cost of living and wages (2).

(c) to check inflation (in a time of scarcity of goods, this means preventing supply and demand having their effect on prices).

219. Price policy will be one of the Government's principal tasks until the economies of the various countries and international economic relations have returned to something like normal. In countries with a "directed" or "planned" economy, such a policy of control is a permanent instrument of Governmental action even in normal times.

(1) Throughout this survey, to avoid misinterpretation the following terminology has been consistently applied:

(a) *Official Prices*
Prices fixed and controlled by Government agencies (both when these agencies distribute or control the distribution of the goods involved, and when the agencies establish ceiling prices).

(b) *Black Market Prices*
Prices operating in violation of official prices.

(c) *Open Market Prices*
Prices for commodities for which there is no official price and distribution control as in (a)

(d) *Legal Prices*: These include both official and open market prices.

(e) *Free Prices*: These include black market prices and open market prices.

(2) "The control of consumption is a necessary condition . . . also of the enforcement of price control, some form or degree of

(i) *Establishing of Prices during the War.*

220. During the war, as a result of recurrent changes in cost of production owing to the inflation, to shortages in a number of products, and to economic and financial conditions arising from the war, it became necessary in Italy to vary more and more frequently, the official wholesale prices, which had been frozen in 1940 (see para. 195). Any departure from the frozen prices (limited at the outset to a small number of products) made changes necessary in many other prices. Since the rise of prices continued to be affected by monetary and economic influences, more and more official prices were set. Thus the interests concerned concluded that official prices should be subject to frequent revision. They were also aware that there was (and is at present) a considerable time-lag in the adjustments of official prices to actual cost variations.

221. There was thus an increasing incentive to multiply the number of transactions made at prices (i.e., black market prices) higher than those set officially and to engage in fraudulent transactions which the Departments were ill-equipped to check or stop.

222. During the war the establishment of official prices at the producer stage was the task of the Ministries concerned (Agriculture, Corporations, War Ministries, and the Ministry of Finance and their agencies). Their action was based on:

(a) official surveys of actual costs of production and of raw material processing (for a limited number of commodities);

(b) studies of variations, occurring from time to time, in the main elements of cost (raw materials, labor, transportation).

No account was taken of the increase in black market prices which was due to the natural play of demand and supply. In 1942 an Interministerial Committee on the coordination of supplies, distribution and prices was set up and entrusted with the task of framing broadly a general policy on prices, and a system of procurement and distribution of commodities. The Committee also had the task of reducing to a minimum disequilibria and maladjustments arising from a multiplicity of military and civilian agencies, all charged with the establishment of official prices.

223. The prices established by central agencies were,

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218. The problem of the establishment and control of prices is in the foreground of the program of the Government and related to this problem is the fixing of prices by UNRRA in conjunction with the Government for the important quantities of foodstuffs, raw materials and goods brought to Italy by UNRRA in 1946. The history of price control in Italy is of interest as showing the results at the time, having regard to the current economic and political circumstances, and as providing a record of experience for future guidance. Price control has been accepted, in war-time or in times of economic instability, by all advanced countries and especially when potential or actual inflation threatens to disturb the national economy and social equilibrium. In such periods price control policy has the following aims:

(a) to deal equitably as between different income categories in the consumption of essential needs;

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219. Price policy will be one of the Government's principal tasks until the economies of the various countries and international economic relations have returned to something like normal. In countries with a "directed" or "planned" economy, such a policy of control is a permanent instrument of Governmental action even in normal times.

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(1) Throughout this survey, to avoid misinterpretation the following terminology has been consistently applied:

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(d) *Legal Prices*: These include both official and open market prices.

(e) *Free Prices*: These include black market prices and open market prices.

(2) "The control of consumption is a necessary condition . . . also of the enforcement of price control, some form or degree of which all belligerent governments have in fact introduced for the purpose of checking or preventing rises in the cost of production and the cost of living. No price controls can withstand, unaided, the pressure of an increasing demand on dwindling supplies. Such controls, indeed, by holding prices at an artificially low level, tend to stimulate demand; the stricter the price control, therefore, the more rigorous must be the restrictions on demand." ("Wartime rationing and consumption," Economic Intelligence Service, League of Nations, Geneva, 1942.)

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(a) official surveys of actual costs of production and of raw material processing (for a limited number of commodities);

(b) studies of variations, occurring from time to time, in the main elements of cost (raw materials, labor, transportation).

No account was taken of the increase in black market prices which was due to the natural play of demand and supply. In 1942 an Interministerial Committee on the coordination of supplies, distribution and prices was set up and entrusted with the task of framing broadly a general policy on prices, and a system of procurement and distribution of commodities. The Committee also had the task of reducing to a minimum disequilibria and maladjustments arising from a multiplicity of military and civilian agencies, all charged with the establishment of official prices.

223. The prices established by central agencies were, usually, either national prices applying to the whole national territory, or prices effective over large zones. Local and provincial prices were set by a percentage addition to the regional or national price. To avoid the creation of a multiplicity of local prices, especially for important foodstuffs, which would have made control

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difficult the State, in 1942 and in 1943, went so far as to lay down in detail conditions of sale. In some cases, the same price of goods was established for all provinces or for groups of provinces within a wide area (as was done, for example, for flour, pasta and bread).

(ii) *State Control of Distribution up to 1943.*

224. In periods of economic emergency, however, the policy of establishing prices (and of ensuring maximum observance and application) for essential products, involves a parallel control of distribution, which can only be carried out by the State or by Government-controlled agencies. This involves the regulation and control of distribution from raw material to finished product through the chain of production and distribution (1).

225. These measures were taken in Italy before the war and the control was strengthened during the war. State intervention was in some cases extended to include the disciplining of production (e.g., standardization and unification in textile production, utility standard products, amalgamation of industrial companies etc.) (2).

226. To exercise control over distribution the State usually decreed that all agricultural and industrial stocks and imported supplies in the hands of producers or distributors, should be held at the disposal of the State (or of the appropriate agencies), and their sale considered unlawful except when permitted under Ministerial order (3).

227. For the distribution of *domestically produced goods* (internally and, sometimes, goods allocated for export) two systems were in force; i.e.:

(a) In the collection (*amassing*) of wheat and cereals, olives, oil, cattle (4), cocoons, metallic ore etc. the producer had to transport and deliver his products to the State amassing warehouses (or to warehouses of agencies especially appointed by the State). The products were then allocated, at the established prices, to the processing or consuming industries, according to Ministerial order or the order of the appointed agencies.

(b) Commodities in the hands of producers or distributors were blocked and made subject to a declaration of quality and quantity. The blocked goods were then released under an "allocation" (assegnazioni) order by the Government or appropriate agencies and were free for sale at the set price.

The amassing system applied mainly to agricultural produce, while the "block" and the allocation systems applied to industrial products and to some agricultural raw materials.

228. The State-controlled allocation system governed all main *commodities imported from abroad* (the State having a monopoly of foreign trade and control of currencies). For the import trade and even the export trade before the war some special "central agencies" ("Enti accentratori") were set up, charged with the task of allocating imported goods to manufacturers or consumers under regulations issued by the appropriate ministerial agencies.

229. These agencies screened the requirements put forward by individual firms or appointed committees (central and local committees) or by representatives of the various branches of industry and commerce (or by representatives of purchasing firms) to draw up quota ("contingente") plans showing the allocations to each branch of industry.

230. At the beginning of 1942 about thirty "Enti accentratori" (governmental or quasi-governmental agencies, companies, consortia, associations etc.) had a monopoly of imports (and frequently a monopoly of the export of the same goods). These organizations in some cases also controlled internal distribution of the

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(1) "But, while price controls are not likely to prove effective for long if unaccompanied by quantitative controls over demand and supply, they continue to be required even after the imposition of such quantitative controls." ("Wartime rationing and consumption" [illegible]

(2) "The most drastic measure . . . is the total prohibition of the manufacture of certain consumers' goods. Other measures commonly enforced include the compulsory restriction of the range of types and varieties produced, the limitation of output to a given percentage of pre-war output (as under the Limitation of Supply Order in the United Kingdom), the prohibition of the use of certain raw materials and the restriction of the quantities released for the manufacture of consumers' goods. The scale of such manufacture is also directly influenced by the withdrawal of labour from the consumers' goods industries." ("Wartime Rationing and

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(3) To ensure continuous control in agricultural production a special organization was created (and still exists) in all communes in all provinces, as well as central agencies (e.g., Ufficio Nazionale Statistico Economico dell'agricoltura - UNSEA - National Statistical and Economic Office for Agriculture), for the purpose of receiving from farmers, and checking, schedules of agricultural production. The organization was financed through fees (aliquota di maggiorazione) collected on each quintal of cereals entering the "people's granaries" (amassing centres).

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(4) For livestock, compulsory "raduni" (livestock assembly centers) were organized and held weekly or periodically. Cattle breeders and feeders were compelled to take to the livestock assembly centers a specified percentage of their livestock. The highest percentage was set at 35 per cent. The percentages varied from province to province (from 15 to 35 %) according to local conditions and the type of cattle (milk and meat), with exemptions and limitations for small breeders. The livestock assembly system came to an end in Central and Southern Italy after liberation but continued, north of the Gothic line, until April 1945.

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commodities under their charge (1). Whenever the import price (with the addition of distribution expenses) was higher than the official price, as set by the appropriate agencies, the State, after a check had been made by inspectors of actual costs, reimbursed the difference to the importers. This expenditure was borne on the State budget.

(iii) *State Control of Distribution after July 1943.*

231. South of the Gothic line, most of these agencies had by July 1943 ceased to function, while north of the line, they continued to operate until the early months of 1945. In 1946, with the return of State-control in foreign trade, a number of agencies (which had not been legally dissolved) have resumed or are resuming their former functions (Italian State Railways, Federation of Agricultural Consortia, A.M.M.I., etc.)

232. When the Allies landed in Italy, official prices governed the sale of all agricultural products (according to quality grades) and of a substantial number of industrial products (both home produced or imported), including raw materials, and finished and semi-finished products.

233. When Southern and Central Italy were liberated, the only control system in operation in 1944, and that not efficient, was for the amassing of wheat and other main cereals in granai del popolo (the people's granaries). Reorganization of grain collection was put in hand in Central and Southern Italy in October 1944, with the setting up—as a result of the pressure brought by the Allied Commission—of the "Interministerial Price Committee" (2) and, in the provinces, of the associated "Provincial Price Committees."

234. North of the Gothic line the price control and the distribution system continued to be operative (in December 1943, a "General Commissariat of Prices" and subsidiary "Provincial Committees" were set up). These bodies which were supervised, after the liberation, by the "Committee of Liberation for Northern Italy" (representative of the underground struggle against nazis and fascists), carried on the work of control. The Committee of Liberation created a "Comitato Prezzi Alta Italia" (C.P.A.I. - Northern Italy Price Committee) with headquarters in Milan, for the periodical publication of official prices. The C.P.A.I. remained in operation until early in 1946.

235. Thus from April 1945 onwards, there have been in existence two different systems of price control (and various schemes of distribution): one system in Northern Italy and the other in Central and Southern Italy. The inefficiency of the latter and the wavering price control policy of the Government were responsible in Central and Southern Italy for a comparatively larger extension of black market activities which were less concealed than in Northern Italy. The black market was not slow to take advantage of the presence of the Allied Armies stationed in Italy. Failures to comply with the regulations were in most cases tolerated.

236. It was not until the beginning of the second quarter of 1946 that the price controls were unified and restored to a national basis. This led, in May 1946, to the revision of the items of reference and duties of the "Interministerial Price Committee." Its jurisdiction now covers the whole of Italy (including Sicily and Sardinia) (3). For UNRRA imported commodities, the UNRRA Mission, in conjunction with the Italian Government, set up a Price Committee (see paras. 292 to 302).

237. There is still much to be done to improve the efficiency of the price control system and there has been a lack of clear direction from the authorities. The Government has, on the one hand, been actuated by a desire to remove all war-time hindrances and to grant gradually freedom of production and trade, in a large number of products (a policy which would imply the removal of the existing control offices and agencies), while, on the other hand, there has been an appreciation of the need to maintain at least during the

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(2) This committee was charged with the establishment of prices for all kinds of goods, at all stages of distribution (acting on the basis of "proposals" already screened by the Ministries concerned). The committee could make recommendation for the regulation of procurement and distribution of the more important commodities. A central board, responsible to the committee, was charged with the preliminary screening work.

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(3) The new committee, which is presided over by the President of the Council of Ministers, is considering the possibility of creating separate Sub-commissions—central or local commissions—for various branches of production and for foreign trade.

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tion for essential products and services (1). A real difficulty is a lack of officials of the right experience and quality equipped to carry on efficiently the price control offices.

238. For these reasons the disorder in price and distribution control increased. There was an expansion of black market activities and a gradual weakening of the authority of central and local offices charged with the control of prices and production. The UNRRA price policy was not assisted in this environment.

239. UNRRA's policy, limited to the fixing of prices of UNRRA-imported goods, was designed to favor within reasonable limits, the natural downward tendency of the price level (shortage of goods had caused all prices to rise to abnormal levels). In Italy's situation in 1946, any plan for setting prices at a lower level than those ruling on the domestic market, would almost inevitably result in an advantage for the first buyer of the imported goods (with some exceptions such as fuel sold to the State Railways). In the absence of proper control the first buyer could continue to charge the old prices for finished products and thus would be the only one to profit from the price difference. There would be therefore no benefit for the consumer and no influence on the price level.

240. Since the end of August, in the face of nation-wide labor unrest and discontent, the Government has need of a clearly thought-out and consistent policy of price control and distribution.

Efficacy of Price Control.

241. Past experience in some European countries has shown that the intervention of the State in the control of prices—especially in times of inflation and of shortage—leads (as a result of a not easily-avoidable process) to the gradual spreading of governmental action to all sectors of the national economy. This in turn, to be efficient, entails a direct control on distribution (sometimes on production) for an increasing number of products. State control has been more effectively exercised in those cases where production of controlled commodities is highly concentrated, e.g., the steel, textile, leather and glass industries.

242. The experience of the past also suggests that disadvantages resulting from State intervention can be minimized only (a) by the preparation of well-defined plans and (b) by the appointment of skilled, experienced and incorruptible personnel working in the central and local agencies charged with price control and distribution. Only thus can the organization have the necessary authority and respect to carry through the responsible and delicate operations involved.

243. Whatever may be the judgment on the price control policy adopted in Italy in the past, it can be said that the organization of price control and of price regulation, despite some serious shortcomings, succeeded in checking a rise of the general price level, of the cost of living and of wages, up to the moment when the Italian economy was entirely disrupted by rising inflation and by actual fighting in Italy itself. The State also ensured the rationed distribution of a barely adequate physiological food intake to the population, and of raw materials and products to industry (coal, fuel, ores, metals, etc.), at prices which were reasonably stable or, at least, not widely divergent from the normal costs of production and distribution. Thus it

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(1) Many raw materials and many finished products, formerly "frozen," were gradually released. They could thus be sold freely and at free prices. The price control on agricultural products is now confined to cereals, for bread and pasta, and to sugar, and, to a limited extent, also to olive oil.

For industrial products the "block" applies to the following list of products (September 1946):

A. *Blocked products at the disposal of the Ministry of Industry and Commerce:*
   1. Thin metal sheets (up to 4 mm.): tin plates, magnetic thin metal sheets.
   2. Olive oil with a percentage of acid higher than 30 %.
   3. Oleine and vegetable oils, pasta, dregs and grounds of oil (produced before the date of the decree coming into force).
   4. Calcium carbide.

B. *Blocked products at the disposal of the Ministry of Agriculture and Forests:*
   1. Chemical fertilizers (simple and compound) (except superphosphates).
   2. Cryptogram antidotes and insecticides used for agriculture (except sulphur, copper sulphate, arseniates, arsenites, oxichloride and copper cryptogram's antidotes with a small content of copper).

C. *Controlled products with a specified control:*
   1. Solid fossil fuel (national and imported coal; lignites; gas and metallurgic coke).
   2. Products obtained from the distillation of coal (gas for industrial consumption - raw tar - light oils obtained from tar and from gas - heavy, semi-heavy and anthracene oils - pitch - naphthalene - anthracene).
   3. Petrol products, solid and liquid fuel; lubricants and solvents.
   4. Raw hemp and hemp semi-finished products.
   5. White newsprint in rolls.
   6. Automobile and motorcycle tires.
   7. Leather - leather soles and upper-parts of shoes. (Only for stocks with the producers, frozen and kept at the disposal of the Ministry of Industry and Commerce.)
   8. Cement, steel blooms, steel ingots, billets, sectioned steel [illegible] steel coils, metal sheets (more than 4 mm.

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   6. Automobile and motorcycle tires.
   7. Leather - leather soles and upper-parts of shoes. (Only for stocks with the producers, frozen and kept at the disposal of the Ministry of Industry and Commerce.)
   8. Cement, steel blooms, steel ingots, billets, sectioned steel of all sizes; steel rods; metal sheets (more than 4 mm. thick); pigs of lead of all sizes, just smelted: only for the production quota needed to meet essential needs of the Administration and of the agencies, which deal specifically with reconstruction, in accordance with the plans approved by the Ministry of Industry and Commerce.

The industrial products (foodstuffs excluded) not included in the list shown above, may however be "blocked" by the Ministry of Industry and Commerce (even for particular lots), when their allocation within a rationing system becomes necessary on account of their shortage.

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Efficacy of Price Control.

241. Past experience in some European countries has shown that the intervention of the State in the control of prices—especially in times of inflation and of shortage—leads (as a result of a not easily-avoidable process) to the gradual spreading of governmental action to all sectors of the national economy. This in turn, to be efficient, entails a direct control on distribution (sometimes on production) for an increasing number of products. State control has been more effectively exercised in those cases where production of controlled commodities is highly concentrated, e.g., the steel, textile, leather and glass industries.

242. The experience of the past also suggests that disadvantages resulting from State intervention can be minimized only (a) by the preparation of well-defined plans and (b) by the appointment of skilled, experienced and incorruptible personnel working in the central and local agencies charged with price control and distribution. Only thus can the organization have the necessary authority and respect to carry through the responsible and delicate operations involved.

243. Whatever may be the judgment on the price control policy adopted in Italy in the past, it can be said that the organization of price control and of price regulation, despite some serious shortcomings, succeeded in checking a rise of the general price level, of the cost of living and of wages, up to the moment when the Italian economy was entirely disrupted by rising inflation and by actual fighting in Italy itself. The State also ensured the rationed distribution of a barely adequate physiological food intake to the population, and of raw materials and products to industry (coal, fuel, ores, metals, etc.), at prices which were reasonably stable or, at least, not widely divergent from the normal costs of production and distribution. Thus it has been possible to curb psychological inflation, which, in times of emergency, is a main factor in stimulating actual inflation.

244. Since price control and commodity allocation were adopted before and during the war, by many countries, the views of the Bank of International Settlements

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(B.I.S.), as stated in its 16th report (1 April 1945 to 31 March 1946), are of interest:

"Countries which for administrative or other reasons have not applied effective control measures and in some cases, had to cope with exceptionally heavy spending within their borders have experienced considerable price increase, with the result that their price levels have sometimes been raised to, or even beyond, the high points reached during the first world war. That has been the case in, for instance, Portugal, Egypt, Palestine, Syria and British India—all countries which made large sales to foreign troops stationed in their territories or had large export surpluses, thus being able to accumulate substantial additions to their monetary reserves of gold and foreign exchange. Finally, it should be mentioned that in some countries, and most disastrously in China, Greece and, recently, Hungary, a full-blown inflation got the upper hand, prices soaring to astronomical figures. But these were exceptions; from a general point of view, the verdict must be that the price control reinforced by rationing and government subsidies introduced during the second world war proved successful in preventing wild price rises and did so in spite of huge spending by the governments.

"It is, however, important that the efficacy of a system of price control should not be overrated, in forgetfulness of the conditions which have to be fulfilled for its satisfactory functioning.

"In *the first place*, a high standard of administrative ability is required if the system is to be adequately run. It is not only a question of finding officials who are reliable and otherwise qualified to handle the problems arising but also of seeing that the administration as such commands sufficient authority to ensure among the public at large respect for the regulations in force. There are signs that in peacetime the behaviour of the public is going to differ from what it was during the war. While a nation is engaged in a deadly struggle for its very existence, individual citizens can be counted upon to lend their aid willingly to the authorities, it being a point of honour to fall into line as regards both civilian and military tasks.

"But, when the national emergency has passed and everyday life begins again, the attitude often changes into one sharp criticism whenever mistakes are committed, together with a distinct inclination to safeguard private interests; the task of the officials then becomes more difficult. Another reason is that with a return to peace there is no longer any definite objective (like the winning of the war) which has a clear priority over other considerations. From a psychological point of view the danger is that regulations may be broken without any condemnation by public opinion, the reaction of the public providing a test of general sentiment and a deterrent often more effective than sanctions of the law.

by purchasing outside the official system of distribution and to do that even when very high prices had to be paid.

"In *the third place*, account must be taken of certain important international aspects of the price control problem. If there is a fair measure of stability in the general level of prices on world markets, it may not be too difficult for an individual country to maintain stable prices. Thus after 1933 Germany benefited from the relatively stable level of prices within the wide sterling area; and, although the individual countries did not realise it, the generalised effort of 1942 to introduce an effective price control was, no doubt, a prerequisite for the success which they achieved in checking sharp rises during the latter stages of the war.

"*Fourthly*, it is well to remember that a freezing of prices, such as happened in Germany during the war, eliminates some valuable forces making for economic adaptation and thus hinders rather than helps economic progress. An elastic price system has received more vindication during the second world war than is generally realised.

"*Fifthly*, more should not be claimed for the price control than it has really achieved."

Political (subsidized) Prices.

245. Before, during and after the war, the State intervened by granting subsidies of various kinds and their cost was registered in the Italian State budget (1). In times of moderate inflation, or when inflation is only in its first stages, and in times of high psychological sensitivity of the public, the political prices have been designed, on the one hand, to curb a rise in the cost of living and to stabilize wages (and thus avert the beginning, or the intensification, of a process

(1) Many countries have adopted political prices, before and after the war. The "Bank of International Settlements" published, in its 1942-43 report, the following figures:

Subsidies of the States for price integration announced for the year 1942-43:

Countries	Millions of currency national units		Millions of Swiss francs
Argentina . .	Pesos	240	230
Canada . . .	Canadian dol.	70	260
Croatia . . .	Kuna	2,000	170
Eire . . .	Irish pound	3.6	60
Finland . . .	Finnish marks	1,600	140

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and in some cases, had to cope with exceptionally heavy spending within their borders have experienced considerable price increase, with the result that their price levels have sometimes been raised to, or even beyond, the high points reached during the first world war. That has been the case in, for instance, Portugal, Egypt, Palestine, Syria and British India—all countries which made large sales to foreign troops stationed in their territories or had large export surpluses, thus being able to accumulate substantial additions to their monetary reserves of gold and foreign exchange. Finally, it should be mentioned that in some countries, and most disastrously in China, Greece and, recently, Hungary, a full-blown inflation got the upper hand, prices soaring to astronomical figures. But these were exceptions; from a general point of view, the verdict must be that the price control reinforced by rationing and government subsidies introduced during the second world war proved successful in preventing wild price rises and did so in spite of huge spending by the governments.

"It is, however, important that the efficacy of a system of price control should not be overrated, in forgetfulness of the conditions which have to be fulfilled for its satisfactory functioning.

"In *the first place*, a high standard of administrative ability is required if the system is to be adequately run. It is not only a question of finding officials who are reliable and otherwise qualified to handle the problems arising but also of seeing that the administration as such commands sufficient authority to ensure among the public at large respect for the regulations in force. There are signs that in peacetime the behaviour of the public is going to differ from what it was during the war. While a nation is engaged in a deadly struggle for its very existence, individual citizens can be counted upon to lend their aid willingly to the authorities, it being a point of honour to fall into line as regards both civilian and military tasks.

"But, when the national emergency has passed and everyday life begins again, the attitude often changes into one sharp criticism whenever mistakes are committed, together with a distinct inclination to safeguard private interests; the task of the officials then becomes more difficult. Another reason is that with a return to peace there is no longer any definite objective (like the winning of the war) which has a clear priority over other considerations. From a psychological point of view the danger is that regulations may be broken without any condemnation by public opinion, the reaction of the public providing a test of general sentiment and a deterrent often more effective than sanctions of the law.

"In *the second place*, it must be underlined that no country has been able to maintain an orderly distribution and stable prices without having at its disposal a sufficient supply of commodities to meet the vital needs of the population in regard of food, clothing and other utility goods. Wherever there was an acute shortage in the supply of necessary commodities, it proved impossible to prevent the population from trying to satisfy its imperative needs certain important international aspects of the price control problem. If there is a fair measure of stability in the general level of prices on world markets, it may not be too difficult for an individual country to maintain stable prices. Thus after 1933 Germany benefited from the relatively stable level of prices within the wide sterling area; and, although the individual countries did not realise it, the generalised effort of 1942 to introduce an effective price control was, no doubt, a prerequisite for the success which they achieved in checking sharp rises during the latter stages of the war.

"*Fourthly*, it is well to remember that a freezing of prices, such as happened in Germany during the war, eliminates some valuable forces making for economic adaptation and thus hinders rather than helps economic progress. An elastic price system has received more vindication during the second world war than is generally realised.

"*Fifthly*, more should not be claimed for the price control than it has really achieved."

Political (subsidized) Prices.

245. Before, during and after the war, the State intervened by granting subsidies of various kinds and their cost was registered in the Italian State budget (1). In times of moderate inflation, or when inflation is only in its first stages, and in times of high psychological sensitivity of the public, the political prices have been designed, on the one hand, to curb a rise in the cost of living and to stabilize wages (and thus avert the beginning, or the intensification, of a process

(1) Many countries have adopted political prices, before and after the war. The "Bank of International Settlements" published, in its 1942/43 report, the following figures:

Subsidies of the State for price integration announced for the year 1942-43:

Countries	Millions of currency national units		Millions of Swiss francs
Argentina . .	Pesos	240	230
Canada . . .	Canadian dol.	70	260
Croatia . . .	Kune	2,000	170
Eire . . .	Irish pound	3.6	60
Finland . . .	Finnish marks	1,600	140
France . . .	French francs	3,000	300
Germany. . .	Reichsmarks	1,000	1,730
Japan . . .	Yens	400	400
Great Britain . .	Pounds sterling	180	3,100
Italy . . .	*Lire*	*12,000*	*2,700*
Slovakia . . .	Slovakian Crowns	300	50
Sweden . . .	Swedish Crowns	220	230

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of inflation, which is always aggravated by psychological reactions of the public) and, on the other, to keep sale prices at a stable level.

246. Political prices have been applied, in different forms, to agricultural products, and also to essential industrial products (1). In some cases the State, in granting a subsidy, is prompted by the desire of maintaining efficiency in a domestic production which would not otherwise be economic, owing to the lower cost of imported goods. Such has been recently the case with Italian coal (one fifteenth to one tenth of the total Italian consumption) since its cost of production is higher than the price established by UNRRA for UNRRA-imported coal. (The difference of price is paid out of the lira fund.) (2)

247. The expenditure involved in the political price of bread has recently so increased that the State is not able to bear the burden. For the wheat produced in Italy (and excluding UNRRA-imported wheat or the quantities of wheat imported from abroad by the Government to meet Italy's wheat requirements) the political subsidy in a year amounted to 50,000 million lire (3).

248. Should the establishment of a political price cause, in its turn, an inflation, its purpose would be clearly defeated. The Bank of International Settlement has the following to say on this point:

"To make such a policy successful, however, it was necessary for the amount paid out in subsidies to be raised *without inflationary effects*, since such effects, if they had occurred, could easily have cancelled out the advantages accruing from the relatively low prices charged for food. It was, indeed, a necessary condition for the success of a policy of subsidies that financial stability should not be profoundly shaken and that, in particular, government credit should remain intact. When that was not the case, when, for instance, the price rise had already gone so far that current prices had lost all contact with pre-war levels (having risen not forty or fifty per cent, but four or five times), when, in fact, the depreciation in the real value of the currency made it impossible to place large loans among the public, then the device of large-scale subsidising would no longer arrest but only accelerate the inflationary movement.

"Another condition for success in the application of subsidies as well as in the application of price control was that sufficient supplies should be available to the public under the rationing system; otherwise the public would be driven to black markets and the workers, by demanding increased wages to enable them to buy on such markets, would upset the wage policy. In many countries, however, conditions were present for an effective working of a system of subsidies and, so long as the emergency lasted, the governments were anxious to use the subsidies in order to keep the increase in wages as moderate as possible, well knowing that a wage rise would be followed by a price rise and necessitate greater and greater additions to the public debt. Only when the true nature of the wartime achievements is realised does it become clear what a difficult problem faces the authorities at present.

"The remaining large subsidies constitute a heavy burden on the budget, limiting the amount available for fiscal relief or social reform. Subsidies are a most uneconomic way of helping the needy, for they give low prices also to groups of citizens for whom the basic cost of food is of no substantial consequence and who could therefore afford to defray the full cost directly instead of being subjected to the complication of paying via the tax system (including turnover and sales taxes, which fall on all classes).

"A sudden rise in the cost of living as a result of a cut in the subsidies may, however, have political and other consequences not easily overcome.

"After the last war there was an abrupt fall in agricultural prices and this brought with it a fall in the cost of living from the high levels reached in the first world war. Whether a similar fall in the prices of agricultural products will occur this time is open to doubt. The agricultural sector in many countries has been promised price support and

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(1) The Italian Government, for instance, for the agricultural year 1912-3, paid premiums and integrative quotas to farmers for wheat (soft and hard wheat), maize, husked rice, oats, barley, rye, and olive oil. The State also paid the difference between the prices (which were frozen in 1938) and the actual cost of imported, or of nationally-produced raw-materials (e.g. lead or tin). The State, also, set political prices through the granting of subsidies on production.

(2) For a description of the Lira Fund, see Supplement to "Economic Survey", Vol. I No. 31, pages 59 to 61.

(3) Such a high burden results from:

(a) the difference between the average price of wheat paid for the year 1946-47 by the State to the producer (about 2,500 lire per quintal) and the price of wheat sold by the State to the mills (average price=900 lire). The difference, of about 1,700 lire per quintal, for a total of 22 to 23 million quintals of amassed wheat, represents from 38,000 to 39,000 million lire.

(b) higher additional expenses averaging 500 lire per quintal (the transportation cost averaged 400 lire per quintal as against 140 lire in the previous agricultural year; cost of

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(b) higher additional expenses averaging 390 lire per quintal (the transportation cost averaged 100 lire per quintal as against 110 lire in the previous agricultural year; cost of amassing averaged 240 lire as against 60; taxes averaged 175 as against 25).

(c) premiums for quality improvement (specific weight) of the amassed wheat (75 lire per quintal). The subsidy on home produced wheat per quintal is estimated at 2,370 lire, representing on the total deliveries about 50,000 million lire. For wheat which before the 1947 crop is harvested, should be imported from abroad outside the UNRRA program (price 2,250 lire per quintal C.I.F.) on 30 million quintals, represents an expenditure of about 67,000 million of lire. The total burden of the political price therefore amounts to 70,000 to 80,000 million lire, i.e., more than 20 % of total State revenues in 1946-47 budget.

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"Another condition for success in the application of subsidies as well as in the application of price control was that sufficient supplies should be available to the public under the rationing system: otherwise the public would be driven to black markets and the workers, by demanding increased wages to enable them to buy on such markets, would upset the wage policy. In many countries, however, conditions were present for an effective working of a system of subsidies and, so long as the emergency lasted, the governments were anxious to use the subsidies in order to keep the increase in wages as moderate as possible, well knowing that a wage rise would be followed by a price rise and necessitate greater and greater additions to the public debt. Only when the true nature of the wartime achievements is realised does it become clear what a difficult problem faces the authorities at present.

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"After the last war there was an abrupt fall in agricultural prices and this brought with it a fall in the cost of living from the high levels reached in the first world war. Whether a similar fall in the prices of agricultural products will occur this time is open to doubt. The agricultural sector in many countries has been promised price support and it is likely that almost everywhere great political resistance would be directed against a price decline, were it to come as a result of changes in supply and demand on the markets for farm products. But the question whether it will prove possible to continue for any length of time a more pronounced increase of prices within the agricultural sector than in other sectors is not easy to answer. In this as in some other respects there are distinct elements of uncertainty pertaining to future price developments."

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(B) *WHOLESALE PRICES*

(a) *Collection of Data on Prices.*

219. For the collection of wholesale price data for commodities not under State control, the main sources are quotations from the markets which are dispersed over the whole of Italy and have a centuries-old tradition. Quotations ruling in the chief towns of the communes (i.e. the smallest territorial division) are taken as representative of the price ruling in the whole province. Prior to the war the data on prices in important markets were collected and published in "price-lists" (listini) by Chambers of Commerce, municipalities and the commercial press.

250. For commodities sold on food and agricultural markets under the control of municipalities (fruit and vegetable and livestock markets), the price lists were compiled by municipalities or by Chambers of Commerce, assisted by especially-appointed boards of experts. For commodities (chiefly industrial commodities) not sold on these markets, the principal Chambers of Commerce collected price data from producers and distributors.

251. In some cases and for the main products, both agricultural and industrial, the data were collected as often as twice a week and covered prices at all stages in the marketing chain from producer to wholesaler and semi-wholesaler and jobber, down to the price charged to the retailer. (The published returns indicated the marketing stage at which transactions took place.) Most prices were published in official monthly bulletins, issued by the Provincial Economic Councils. Some of the more important provinces published the prices in weekly bulletins.

252. The Central Institute of Statistics (1) in 1930 in the interest of uniformity, established rules for the collection in all provincial capitals by the Consigli Provinciali dell'Economia (Provincial Economic Councils) of wholesale prices for the more important commodities. The more important prices on the various markets were later published in a "Bulletin of Prices" (at first, a fortnightly and then a monthly publication) issued by the Central Institute of Statistics, which also published a yearly summary of prices.

para. 194 note (3)) and the fixing of national prices centralized for foodstuffs and for industrial products. It was at this time that illegal (black market) prices began to circulate.

254. At the outbreak of war, prices were fixed for some commodities without any steps being taken to control distribution. The results were (a) the creation of a more extended black market and (b) a level of prices quite out of line with official prices published in the official Gazette and in Bulletins. It should of course be appreciated that for some other commodities i.e., wheat and other cereals, flour, coal, metals, ore and iron and steel products, the control was rigid. There was one price, the official price. A black market price existed only for small quantities of those products for which it had been possible to evade the regulations regarding distribution.

255. The collection of official data on wholesale prices and their publication came to an end in July 1943. It was not resumed until 1946 and then only by a few "Consigli Provinciali dell'Industria e Commercio" (Provincial Councils for Industry and Trade) which publish official prices together with a few black market prices.

256. Any systematic collection of data on black market prices by these Government agencies is in fact very difficult, since these agencies are often entrusted with the task of ensuring observance of the official prices. A comprehensive collection of black market prices for a wide range of products can be carried out periodically and with exactitude only by large industrial and commercial companies (which make purchases on the black market) and by banks. This explains why the first attempts made in 1946 to calculate index numbers of wholesale prices, were made mostly by private organizations and agencies (see para. 260). 1946

(b) *Index Numbers of Wholesale Prices.*

(i) *Pre-War Period.*

257. Three different series of index numbers of wholesale prices were calculated monthly in Italy before the war. One series was calculated privately by a well-

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commodities not under State control, the main sources are quotations from the markets which are dispersed over the whole of Italy and have a centuries-old tradition. Quotations ruling in the chief towns of the communes (i.e. the smallest territorial division) are taken as representative of the price ruling in the whole province. Prior to the war the data on prices in important markets were collected and published in "price-lists" (listini) by Chambers of Commerce, municipalities and the commercial press.

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253. Collection of price data became more difficult when the central governmental agencies were charged with price control and price regulation (1936) (see

(1) See note to Table 54

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(b) *Index Numbers of Wholesale Prices.*

(i) *Pre-War Period.*

257. Three different series of index numbers of wholesale prices were calculated monthly in Italy before the war. One series was calculated privately by a well-known professor, R. Bachi,—the series ended in 1939. A second series was calculated by the "Camera di Commercio e Industria di Milano" (the Milan Chamber of Commerce and Industry). Prof. G. Tagliacarne was responsible for these calculations which were suspended in February 1942. The third series was undertaken by the Central Institute of Statistics, Rome, and ended in

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June 1943. The base year, for the first two series was 1913 and for the third, 1928 (1).

258. The calculations of the Central Institute of Statistics were considered as official and preferred by commercial and academic users because of their nation-wide application, their comprehensiveness and the precision with which the data were collected and the care with which their accuracy was checked. Scientific statistical methods were used in elaborating and weighting the data. The calculation of this series ended in 1943 and has not yet been resumed.

(ii) *Existing index-numbers.*

259. The lack of satisfactory index-numbers of wholesale prices greatly reduces the possibility of analyzing accurately economic and monetary movements, and this when, at a time such as the present, reliable data are more imperative than ever to the consideration and national solution of many of the economic problems with which Italy is faced. This explains why, at present, economists and statisticians, in the absence of governmental agencies charged with the work, are themselves doing what they can to fill the gap. There have, in fact, been five generally-known series of index-numbers of wholesale prices calculated in this way. Each is based on different technical and methodological criteria, but broadly interpreted, together they afford a sufficiently clear picture of the changes in the price level and, consequently, in the purchasing power of the lira.

260. The index numbers of wholesale prices being calculated in November 1946 are the following:

(a) The first index-numbers of wholesale prices to be calculated in the post-war period, were the index-numbers (base year, 1938) of the "Centro Aziendale di Firenze" (Prof. Livi). This index which is named "indice d'avanguardia" (vanguard index) covers only open market prices (thoroughly checked) for Florence, of 16 commodities (of which only two are foodstuffs) selected from among those most representative and sensitive. (The indices for 1938 thus calculated had a trend only slightly divergent from the comparable trend of the official indices, made on a national scale, by the Rome Central Institute of Statistics.) The Livi index-number is calculated by finding the geometric mean (unweighted) of the index-numbers calculated for each of the 16 commodities under consideration. The series started in January 1945.

(b) The second index-number, having 1938 as base year, was calculated for internal use (not published) by the Milan Chamber of Commerce, from September 1945 onwards, on the basis of actual prices and with criteria similar to those of the past (see para. 257 note (1)). 41 commodities were taken into consideration (22 foodstuffs and 19 industrial products). For commodities, for which there is an official price, the price considered is the weighted mean of the official and black market prices. The weight applied to the black market price is determined from appropriate surveys designed to ascertain the importance of black market transactions in the total volume of transactions.

(c) The third index, much more complete and elaborated, with 1938 as base year, has been calculated by the Edison Company of Milan (Giunta Tecnica) and reflected the official and open market prices in Milan. The method used in the calculation is briefly:

(i) The calculation is confined to 51 commodities (13 raw materials, 19 semi-finished products and 19 finished products) and follows the method used, before the war, for the national indices by the Rome Central Institute of Statistics. The data on prices are painstakingly collected and screened. The actual purchase prices of commodities are supplied by the Edison Company and by other important companies (Montecatini, Istituto Cotoniero etc.) The general index is calculated by ascertaining the arithmetic weighted mean and using the same "weights," as those adopted by the Rome Central Institute of Statistics for 1938.

(ii) Three distinct indices are calculated:

One series ("official prices") covers the official prices of all controlled commodities (for which an official price exists) and the open market prices for commodities for which the State does not set a price.

A second series is calculated under the name of "actual prices" series (prezzi effettivi). This series covers black market prices for com-

(1) Prof. Bachi's series, beginning in 1916 (base 1913=100), covered 113 commodities with 150 quotations collected in Genoa, Milan, Turin and Rome. The index resulted from the calculation of an arithmetic mean (unweighted). The calculation of the Milan Chamber of Commerce series was started in 1925, with 1913 taken as base year. It covered 88 commodities and 125 quotations collected only for Milan. The index number resulted from the

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Statistics were considered as official and preferred by commercial and academic users because of their nation-wide application, their comprehensiveness and the precision with which the data were collected and the care with which their accuracy was checked. Scientific statistical methods were used in elaborating and weighting the data. The calculation of this series ended in 1943 and has not yet been resumed.

(ii) *Existing index-numbers.*

259. The lack of satisfactory index-numbers of wholesale prices greatly reduces the possibility of analyzing accurately economic and monetary movements, and this when, at a time such as the present, reliable data are more imperative than ever to the consideration and national solution of many of the economic problems with which Italy is faced. This explains why, at present, economists and statisticians, in the absence of governmental agencies charged with the work, are themselves doing what they can to fill the gap. There have, in fact, been five generally-known series of index-numbers of wholesale prices calculated in this way. Each is based on different technical and methodological criteria, but broadly interpreted, together they afford a sufficiently clear picture of the changes in the price level and, consequently, in the purchasing power of the lira.

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Institute of Statistics.) The [illegible] is calculated by finding the geometric mean (unweighted) of the index-numbers calculated for each of the 16 commodities under consideration. The series started in January 1945.

(b) The second index-number, having 1938 as base year, was calculated for internal use (not published) by the Milan Chamber of Commerce, from September 1945 onwards, on the basis of actual prices and with criteria similar to those of the past (see para. 257 note (1)). 41 commodities were taken into consideration (22 foodstuffs and 19 industrial products). For commodities, for which there is an official price, the price considered is the weighted mean of the official and black market prices. The weight applied to the black market price is determined from appropriate surveys designed to ascertain the importance of black market transactions in the total volume of transactions.

(c) The third index, much more complete and elaborated, with 1938 as base year, has been calculated by the Edison Company of Milan (Giunta Tecnica) and reflected the official and open market prices in Milan. The method used in the calculation is briefly:

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(ii) Three distinct indices are calculated:

One series ("official prices") covers the official prices of all controlled commodities (for which an official price exists) and the open market prices for commodities for which the State does not set a price.

A second series is calculated under the name of "actual prices" series (prezzi effettivi). This series covers black market prices for commodities with an official price and the open market prices for all other commodities.

A synthetic index is obtained by calculating the unweighted arithmetic mean of the indices of the two series. The assumption is therefore made that the commodities, which are sold at an official price and which can at the same time be purchased from the black market, are actu-

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ally bought half from the black market and half from the open market (1).

(d) A further index has recently been calculated and published by the "Istituto Statistica degli Affari" (I.S.A. - Institute of Business Statistics) in Milan, and published in the review "Negotia." This index is based on prices ruling in Northern Italy, and the data refer to prices collected for 225 commodities (raw materials, semi-finished and manufactured products) for 10 sectors of industry and commerce. The index does not include agricultural products, e.g. cereals, cattle and cocoons. The data for the index are supplied by large and middle-sized enterprises. Although the base year adopted is 1946, the I.S.A. index is also calculated with 1938 as base year. Two different series are made: (a) legal prices (controlled or free prices), (b) free prices (black market or open market prices). The two series are not synthetized in one series.

The indices for each of the 10 sectors are calculated by ascertaining the unweighted geometric mean of the individual indices of the various prices in each sector.

(e) The Genoa Chamber of Commerce has provided, as from April 1946, another index of wholesale prices of 155 commodities by combining three separately calculated indices of (a) official prices; (b) black market prices; (c) open market prices. The series (a) covers commodities for which there are official quotations (in July 1946, for instance, 72 commodities). The series (b) covers the same commodities as series (a) when there are official and black market prices (in July 1946 for example, for 61 commodities). The series (c) covers commodities sold on the open market (in July 1946, for instance, 83 commodities). The average index of each of the three series is made from the geometric mean (unweighted) of the indices of prices included in each series. The general index is the geometric mean of the indices of the three series.

(1) The distribution of a certain number of commodities is fairly effectively controlled by the Government (appreciable quantities of such commodities cannot therefore be purchased on the [illegible] and their official prices are also the actual prices

(iii) *Movement of Index Numbers of Wholesale Prices.*

261. The multiplicity of the indices calculated, their limitation to individual towns or areas and the disparity in methods of calculation, reflect the present abnormal internal situation in Italy.

262. The difficulties are: (a) the absence of a unified national market, with no possibility of carrying out reliable and continued collection of data at established market centres throughout the country; (b) Italy's present price structure is a mixed one, and official prices exist side by side with free prices and black market prices; (c) a noticeable irregularity in the procurement of commodities, in domestic and foreign trade, in demand and supply.

263. As statistics of actual transactions are not available, it is difficult:

(a) to determine the "weights" (which should be ascertained according to the importance of the commodities in the actual transactions and which are subject to substantial changes over a period of time). The "weights" are needed for the calculation of the index-numbers of prices for the various classes of commodities. The "weights" used in 1938 are, on the other hand, out of line with to-day's experience and their use would give rise to error (2).

(b) to select, for any one commodity, the weights to be given to black market prices and to official prices;

(c) to account for the deterioration in quality, which occurred, for some commodities after 1938.

264. To realize more clearly the nature and movement of wholesale prices in Italy it is advisable to make a separate survey of:

(a) the index-numbers of free prices (open market and black market) (Table 31):

(b) the index-numbers of legal prices (official and open market prices) (para. 267):

(c) the general index (Table 33). In some cases there is no difference between the general index and (a). (This is so for the indices calculated in Florence.) In other cases, the general index is the mean of indices of the three existing types of prices (official, black market and open market prices). Examples are the two Milan indices calculated by the Edison Combine and the Milan Chamber of Commerce and the index

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in Milan, and published in the review "Negotia." This index is based on prices ruling in Northern Italy, and the data refer to prices collected for 225 commodities (raw materials, semi-finished and manufactured products) for 10 sectors of industry and commerce. The index does not include agricultural products, e.g. cereals, cattle and cocoons. The data for the index are supplied by large and middle-sized enterprises. Although the base year adopted is 1946, the I.S.A. index is also calculated with 1938 as base year. Two different series are made: (a) legal prices (controlled or free prices), (b) free prices (black market or open market prices). The two series are not synthetized in one series.

The indices for each of the 10 sectors are calculated by ascertaining the unweighted geometric mean of the individual indices of the various prices in each sector.

(e) The Genoa Chamber of Commerce has provided, as from April 1946, another index of wholesale prices of 155 commodities by combining three separately calculated indices of (a) official prices; (b) black market prices; (c) open market prices. The series (a) covers commodities for which there are official quotations (in July 1946, for instance, 72 commodities). The series (b) covers the same commodities as series (a) when there are official and black market prices (in July 1946 for example, for 61 commodities). The series (c) covers commodities sold on the open market (in July 1946, for instance, 83 commodities). The average index of each of the three series is made from the geometric mean (unweighted) of the indices of prices included in each series. The general index is the geometric mean of the indices of the three series.

(1) The distribution of a certain number of commodities is fairly effectively controlled by the Government (appreciable quantities of such commodities cannot therefore be purchased on the black market) and their official prices are also the actual prices (e.g., coal). Black market quotations and their weights are in this case, of negligible importance. The quantity purchased on the black market consists, for some other commodities (while controlled distribution exists), only of a minor proportion of the total (e.g., 10 to 20 % for wheat and derivative products).

The effect of these considerations is that neither of the two mentioned series mirrors the real situation; the first gives a picture of a lower theoretical limit (closer to reality) and the second of a higher theoretical limit.

262. The difficulties are: (a) the absence of a unified national market, with no possibility of carrying out reliable and continued collection of data at established market centres throughout the country; (b) Italy's present price structure is a mixed one, and official prices exist side by side with free prices and black market prices; (c) a noticeable irregularity in the procurement of commodities, in domestic and foreign trade, in demand and supply.

263. As statistics of actual transactions are not available, it is difficult:

(a) to determine the "weights" (which should be ascertained according to the importance of the commodities in the actual transactions and which are subject to substantial changes over a period of time). The "weights" are needed for the calculation of the index-numbers of prices for the various classes of commodities. The "weights" used in 1938 are, on the other hand, out of line with to-day's experience and their use would give rise to error (2).

(b) to select, for any one commodity, the weights to be given to black market prices and to official prices;

(c) to account for the deterioration in quality, which occurred, for some commodities after 1938.

264. To realize more clearly the nature and movement of wholesale prices in Italy it is advisable to make a separate survey of:

(a) the index-numbers of free prices (open market and black market) (Table 31);

(b) the index-numbers of legal prices (official and open market prices) (para. 267);

(c) the general index (Table 33). In some cases there is no difference between the general index and (a). (This is so for the indices calculated in Florence.) In other cases, the general index is the mean of indices of the three existing types of prices (official, black market and open market prices). Examples are the two Milan indices calculated by the Edison Combine and the Milan Chamber of Commerce and the index calculated by the Genoa Chamber of Commerce.

(2) S. Golzio after a survey of the course of wholesale prices in Turin, from 1938 until 1945, arrived for 1945, at an index number of 3,920 (1938=100) assuming as weights the quantities exchanged in 1938, and at an index number of 4,170, assuming as weights the quantities exchanged in 1945 (Rivista Bancaria - 1946 Nos. 7 and 8).

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265. The following Tables 31 and (graph) 32 illustrate the trend of the four index-numbers of wholesale *free* prices:

TABLE 31

Index Numbers of wholesale Free Prices (1): 1945-46
(1938=100)

Date	Florence (Centro Aziendale di Firenze)	Genoa Chamber of Commerce	Milan Edison Combine	North Italy (I.S.A.)
1945				
September	3,604	—	—	2,654
October	3,698	—	—	2,562
November	3,718	—	—	2,579
December	3,466	—	—	2,540
1946				
January	3,404	—	—	2,439
February	3,401	—	4,633	2,408
March	3,184	—	5,262	2,302
April	3,087	3,908	4,872	2,242
May	2,985	3,874	4,583	2,139
June	2,965	3,954	4,429	2,179
July	2,949	3,992	4,430	2,231
August	3,016	4,063	4,683	2,361 (2)
September	3,209	4,136	4,858	2,476 (2)

(See also Table 32 graph)

(1) Black market prices and open market prices.
(2) Provisional.

266. The considerable differences existing in the series shown above (see graph, Table 32) result from the difficulties inherent in their calculation, and show the need, in the use and interpretation of all indices at present calculated in Italy, for exercising care and making proper qualifications. The Florence series of the "Centro Aziendale di Firenze", because it is an intermediate series, appears to give, notwithstanding its simplicity, a clear picture of the level and of the movement of wholesale prices.

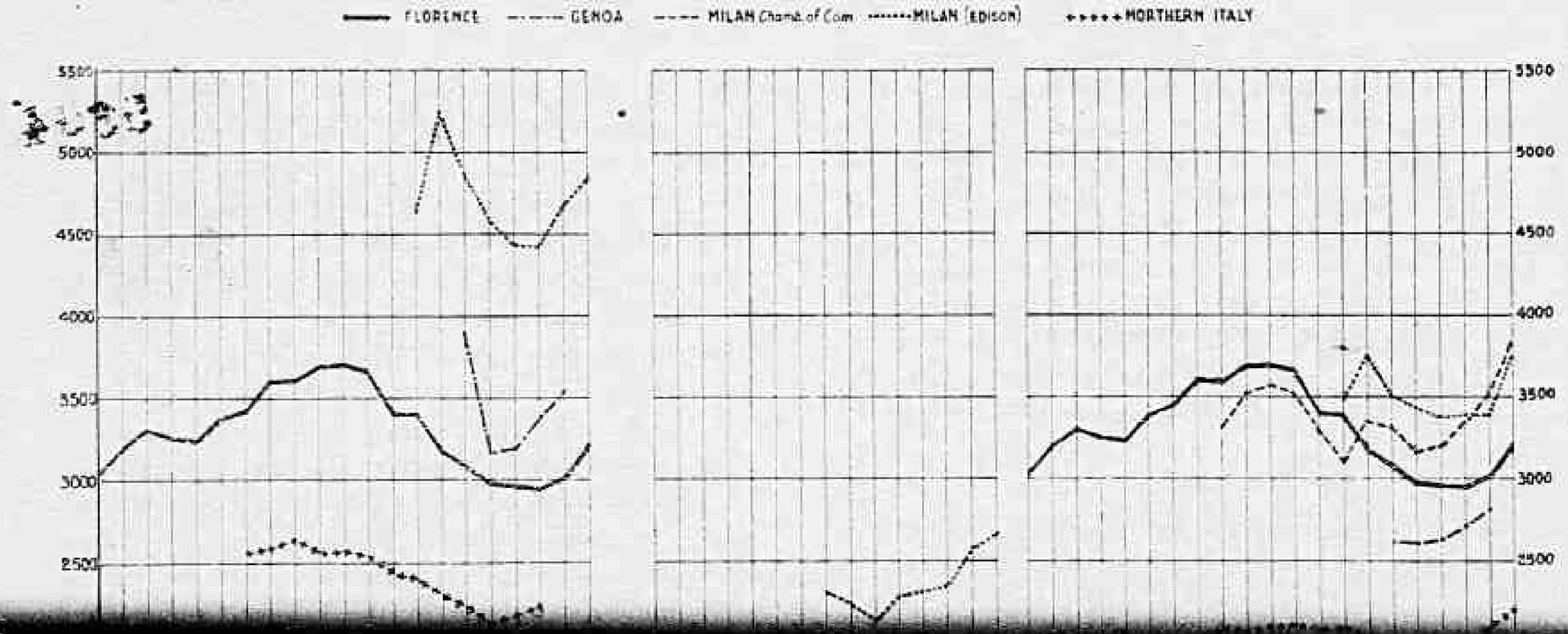
267. The three following series (1938=100) give a comparison of indices of legal prices (official prices and open market prices):

Date	Genoa Chamber of Commerce	Milan (1)	Northern Italy (2)
1945			
July	—	—	1,401
August	—	—	1,507
September	—	—	1,541
October	—	—	1,618
November	—	—	1,654
December	—	—	1,715
1946			
January	—	—	1,739
February	—	2,305	1,802
March	—	2,246	1,793
April	1,583	2,147	1,755
May	1,583	2,287	1,687
June	1,584	2,315	1,724
July	1,609	2,351	1,770
August	1,681	2,373	1,855
September	1,706	2,665	1,941

(1) Source: "Giunta Tecnica" of the Edison Combine, Milan.
(2) Source: Review "Negotia" Institute of Business Statistics, Milan.

TABLE 32

WHOLESALE PRICE INDICES IN 1945 - 1946
FROM DIFFERENT SOURCES
1938 = 100



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Index Numbers of wholesale Free Prices [1] : 1945-46

(1938=100)

Date	Florence (Centro Aziendale di Firenze)	Genoa Chamber of Commerce	Milan Edison Combine	North Italy (I.S.A.)
1945				
September	3,604	—	—	2,654
October	3,698	—	—	2,562
November	3,718	—	—	2,579
December	3,666	—	—	2,540
1946				
January	3,404	—	—	2,439
February	3,401	—	4,633	2,408
March	3,184	—	5,262	2,302
April	3,087	3,908	4,872	2,242
May	2,985	3,874	4,583	2,139
June	2,965	3,954	4,429	2,179
July	2,949	3,992	4,439	2,251
August	3,016	4,063	4,683	2,361 (2)
September	3,209	4,136	4,858	2,476 (2)

(See also Table 32 graph)

(1) Black market prices and open market prices.
(2) Provisional.

266. The considerable differences existing in the series shown above (see graph, Table 32) result from the difficulties inherent in their calculation, and show the need, in the use and interpretation of all indices at simplicity, a clear picture of the level and of the movement of wholesale prices.

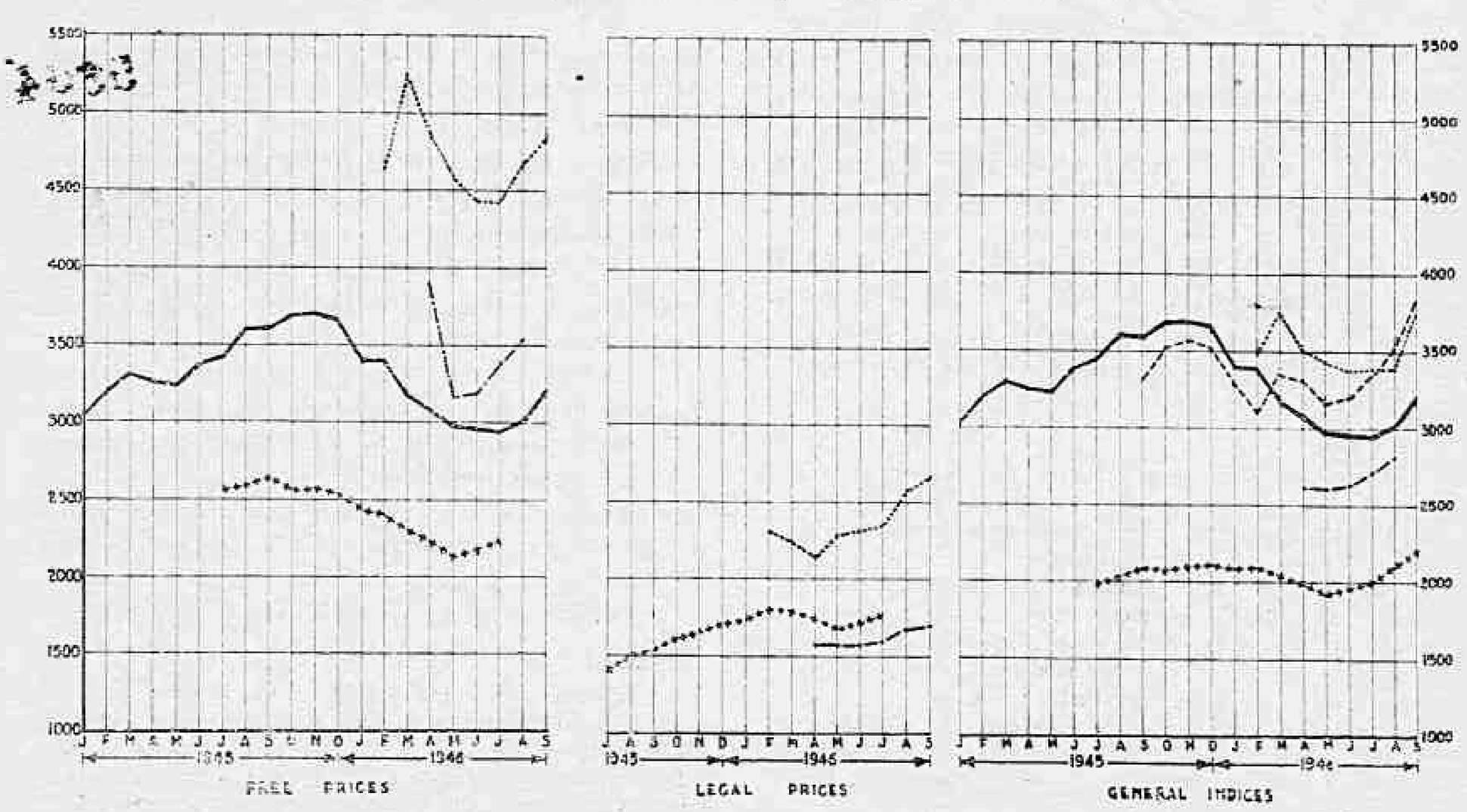
267. The three following series (1938=100) give a comparison of indices of legal prices (official prices and open market prices):

Date	Genoa Chamber of Commerce	Milan (1)	Northern Italy (2)
1945			
July	—	—	1,401
August	—	—	1,507
September	—	—	1,541
October	—	—	1,618
November	—	—	1,654
December	—	—	1,715
1946			
January	—	—	1,739
February	—	2,305	1,802
March	—	2,246	1,793
April	1,583	2,147	1,755
May	1,583	2,287	1,687
June	1,581	2,315	1,724
July	1,609	2,351	1,770
August	1,681	2,573	1,835
September	1,706	2,665	1,941

(1) Source: "Giunta Tecnica" of the Edison Combine, Milan.
(2) Source: Review "Negotia" Institute of Business Statistics, Milan.

TABLE 32

WHOLESALE PRICE INDICES IN 1945 - 1946
FROM DIFFERENT SOURCES
1938 = 100



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The substantial differences between the two series are in part explained by the different numbers and nature of the commodities considered (the index for Northern Italy does not include agricultural commodities) and partly by the difference in the method applied in weighting and in calculating the index.

268. Table 33 shows the index-numbers (1938=100) which (apart from differences of opinion on the statistical method of calculation and the prices selected) are considered by the authorities concerned as representative of the trend of the general level of wholesale prices from January 1945 to September 1946. (It will be seen that the Florence index-numbers are the same as those in Table 31.)

The trend of the Florence index and its level (intermediate between the others) do not differ much, having in mind the present situation, from the trend and level of the general index of the Milan calculation (Edison). The Edison index calculation is more elaborate and complex than the Florence index. The essential difference between the Florence index and the other indices is that the Florence index for a particular month (e.g. September) refers to changes which have taken place in the previous month (August). The other indices are for the same month's prices. All indices covering free and official prices (such as the Edison and the Genoa indices) are slower to move than the others owing to the influence of the official prices. They are therefore less sensitive than the Florence index which stresses promptly any variations which take place in free market prices.

269. The Northern Italy indices are of special interest. Tables 34 and 35 present two series of index-numbers for 10 groups of Italian industries, covering the period July 1945 to July 1946 and February to July 1946 respectively. The base for Table 34 is the year 1938 and for Table 35, January 1946. Table 36 (graph) illustrates the different level and trend of legal prices to July 1946. Examination of the series shown in Tables 34 and 35 shows:

(a) The legal prices with the highest increase since 1938 were: paper (35 times), textiles (31 times), and foodstuffs (25 times). The smallest increase was in sources of power (less than 9 times the 1938 level).

(b) For free prices, the highest increase was: for foodstuffs (43 times), textiles (38 times), paper (35 times), leather and skins (34 times).

(c) The spread between official and free prices has substantially diminished from July 1945 to July 1946.

(d) From January to July 1946 the legal prices (which were very low before January 1946) increased more than the free prices.

270. *The average general level of wholesale prices can safely be estimated for September 1946 as being 32 to 38 times higher than pre-war.*

TABLE 33

General Index Numbers 1938 = 100 of Wholesale Prices: January 1945 to September 1946

MONTH	Florence	Milan		Genoa	Northern Italy
	"Avanguardia" Index	Chamber of Commerce	Edison Combine	Chamber of Commerce	
1945					
January	3,047	—	—	—	—
February	3,204	—	—	—	—
March	3,303	—	—	—	—
April	3,260	—	—	—	—
May	3,240	—	—	—	—
June	3,382	—	—	—	1,984
July	3,430	—	—	—	2,052
August	3,507	—	—	—	2,098
September	3,634	3,319	—	—	2,090
October	3,698	3,527	—	—	2,117
November	3,718	3,571	—	—	2,128
December	3,686	3,523			

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...ing and in calculating the index.

268. Table 33 shows the index-numbers (1938=100) which (apart from differences of opinion on the statistical method of calculation and the prices selected) are considered by the authorities concerned as representative of the trend of the general level of wholesale prices from January 1945 to September 1946. (It will be seen that the Florence index-numbers are the same as those in Table 31.)

The trend of the Florence index and its level (intermediate between the others) do not differ much, having in mind the present situation, from the trend and level of the general index of the Milan calculation (Edison). The Edison index calculation is more elaborate and complex than the Florence index. The essential difference between the Florence index and the other indices is that the Florence index for a particular month (e.g. September) refers to changes which have taken place in the previous month (August). The other indices are for the same month's prices. All indices covering free and official prices (such as the Edison and the Genoa indices) are slower to move than the others owing to the influence of the official prices. They are therefore less sensitive than the Florence index

...groups of Italian industries, covering the period July 1945 to July 1946 and February to July 1946 respectively. The base for Table 34 is the year 1938 and for Table 35, January 1946. Table 36 (graph) illustrates the different level and trend of legal prices to July 1946. Examination of the series shown in Tables 34 and 35 shows:

(a) The legal prices with the highest increase since 1938 were: paper (35 times), textiles (31 times), and foodstuffs (25 times). The smallest increase was in sources of power (less than 9 times the 1938 level).

(b) For free prices, the highest increase was: for foodstuffs (13 times), textiles (38 times), paper (35 times), leather and skins (34 times).

(c) The spread between official and free prices has substantially diminished from July 1945 to July 1946.

(d) From January to July 1946 the legal prices (which were very low before January 1946) increased more than the free prices.

270. *The average general level of wholesale prices can safely be estimated for September 1946 as being 32 to 38 times higher than pre-war.*

TABLE 33

General Index Numbers 1938 = 100 of Wholesale Prices: January 1945 to September 1946

MONTH	Florence	Milan		Genoa	
	"Avanguardia" Index	Chamber of Commerce	Edison Combine	Chamber of Commerce	Northern Italy
1945					
January	3,047	—	—	—	—
February	3,204	—	—	—	—
March	3,303	—	—	—	—
April	3,260	—	—	—	—
May	3,240	—	—	—	—
June	3,392	—	—	—	—
July	3,430	—	—	—	—
August	3,607	—	—	—	1,984
September	3,604	3,319	—	—	2,052
October	3,698	3,527	—	—	2,098
November	3,718	3,571	—	—	2,090
December	3,666	3,523	—	—	2,117
1946					2,128
January	3,404	3,391	—	—	2,089
February	3,401	3,126	3,469	—	2,105
March	3,184	3,370	3,754	—	2,047
April	3,087	3,340	3,510	2,674	1,998
May	2,985	3,174	3,435	2,613	1,913
June	2,965	3,114	3,372	2,636	1,951
July	2,949	3,341	3,390	2,715	2,000
August	3,016	3,527	3,628	2,819	2,108
September	3,209	3,845	3,252	2,923	2,209

TABLE 34

Index Numbers of Wholesale Prices of Industrial Products by Groups of Industries in North Italy 1945 and 1946

(1938=100)

Groups of Industries	1945 July	Aug.	Sept.	Oct.	Nov.	Dec.	1946 Jan.	Febr.	March	April	May	June	July (1)
A. LEGAL PRICES (See Note (1) Page 11)													
1. Sources of Power	415	549	689	688	698	750	781	889	840	836	849	880	880
2. Iron and steel and metallurgic industries	1,800	1,826	1,762	1,875	1,913	1,896	1,887	1,870	1,845	1,836	1,836	1,845	1,842
3. Machine and electro-engineering	1,167	1,290	1,342	1,424	1,464	1,461	1,493	1,482	1,439	1,439	1,439	1,436	1,434
4. Chemical and rubber industries	566	660	629	1,017	1,131	1,273	1,429	1,824	1,883	1,884	1,880	1,856	1,941
5. Hides and footwear	3,397	3,471	3,439	3,439	3,423	3,381	3,226	3,032	2,955	2,852	2,942	2,919	2,997
6. Paper	2,457	2,914	3,152	3,505	3,814	4,110	4,762	4,162	4,186	3,843	3,405	3,514	3,514
7. Textiles	3,842	4,768	4,519	4,084	3,874	3,466	3,226	2,923	2,745	2,615	2,497	2,948	3,116
8. Building and timber industries	1,630	1,653	1,778	1,835	1,860	1,833	1,818	1,773	1,758	1,716	1,695	1,658	1,738
9. Mines and quarries	1,207	1,310	1,211	1,091	1,096	1,429	1,421	1,677	1,660	1,587	1,291	1,314	1,340
10. Food	1,180	1,378	1,537	1,878	1,998	2,124	2,041	2,106	2,522	2,463	2,292	2,871	2,506
B. FREE PRICES													
1. Sources of Power	1,038	1,078	1,277	1,230	1,193	1,212	1,099	1,087	967	922	973	917	907
2. Iron and steel and metallurgic industries	2,292	2,210	2,21-	1,980	2,05-	2,09	2,083	2,025	1,965	1,954	1,954	1,958	1,960
3. Machine and electro-engineering	1,492	1,458	1,475	1,542	1,54-	1,54-	1,568	1,541	1,49-	1,47-	1,442	1,445	1,441
4. Chemical and rubber industries	5,156	4,690	1,541	4,307	4,19-	3,967	3,704	3,671	3,463	3,337	3,285	3,078	3,196
5. Hides and footwear	3,81-	4 119	4,246	4,24-	4,227	4,17-	3,846	3,531	3,115	3,294	3,294	3,369	3,412
6. Paper	2,457	2,914	3,15-	3,505	3,814	4,11-	4,762	4,162	4,186	3,813	3,405	3,514	3,514
7. Textiles	6,008	5,532	5,604	5,064	4,924	4,404	4,000	3,696	3,360	3,216	2,848	3,683	3,764
8. Building and timber industries	2,488	2,450	2,302	2,138	2,16-	2,05-	1,923	1,860	1,754	1,758	1,749	1,730	1,800
9. Mines and quarries	3,876	4,259	4,031	3,721	3,697	3,680	3,448	3,931	3,724	3,676	3,037	3,066	3,128
10. Food	2,970	3,152	3,365	3,628	3,85-	3,91-	3,704	3,870	4,167	4,137	4,056	4,107	4,320

(1) Provisional indices.

TABLE 35

Index Numbers (January 1946=100) of Wholesale Prices of Industrial Products by Groups of Industries in North Italy: 1946

Groups of Industries	1946 February	March	April	May	June	July (1)
A. LEGAL PRICES						
1. Sources of Power	115.8	107.5	107.0	108.7	112.6	112.6
2. Iron steel and metal. industries	99.1	97.8	97.3	97.3	97.5	97.6
3. Machine and electro-engineering	99.3	97.1	96.4	96.4	96.2	96.1
4. Chemical and rubber industries	127.7	131.8	131.9	131.6	129.9	135.9
5. Hides and footwear	94.9	91.6	88.4	91.2	90.5	92.9
6. Paper	93.7	87.9	80.7	71.5	73.8	73.8
7. Textiles	90.6	85.1	81.0	77.4	91.4	96.6
8. Building and timber industries	97.5	96.7	94.4	93.2	91.2	95.6
9. Mines and quarries	117.4	112.0	111.1	90.6	92.6	93.8
10. Food	103.2	123.6	120.7	112.3	116.2	122.8
B. FREE PRICES						
				88.5	82.5	82.5

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Groups of Industries	1945						1946						
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Febr.	March	April	May	June	July (1)
A. LEGAL PRICES (See Note (1) Page 11)													
1. Sources of Power	115	540	689	688	698	759	781	889	840	836	849	880	880
2. Iron and steel and metallurgic industries	1,809	1,826	1,762	1,875	1,913	1,896	1,887	1,870	1,845	1,836	1,836	1,849	1,842
3. Machine and electro-engineering	1,467	1,290	1,842	1,424	1,464	1,461	1,493	1,482	1,449	1,439	1,439	1,436	1,434
4. Chemical and rubber industries	366	660	629	1,017	1,131	1,273	1,429	1,824	1,883	1,884	1,880	1,858	1,941
5. Hides and footwear	3,397	3,471	3,439	3,439	3,423	3,381	3,226	3,032	2,955	2,852	2,942	2,919	2,997
6. Paper	2,457	2,914	3,152	3,505	3,814	4,110	4,762	4,462	4,186	3,843	3,405	3,514	3,514
7. Textiles	4,842	4,768	4,549	4,084	3,871	3,406	3,226	2,923	2,745	2,613	2,497	2,948	3,116
8. Building and timber industries	1,636	1,653	1,778	1,835	1,860	1,853	1,818	1,773	1,758	1,716	1,695	1,658	1,738
9. Mines and quarries	1,207	1,310	1,211	1,091	1,096	1,429	1,421	1,677	1,600	1,587	1,294	1,314	1,340
10. Food	1,180	1,378	1,557	1,878	1,998	2,124	2,011	2,106	2,522	2,163	2,292	2,371	2,506
B. FREE PRICES													
1. Sources of Power	1,038	1,078	1,277	1,230	1,195	1,212	1,099	1,087	967	922	973	917	907
2. Iron and steel and metallurgic industries	2,202	2,211	2,215	1,969	2,052	2,09	2,083	2,025	1,985	1,954	1,954	1,958	1,960
3. Machine and electro-engineering	1,402	1,358	1,475	1,542	1,541	1,54	1,563	1,541	1,491	1,472	1,442	1,445	1,441
4. Chemical and rubber industries	5,158	4,609	4,541	4,367	4,199	3,967	3,704	3,674	3,463	3,387	3,285	3,078	3,196
5. Hides and footwear	3,81	4,119	4,246	4,24	4,227	4,177	3,846	3,531	3,415	3,292	3,204	3,389	3,412
6. Paper	2,457	2,914	3,15	3,505	3,814	4,110	4,762	4,462	4,183	3,843	3,405	3,514	3,514
7. Textiles	6,068	5,532	5,654	5,084	4,924	4,404	4,000	3,693	3,369	3,216	2,868	3,680	3,764
8. Building and timber industries	2,188	2,150	2,392	2,138	2,16	2,03	1,923	1,869	1,734	1,758	1,740	1,709	1,800
9. Mines and quarries	3,876	4,259	4,031	3,721	3,697	3,686	3,448	3,931	3,724	3,676	3,907	3,966	3,128
10. Food	2,970	3,152	3,363	3,629	3,859	3,911	3,701	3,870	4,167	4,137	4,056	4,107	4,329

(1) Provisional indices.

TABLE 35

Index Numbers (January 1946=100) of Wholesale Prices of Industrial Products by Groups of Industries in North Italy: 1946

Groups of Industries	1946					
	February	March	April	May	June	July (1)
A. LEGAL PRICES						
1. Sources of Power	115.8	107.5	107.0	108.7	112.6	112.6
2. Iron steel and metal. industries	99.1	97.8	97.3	97.3	97.5	97.6
3. Machine and electro-engineering	99.3	97.1	96.4	96.4	96.2	96.1
4. Chemical and rubber industries	127.7	131.8	131.9	131.6	129.9	135.9
5. Hides and footwear	94.0	91.6	88.4	91.2	90.5	92.9
6. Paper	93.7	87.9	80.7	71.5	73.8	73.8
7. Textiles	90.6	85.1	81.0	77.4	91.4	96.6
8. Building and timber industries	97.5	96.7	94.1	93.2	91.2	95.6
9. Mines and quarries	117.4	112.0	111.1	90.6	92.0	93.8
10. Food	103.2	123.6	120.7	112.3	116.2	122.8
B. FREE PRICES						
1. Sources of Power	98.9	88.9	83.9	88.5	82.5	82.5
2. Iron steel and metal. industries	97.2	94.3	93.8	93.8	94.0	94.1
3. Machine and electro engineering	98.6	95.4	94.2	92.3	92.5	92.2
4. Chemical and rubber industries	99.2	93.5	90.9	88.7	83.1	86.3
5. Hides and footwear	91.8	88.8	83.6	83.3	87.6	88.7
6. Paper	93.7	87.9	80.7	71.5	73.8	73.8
7. Textiles	92.4	84.0	80.4	71.7	91.5	94.1
8. Building and timber industries	96.7	91.2	91.4	90.5	88.4	93.6
9. Mines and quarries	114.0	108.0	106.6	87.2	88.9	90.7
10. Food	104.5	112.5	111.7	109.5	110.9	118.7

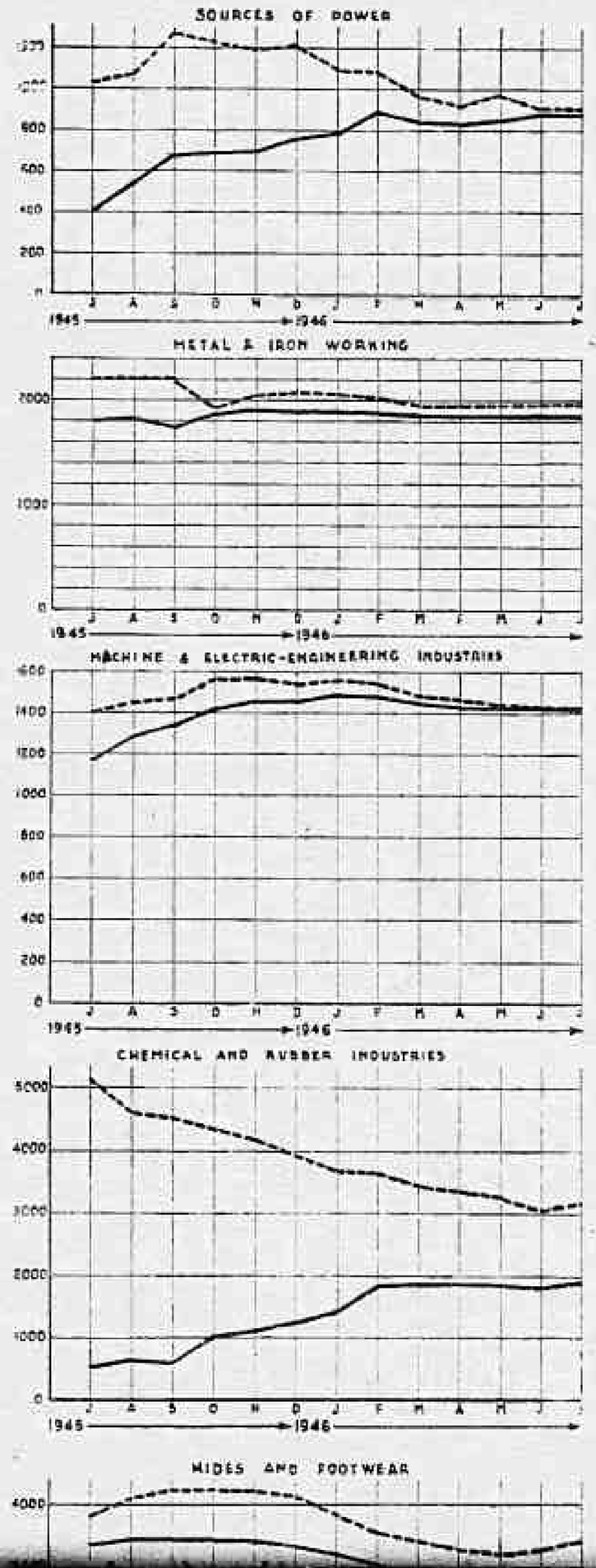
(1) Provisional indices.

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TABLE 36

WHOLESALE PRICE INDICES IN NORTHERN ITALY OF SOME INDUSTRIAL PRODUCTS (1938 = 100) BY GROUPS OF INDUSTRIES

------ FREE PRICES ——— LEGAL PRICES

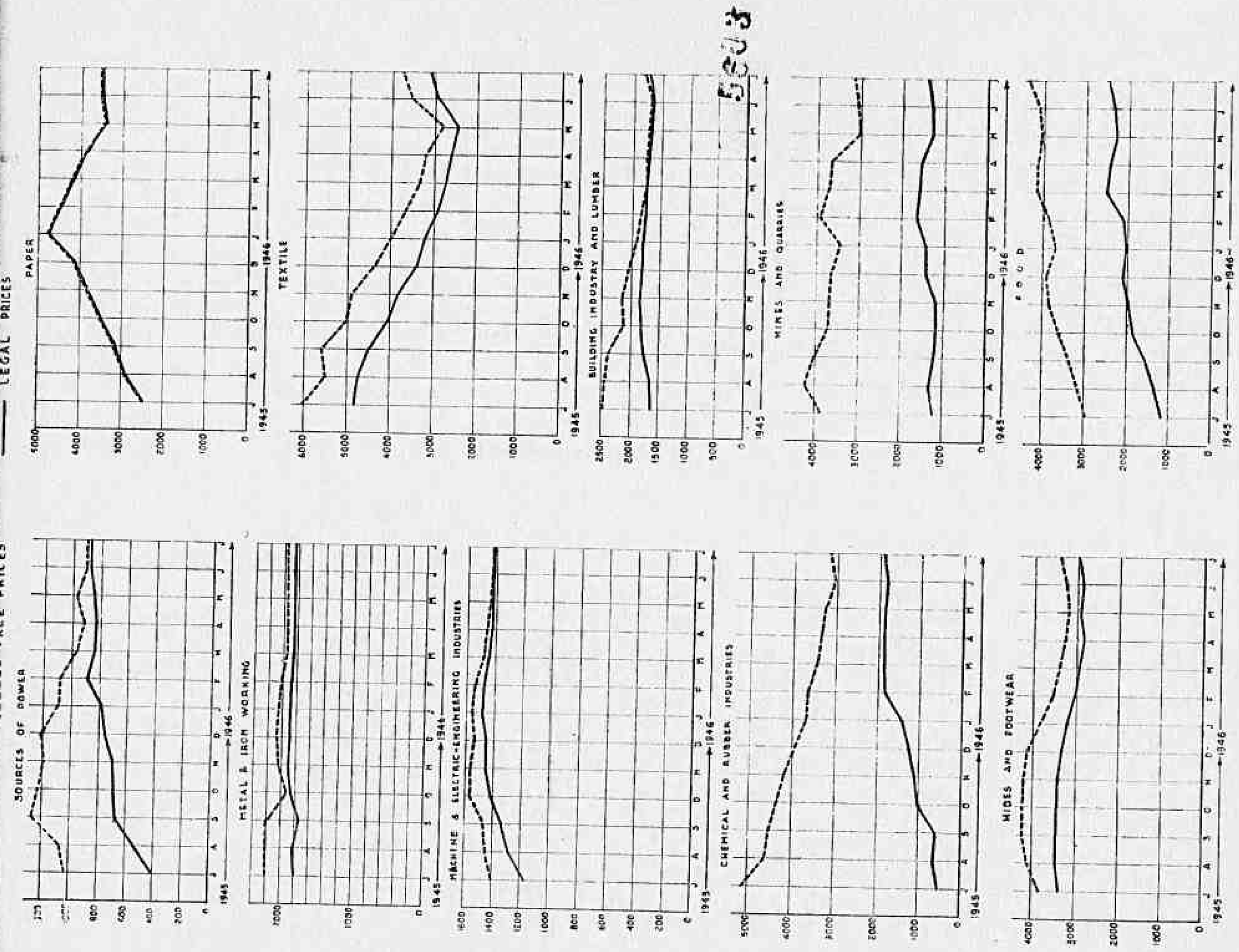


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Price Variations for Single Commodities

271. Any enquiry into price variations for single commodities must be subject to the considerations and difficulties mentioned above as inherent in any effort to compare, on the basis of the general wholesale prices, the present level of wholesale prices with the pre-war level.

(a) *Prices of Agricultural Products.*

(i) *Cereals and Pulses (National Official Prices).*

272. The official prices and the index-numbers (1938 = 100) for soft wheat, maize, rye, rough barley and husked rice—all controlled—are as follows:

TABLE 37

Official Wholesale Prices in lire per quintal of certain cereals in Northern and Central and Southern Italy: 1938, 1942, 1945 and 1946

Region	1938		1942		1945 (after liberation)		1946	
	Prices	Index Numbers	Prices	Index Numbers	Prices	Index Numbers	Prices	Index Numbers
SOFT WHEAT (1)								
Northern and Central Italy	135	100	210 (2)	156	750 (8)	556	2,700 (3)	2,000
Southern Italy	135	100	230	170	900	667	2,800 (4)	2,074
Islands	135	100	230	170	900	667	2,950 (5)	2,185
RYE								
Northern and Central Italy	120.7	100	179,8	189 (6)	750 (8)	621	2,250	1,864
Southern Italy	120.7	100	179,8	189 (6)	900	746	2,350	1,947
Islands	120.7	100	179,8	189 (6)	900	746	2,500	2,071
ROUGH BARLEY								
Northern and Central Italy	94,75	100	179	189 (7)	583 (8)	615	1,755	1,852
Southern Italy	94,75	100	179	189 (7)	700	739	1,883	1,987
Islands	94,75	100	179	189 (7)	700	739	1,950	2,050
MAIZE								
Northern and Central Italy	90	100	146 (9)	162	542	722	1,600 (10)	1,778
Southern Italy	90	100	146 (9)	162	650	722	1,750 (11)	1,944
Islands	90	100	146 (9)	162	650	722	1,900 (12)	2,111
HUSKED RICE								
Northern and Central Italy	94	100	160	170	1,000	1064	2,800	2,979
Southern Italy	94	100	160	170	675	718	2,800	2,979
Islands	94	100	160	170	675	718	2,800	2,979

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ficulties mentioned above as inherent in any effort to compare, on the basis of the general wholesale prices, the present level of wholesale prices with the pre-war level.

272. The official prices and the index-numbers (1938=100) for soft wheat, maize, rye, rough barley and husked rice—all controlled—are as follows:

TABLE 37

Official Wholesale Prices in lire per quintal of certain cereals in Northern and Central and Southern Italy: 1938, 1942, 1945 and 1946

Region	1938		1942		1945 (after liberation)		1946	
	Prices	Index Numbers	Prices	Index Numbers	Prices	Index Numbers	Prices	Index Numbers
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Northern and Central Italy	135	100	210 (2)	156	750 (8)	556	2,700 (3)	2,000
Southern Italy	135	100	230	170	900	667	2,800 (4)	2,074
Islands	135	100	230	170	900	667	2,950 (5)	2,185
RYE								
Northern and Central Italy	120.7	100	179,8	189 (6)	750 (8)	621	2,250	1,864
Southern Italy	120.7	100	179,8	189 (6)	900	746	2,350	1,947
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ROUGH BARLEY								
Northern and Central Italy	94.75	100	179	189 (7)	583 (8)	615	1,755	1,852
Southern Italy	94.75	100	179	189 (7)	700	739	1,883	1,987
Islands	94,75	100	179	189 (7)	700	739	1,950	2,050
MAIZE								
Northern and Central Italy	90	100	146 (9)	162	542	732	1,600 (10)	1,778
Southern Italy	90	100	146 (9)	162	650	722	1,750 (11)	1,944
Islands	90	100	146 (9)	162	650	722	1,900 (12)	2,111
HUSKED RICE								
Northern and Central Italy	94	100	160	170	1,000	1064	2,800	2,979
Southern Italy	94	100	160	170	675	718	2,800	2,979
Islands	94	100	160	170	675	718	2,800	2,979

(1) In 1942 included in the prices are 35 lire additional price for Northern and Central Italy and 55 lire for Southern Italy and Islands. In 1946 an average additional price of 450 lire bonus for early delivery to amassing points is included — (2) The provinces of Rome, Frosinone and Latina are not included — (3) Lazio and Grosseto province not included — (4) Calabria and Lucania not included — (5) Including Calabria and Lucania — (6) Inclusive of the additional price of 13.80 lire — (7) Inclusive of the additional price of 18 lire (8) North Italy: - For each quintal of wheat delivered to the amassing points a 200 lire «bonus» for clothing was granted (9) Inclusive of the 48 lire additional price (11 lire of the delivery bonus included) — (10) Northern Italy — (11) Central Italy and Campania — (12) Southern Italy and Islands.

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273. The official price level of the cereal products in Table 37 adjusted itself in 1946 to the level of currency circulation. In 1945 it was substantially lower and resulted in low deliveries to amassing points, and extensive black market activities in bread and flour.

274. The difference in 1944 between official prices on the two sides of the Gothic Line, the rapid adjustment after liberation of prices in the North to the higher prices of the South and the price increases in 1945 in both Northern and Southern Italy, are shown in Table 38.

TABLE 38

Official wholesale prices of cereals and pulses north and south of the Gothic Line: 1944 and 1945

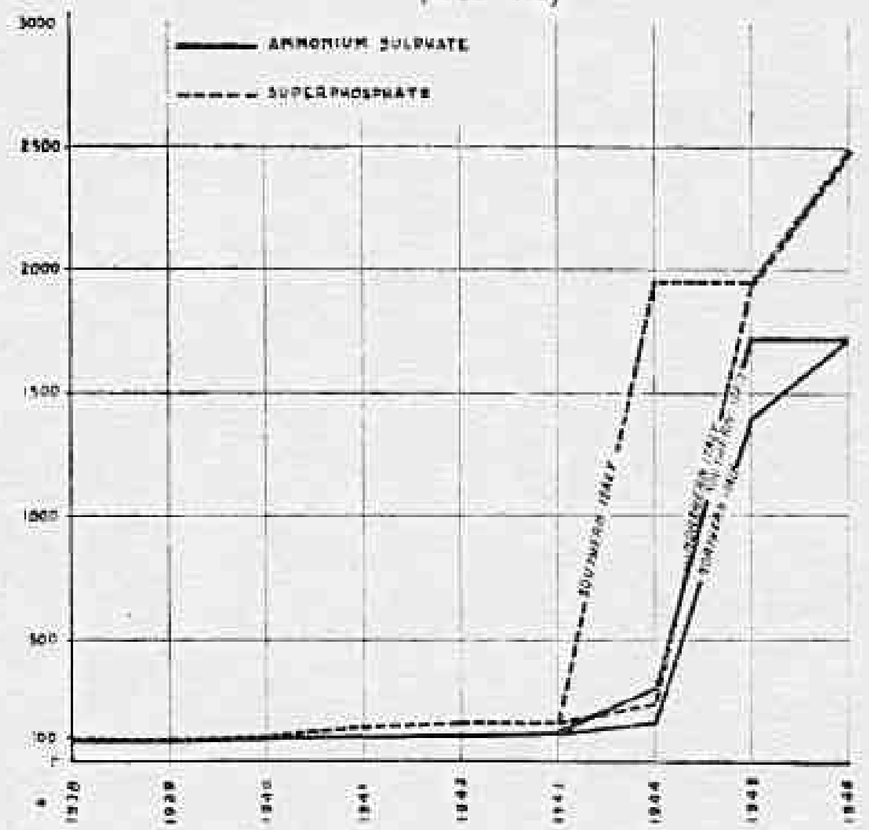
Agricultural product	1944		1945 (after liberation)	
	North	South	North	South
	Lire per quintal			
Soft wheat	350	900	750	900
Hard wheat	380	1,000	830	1,000
Rye	280	900	750	900
Barley (husked)	250	700	583	700
Oats	240	650	542	650
Husked rice	330	445	1,000	675
Maize	250	650	542	650
Horse beans	260	675	1,080	
Beans	600	1,250	2,000	
Chick peas	420	590	1,200	
Lentils	540	747	1,560	

(ii) *Fertilizers (National Official Prices).*

275. The official prices of the principal home produced fertilizers and their trend (index-numbers, 1938=100) are shown in Tables 39 (graph) and 40. The data for 1944 and 1945 reflect the chaotic official price situation then existing in Italy. The substantial margin, in the North, between maximum and minimum prices is due to the "minimum" price having been that ruling prior to the liberation, while the "maximum" price was that ruling after the liberation. In the North, as also in the South, the price of nitrogenous fertilizers increased during 1945 from 3 to 4.5 times. The average increase mentioned in para. 256, the collection of data on wholesale black market prices by governmental or quasi-governmental agencies is unsatisfactory. Black market prices on a national scale cannot therefore be calculated.

TABLE 39

INDEX NUMBERS OF WHOLESALE PRICES OF SOME FERTILIZERS
(1938 = 100)



277. Of all the available sources of data, the most reliable appears to be that offered by the Edison Combine of Milan. The data shown in Table 41 refer to the months preceding the 1946 harvest (these months can justly be considered as the most crucial months of the immediate post-war period), and to August and September, just after the harvest.

278. The black market prices of cereals reach their highest level in March, then drop sharply in August, in common with products harvested in June and in July (see Table 41) of which there was a full crop. The March peak is maintained only in the cases of products harvested in later months for which short crops had been anticipated.

279. The ratio of black market prices to official prices (official prices=1) for indigenous foodstuffs is as follows:

Commodities	1946			
	February	March	August	September

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274. The difference in 1944 between official prices on the two sides of the Gothic Line, the rapid adjustment after liberation of prices in the North to the higher prices of the South and the price increases in 1945 in both Northern and Southern Italy, are shown in Table 38.

TABLE 38

Official wholesale prices of cereals and pulses north and south of the Gothic Line: 1944 and 1945

Agricultural product	1944		1945 (after liberation)	
	North	South	North	South
	Lire per quintal			
Soft wheat	350	900	750	900
Hard wheat	380	1,000	830	1,000
Rye	280	900	750	900
Barley (husked)	250	700	583	700
Oats	240	650	542	850
Husked rice	330	445	1,000	675
Maize	250	650	542	650
Horse beans	260	675	1,080	
Beans	600	1,250	2,000	
Chick peas	420	590	1,200	
Lentils	540	747	1,560	

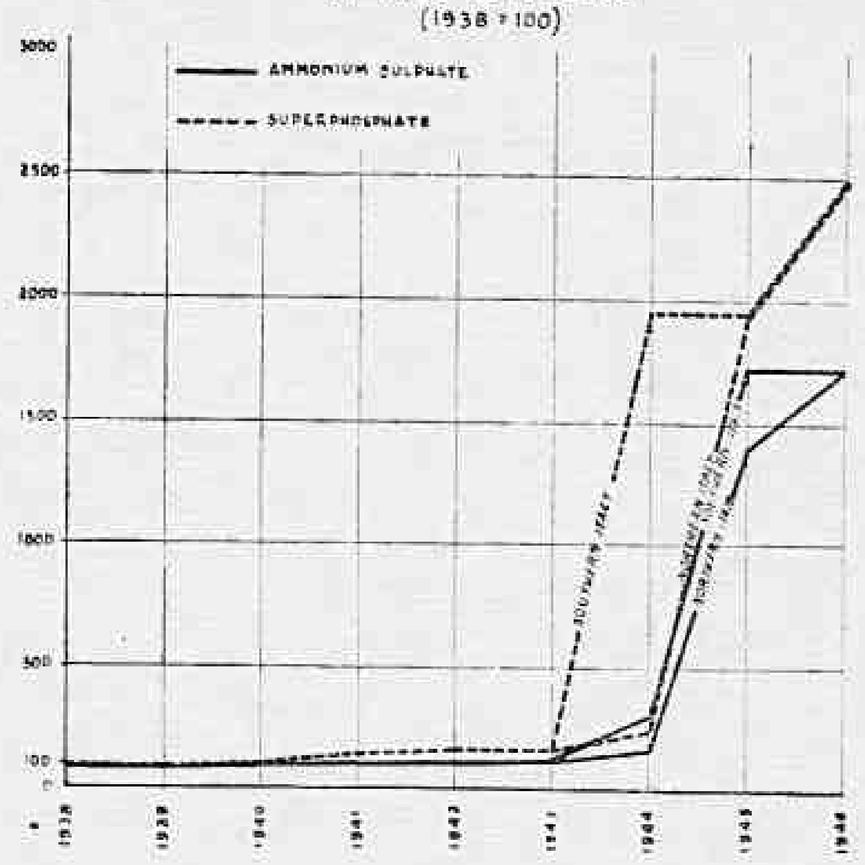
(ii) *Fertilizers (National Official Prices).*

275. The official prices of the principal home produced fertilizers and their trend (index-numbers, 1938=100) are shown in Tables 39 (graph) and 40. The data for 1944 and 1945 reflect the chaotic official price situation then existing in Italy. The substantial margin, in the North, between maximum and minimum prices is due to the "minimum" price having been that ruling prior to the liberation, while the "maximum" price was that ruling after the liberation. In the North, as also in the South, the price of nitrogenous fertilizers increased during 1945 from 3 to 4.5 times. The average increase in the level of official prices is greater than the increase in the index of currency circulation.

(iii) *Free Prices (Milan): Private Collection of Data.*

276. A comparison, between official and black market prices can be made only for a limited number of commodities, and these in a few markets only. As

INDEX NUMBERS OF WHOLESALE PRICES OF SOME FERTILIZERS (1938 = 100)



277. Of all the available sources of data, the most reliable appears to be that offered by the Edison Combine of Milan. The data shown in Table 41 refer to the months preceding the 1946 harvest (these months can justly be considered as the most crucial months of the immediate post-war period), and to August and September, just after the harvest.

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279. The ratio of black market prices to official prices (official prices = 1) for indigenous foodstuffs is as follows:

Commodities	1946			
	February	March	August	September
Soft wheat	4.17	9.29	2.38	2.38
Maize	3.60	5.15	3.00	2.66
Rice	1.89	2.68	3.19	4.50
Olive Oil	1.78	1.78	2.38	2.38
Sugar	7.54	9.04	4.86	4.86

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TABLE 40

Official Wholesale Prices of Fertilizers charged by the Producer to the "Federazione Consorzi Agrari" (Federation of Agricultural Consortia): 1938 to 1946

m = minimum prices — M = maximum prices

		1938	1940	1942	1944 North	1944 South	1945 North	1945 South	1946
A. *Prices in Lire*									
Ammonium Sulphate (20 to 21%) per quintal (1)	m	77.45	82.70	90.95	108.20	109.15	138.20	394.50 (3)	—
	M	86.50	97.00	100.00	141.05	263.00 (3)	1,218.00 (3)	1,500.00 (3)	1,500
Ammonium nitrate (15 to 16%) per quintal (1)	m	68.90	73.65	83.90	99.65	100.60	117.65	416.00 (3)	—
	M	77.45	89.45	92.45	120.50	222.50 (3)	850.00 (3)	(4)	1,300
Calcium nitrate (13% to 14%) per quintal (1)	m	69.00	76.70	84.00	102.60	103.55	120.60	(4)	—
	M	80.40	92.40	95.40	123.45	(4)	978.00 (3)	(4)	1,300
Calcium nitrate (15.50%) per quintal (1)	m	78.40	86.00	93.90	112.50	113.45	130.50	434.00 (3)	—
	M	89.80	102.30	105.30	133.35	234.50 (3)	1,121.00 (3)	1,900.00 (3)	1,500
Calcium cyanamide per quintal (1)	m	62.25	66.30	82.25	98.30	99.00	146.30	322.50 (3)	—
	M	68.65	78.65	88.65	147.95	215.00 (?)	495.00	1,000.00 (3)	1,800
Mineral superphosphate per unit of P_2O_5 (soluble) (2)	m	1.39	1.39	2.55	2.55	35.00 (3)	3.40	35.00 (3)	—
	M	1.62	1.86	2.78	3.63	35.00 (3)	35.00 (3)	35.00 (3)	42
B. *Index numbers* (1938 = 100)									
Ammonium sulphate	m	100.0	106.8	117.4	139.7	140.9	178.4	509.4	—
	M	100.0	112.1	115.6	163.1	304.0	1,408.1	1,734.1	1,734.1
Ammonium nitrate	m	100.0	106.9	121.8	144.6	146.0	170.8	603.8	—
	M	100.0	115.5	119.4	155.6	287.3	1,097.5	—	1,678.5
Calcium nitrate	m	100.0	111.0	121.7	148.7	150.1	174.8	—	—
	M	100.0	114.9	118.7	153.5	—	1,216.4	—	1,616.9
Calcium nitrate	m	100.0	109.7	119.8	143.5	144.7	166.5	553.6	—
	M	100.0	113.9	117.3	148.5	261.1	1,248.3	2,115.8	1,670.4
Calcium Cyanamide	m	100.0	106.5	132.1	157.9	159.0	235.0	518.1	—
	M	100.0	114.6	129.1	215.5	313.2	721.0	1,456.7	2,622.0

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		1938	1940	1942	1944 North	1944 South	1945 North	1945 South	1946
A. *Prices in Lire*									
Ammonium Sulphate (20 to 21%) per quintal (1)	m	77.45	82.70	90.95	108.20	109.15	138.20	394.50 (3)	—
	M	86.50	97.00	100.00	141.05	263.00 (3)	1,218.00 (3)	1,500.00 (3)	1,500
Ammonium nitrate (15 to 16%) per quintal (1)	m	68.90	73.65	83.90	99.65	100.60	117.65	416.00 (3)	—
	M	77.45	89.45	92.45	120.50	222.50 (3)	850.00 (3)	(4)	1,300
Calcium nitrate (13% to 14%) per quintal (1)	m	69.00	76.70	84.00	102.60	103.55	120.60	(4)	—
	M	80.40	92.40	95.40	123.45	(4)	978.00 (3)	(4)	1,300
Calcium nitrate (15.50%) per quintal (1)	m	78.40	86.00	93.90	112.50	113.45	130.50	434.00 (3)	—
	M	99.80	102.30	105.30	133.35	231.50 (3)	1,121.00 (3)	1,900.00 (3)	1,500
Calcium cyanamide per quintal (1)	m	62.25	66.30	82.25	98.30	99.00	146.30	322.50 (3)	—
	M	68.65	78.65	88.65	147.95	215.00 (3)	195.00	1,000.00 (3)	1,800
Mineral superphosphate per unit of P_2O_5 (soluble) (2)	m	1.39	1.39	2.55	2.55	35.00 (3)	3.40	35.00 (3)	—
	M	1.62	1.86	2.78	3.63	35.00 (3)	35.00 (3)	35.00 (3)	12
B. *Index numbers* (1938 = 100)									
Ammonium sulphate	m	100.0	106.8	117.4	139.7	140.9	178.4	509.4	—
	M	100.0	112.1	115.6	163.1	304.0	1,408.1	1,734.1	1,734.1
Ammonium nitrate	m	100.0	106.9	121.8	144.6	146.0	170.8	603.8	—
	M	100.0	115.5	119.4	155.6	287.3	1,097.5	—	1,678.5
Calcium nitrate	m	100.0	111.0	121.7	148.7	150.1	174.8	—	—
	M	100.0	114.9	118.7	153.5	—	1,216.4	—	1,616.9
Calcium nitrate	m	100.0	109.7	119.8	143.5	144.7	166.5	553.6	—
	M	100.0	113.9	117.3	148.5	261.1	1,248.3	2,115.8	1,670.4
Calcium Cyanamide	m	100.0	106.5	132.1	157.9	159.0	235.0	518.1	—
	M	100.0	114.6	129.1	215.5	313.2	721.0	1,456.7	2,622.0
Mineral superphosphate	m	100.0	100.0	183.5	183.5	2,518.0	244.6	2,518.0 (5)	—
	M	100.0	114.8	171.6	224.1	2,160.5	2,160.5	2,160.5	2,592.6

(1) Free at terminal station, not inclusive of packing.
(2) Free on wharf, exclusive of packing.
(3) Prices on producers' premises.
(4) Production suspended.
(5) Minimum has increased since 1938 more than maximum.

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TABLE 41

Wholesale Prices in Milan

Source: Edison Combine, Milan

Description of Produce	Unit	1938	February 1946		March 1946		August 1946		September 1946	
			Official prices	Free prices	Official prices	Free prices	Official prices	Free prices	Official prices	Free prices
A) Prices in lire										
Soft wheat	quintal	143.42	1,077.75	1,500	1,077.75	10,000	2,250	5,250	2,250	5,300
Maize	quintal	101.67	971.50	3,500	971.50	5,000	1,600	4,800	1,600	4,250
Potatoes	quintal	39.17	—	5,000	—	5,000	—	2,000	—	2,100
Calves (1st quality)	kg.	5.67	—	225	—	240	—	390	—	425
Hogs	kg.	5.51	—	230	—	290	—	400	—	370
Milk	liters	0.9	25	33	25	33	—	35	—	35
Rice	quintal	244.58	3,170	6,000	3,170	8,500	2,665	8,500	2,665	12,000
Olive oil	hundred liters	687.00	25,251.50	45,000	25,251.50	45,000	25,251.5	60,000	25,251	60,000
Sugar (refined)	quintal	2,637.00	14,500.00	80,000	14,500.00	80,000	17,500	85,000	17,500	85,000
Pasta	quintal	232.50	2,300	11,000	2,300	12,000	2,300	13,000	2,300	14,000
Lard	kg.	7.25	47.70	300	47.70	380	—	510	—	510
Butter	kg.	13.97	231.50	600	231.50	650	—	720	525	720
Cheese (grana type for grating)	kg.	11.66	135.30	600	135.30	600	—	900	—	900
Cheese (Gorgonzola)	kg.	7.73	175	400	175	400	—	300	—	300
B) Index numbers (1938 = 100)										
Soft wheat	same as above	100	751.5	3,137.6	751.5	6,972.5	1,568.8	3,660.6	1,568.8	3,695.1
Maize		100	955.5	3,442.5	955.5	4,917.9	1,573.7	4,721.2	1,573.7	4,180.2
Potatoes		100	—	12,764.9	—	12,764.9	—	5,105.9	—	5,361.2
Calves (1st quality)		100	—	3,968.3	—	4,232.8	—	6,878.3	—	7,495.6
Hogs		100	—	4,174.2	—	5,263.2	—	7,259.5	—	6,715.1
Milk		100	2,717.4	3,587.6	2,717.4	3,587.6	—	3,804.3	—	3,804.3
Rice		100	1,296.1	2,453.2	1,296.1	3,475.3	1,089.6	3,475.3	1,089.6	4,906.4
Olive oil		100	3,675.6	6,550.2	3,675.6	6,550.2	3,675.6	8,733.6	3,675.6	8,733.6
Sugar (refined)		100	2,276.3	12,558.9	2,276.3	12,558.9	2,747.3	13,343.8	2,747.3	13,343.8
Pasta		100	989.2	4,731.2	989.2	5,161.3	989.2	5,591.4	989.2	6,021.5
Lard		100	657.9	4,137.9	657.9	5,244.1	—	7,034.5	—	7,034.5
Butter		100	1,657.1	4,294.9	1,657.1	4,625.8	—	5,153.9	3,758.1	5,153.9
Cheese (grana type)		100	1,166.4	5,172.4	1,166.4	5,172.4	—	7,758.6	—	7,758.0
Cheese (Gorgonzola)		100	2,263.9	5,174.6	2,263.9	5,174.6	—	3,881.0	—	3,881.9

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280. Table 41 indicates the importance of eliminating black market operations. The following two conditions must be fulfilled if this end is to be achieved: (a) food rations must be adequate to provide for minimum needs; (b) official prices must be adjusted, without long delay, to costs of production.

(iv) *Free Prices: Official Collection of Data.*

281. The most reliable data at the present time on black market prices are official figures for certain representative markets. Tables 42 and 43 bear out the [illegible] which

tion index, the latter being some 20 times the pre-war level.

282. The trend of the open market price level in representative markets of some of the major agricultural products given in Table 42 shows:

(a) the substantial drop in soft wheat prices in July and August 1946, i.e. at the time of harvesting;

(b) the maintenance of high prices in July and August 1946 for agricultural products which had still to be harvested (rice and maize) or of which a deficiency was anticipated;

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Description of Produce	Unit	1938	February 1946		March 1946		August 1946		September 1946	
			Official prices	Free prices	Official prices	Free prices	Official prices	Free prices	Official prices	Free prices
A) *Prices in lire*										
Soft wheat	quintal	143.42	1,077.75	4,500	1,077.75	10,000	2,250	5,250	2,250	5,300
Maize	quintal	101.67	971.50	3,500	971.50	5,000	1,600	4,800	1,600	4,250
Potatoes	quintal	39.17	—	5,000	—	5,000	—	2,000	—	2,100
Calves (1st quality)	kg.	5.67	—	225	—	240	—	390	—	425
Hogs	kg.	5.51	—	230	—	290	—	400	—	370
Milk	liters	0.9	25	33	25	33	—	35	—	35
Rice	quintal	244.58	3,170	6,000	3,170	8,500	2,665	8,500	2,665	12,000
Olive oil	hundred liters	687.00	25,251.50	45,000	25,251.50	45,000	25,251.5	60,000	25,251	60,000
Sugar (refined)	quintal	2,637.00	14,500.00	80,000	14,500.00	80,000	17,500	85,000	17,500	85,000
Pasta	quintal	232.50	2,300	11,000	2,300	12,000	2,300	13,000	2,300	14,000
Lard	kg.	7.25	47.70	300	47.70	380	—	510	—	510
Butter	kg.	13.97	231.50	600	231.50	650	—	720	525	720
Cheese (grana type for grating)	kg.	11.60	135.30	600	135.30	600	—	900	—	900
Cheese (Gorgonzola)	kg.	7.73	175	160	175	400	—	360	—	300
B) *Index numbers* (1938 = 100)										
Soft wheat	same as above	100	751.5	3,137.6	751.5	6,972.5	1,568.8	3,660.6	1,568.8	3,695.4
Maize		100	955.5	3,442.5	955.5	4,917.9	1,573.7	4,721.2	1,573.7	4,180.2
Potatoes		100	—	12,764.9	—	12,764.9	—	5,105.9	—	5,361.2
Calves (1st quality)		100	—	3,968.3	—	4,232.8	—	6,878.3	—	7,495.6
Hogs		100	—	4,174.2	—	5,263.2	—	7,259.5	—	6,715.1
Milk		100	2,717.4	3,587.6	2,717.4	3,587.6	—	3,804.3	—	3,804.3
Rice		100	1,296.1	2,453.2	1,296.1	3,475.3	1,089.6	3,475.3	1,089.6	4,906.4
Olive oil		100	3,675.6	6,550.2	3,675.6	6,550.2	3,675.6	8,733.6	3,675.6	8,733.6
Sugar (refined)		100	2,276.3	12,558.9	2,276.3	12,558.9	2,747.3	13,343.8	2,747.3	13,343.8
Pasta		100	989.2	4,731.2	989.2	5,161.3	989.2	5,591.5	989.2	6,021.5
Lard		100	657.9	4,137.9	657.9	5,244.4	—	7,034.5	—	7,034.5
Butter		100	1,657.1	4,294.9	1,657.1	4,625.8	—	5,153.9	3,758.1	5,153.9
Cheese (grana type)		100	1,166.4	5,172.1	1,166.4	5,172.4	—	7,758.6	—	7,758.0
Cheese (Gorgonzola)		100	2,263.9	5,174.6	2,263.9	5,174.6	—	3,881.5	—	3,881.9

280. Table 41 indicates the importance of eliminating black market operations. The following two conditions must be fulfilled if this end is to be achieved: (a) food rations must be adequate to provide for minimum needs; (b) official prices must be adjusted, without long delay, to costs of production.

(iv) *Free Prices: Official Collection of Data.*

281. The most reliable data at the present time on black market prices are official figures for certain representative markets. Tables 42 and 43 bear out the presence of substantial *regional price differences* which are indicative of the absence of a unified national market. Compared with pre-war (1938), actual prices have increased 25 to 74 times (minimum prices range from 25 to 53 times the pre-war level and maximum prices from 46 to 74 times) (see Table 43). All indices stand at a much higher level than the currency circulation index, the latter being some 20 times the pre-war level.

282. The trend of the open market price level in representative markets of some of the major agricultural products given in Table 42 shows:

(a) the substantial drop in soft wheat prices in July and August 1946, i.e. at the time of harvesting;

(b) the maintenance of high prices in July and August 1946 for agricultural products which had still to be harvested (rice and maize) or of which a deficiency was anticipated;

(c) the striking price increase in cattle for slaughter. This reflects an improvement in the fodder situation;

(d) prices in August 1946 are from 20 to 113 times above pre-war (a high frequency of prices from 40 to 50 times is noticeable).

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TABLE 42

Open or Black Market Wholesale Prices in Lire per Quintal and Index Numbers (1938 = 100) June 1938 and March to August, 1946

Cities	June 1938		March 1946		June 1946		July 1946		August 1946	
	Price	Index	Price	Index	Price	Index	Price	Index	Price	Index
Soft Wheat										
Alessandria	135	100	9,000	6,666.7	9,000	6,666.7	6,000	4,444.4	6,000	4,444.4
Milan	135	100	8,200 (1)	6,074.1	5,500	4,074.1	5,000	3,703.7	3,500	3,925.9
Padua	135	100	6,000	4,444.4	4,000	2,963.0	4,000	2,963.0	4,000	2,963.0
Rovigo	135	100	4,500	3,333.3	6,000	4,444.4	6,000	4,444.4	—	—
Florence	135	100	5,500	4,074.1	5,700	4,222.2	6,200	4,592.6	5,280	4,281.5
Perugia	135	100	5,000	3,703.7	9,000	6,666.7	5,000	3,703.7	5,000	3,703.7
Rome	135	100	7,500	5,555.6	5,000	3,703.7	5,000	3,703.7	5,000	3,703.7
Teramo	135	100	10,000	7,407.4	6,000	4,444.4	4,500	3,333.3	4,500	3,333.3
Catania	135	100	8,000	5,925.9	5,000	3,703.7	5,500	4,074.1	4,500	3,333.3
Cagliari	135	100	12,500	9,259.3	12,500	9,259.3	8,000	5,925.9	8,000	5,925.9
Sassari	135	100	10,000	7,407.4	12,000	8,888.9	4,000	2,963.0	4,000	2,963.0
Husked rice										
Vercelli	93	100	4,500	4,838.7	5,000	5,376.3	—	—	—	—
Milan	95.50	100	4,600	4,815.8	7,000	7,329.8	7,000	7,329.8	—	—
Pavia	94	100	2,500	2,659.6	4,000	4,255.3	4,500	4,787.2	4,300	4,574.5
Maize										
Brescia	90	100	5,250	5,833.3	5,000	5,555.6	4,500	5,000.0	—	—
Cremona	90	100	4,500	5,000.0	4,000	4,444.4	4,000	4,444.4	4,000	4,444.4
Milan	89	100	5,030	5,618.0	5,000	5,618.0	6,000	6,741.6	5,200	5,842.7
Pavia	90	100	3,300	3,666.7	4,000	4,444.4	5,000	5,555.6	5,000	5,555.6
Udine	90	100	4,500	5,000.0	5,000	5,555.6	5,500	6,111.1	5,500	6,111.1

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Cities	June 1938		March 1946		June 1946		July 1946		August 1946	
	Price	Index	Price	Index	Price	Index	Price	Index	Price	Index
Soft Wheat										
Alessandria	135	100	9,000	6,666.7	9,000	6,666.7	6,000	4,444.4	6,000	4,444.4
Milan	135	100	8,200 (1)	6,074.1	5,500	4,074.1	5,000	3,703.7	3,500	3,925.9
Padua	135	100	6,000	4,444.4	4,000	2,963.0	4,000	2,963.0	4,000	2,963.0
Rovigo	135	100	4,500	3,333.3	6,000	4,444.4	6,000	4,444.4	—	—
Florence	135	100	5,500	4,074.1	5,700	4,222.2	6,200	4,592.6	5,280	4,281.5
Perugia	135	100	5,000	3,703.7	9,000	6,666.7	5,000	3,703.7	5,000	3,703.7
Rome	135	100	7,500	5,555.6	5,000	3,703.7	5,000	3,703.7	5,000	3,703.7
Teramo	135	100	10,000	7,407.4	6,000	4,444.4	4,500	3,333.3	4,500	3,333.3
Catania	135	100	8,000	5,925.9	5,000	3,703.7	5,500	4,074.1	4,500	3,333.3
Cagliari	135	100	12,500	9,259.3	12,500	9,259.3	8,000	5,925.9	8,000	5,925.9
Sassari	135	100	10,000	7,407.4	12,000	8,888.9	4,000	2,963.0	4,000	2,963.0
Husked rice										
Vercelli	93	100	1,300	4,838.7	5,000	5,376.3	—	—	—	—
Milan	95.50	100	4,600	4,815.8	7,000	7,329.8	7,000	7,329.8	—	—
Pavia	94	100	2,500	2,659.6	4,000	4,255.3	4,500	4,787.2	4,300	4,574.5
Maize										
Brescia	90	100	5,250	5,833.3	5,000	5,555.6	4,500	5,000.0	—	—
Cremona	90	100	4,500	5,000.0	4,000	4,444.4	4,000	4,444.4	4,000	4,444.4
Milan	89	100	5,000	5,618.0	5,000	5,618.0	6,000	6,741.6	5,200	5,842.7
Pavia	90	100	5,300	5,666.7	4,000	4,444.4	5,000	5,555.6	5,000	5,555.6
Udine	90	100	4,500	5,000.0	5,000	5,555.6	5,500	6,111.1	5,500	6,111.1
Bologna	90	100	5,000	5,555.6	—	—	6,000	6,666.7	—	—
Piacenza	90	100	4,200	4,666.7	4,000	4,444.4	4,500	5,000.0	4,000	4,444.4
Rome	92	100	6,500	7,065.2	6,000	6,521.7	—	—	—	—

(1) 10,000 lire, according to the "Societa Edison".

Source: Central Institute of Statistics (Monthly Bulletin).

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TABLE 42 (*continued*)

Open or Black Market Wholesale Prices in Lire per Quintal

Cities	June 1938		March 1946		June 1946		July 1946		August 1946	
	Price	Index	Price	Index	Price	Index	Price	Index	Price	Index
OLIVE OIL										
Genoa	748	100	55,700	7,446.5	53,000	7,085.6	—	—	—	—
Florence	734	100	52,500	7,152.6	50,000	6,812.0	54,250	7,391.0	55,000	7,493.2
Lucca	793	100	—	—	55,000	6,935.7	—	—	90,000	11,349.3
Perugia	704	100	42,000	5,965.9	48,000	6,818.2	48,000	6,818.2	55,000	7,812.5
Chieti	725	100	45,000	6,206.9	45,000	6,206.9	45,000	6,206.9	50,000	6,896.6
Naples	761	100	—	—	46,000	6,045.3	—	—	62,500	8,812.9
Bari	697	100	28,000	4,017.3	33,500	4,806.4	38,000	5,452.0	42,000	6,025.8
Foggia	670	100	29,000	3,328.4	—	—	36,000	5,373.1	37,000	5,522.4
Lecce	660	100	23,500	3,560.6	32,500	1,924.2	45,000	6,818.2	43,000	6,515.2
Catanzaro	689	100	—	—	30,000	4,354.1	—	—	40,000	5,805.5
Cosenza	660	100	—	—	28,000	4,242.4	—	—	40,000	6,060.6
Reggio Calabria	697	100	27,000	3,873.7	28,500	4,089.0	35,000	5,021.5	40,000	5,738.9
Catania	745	100	22,000	2,952.8	26,000	3,489.7	37,000	4,966.1	41,000	5,503.4
MILK FOR DIRECT CONSUMPTION (1)										
Milan	110	100	3,300	3,000.0	3,200	2,909.1	3,200	2,909.1	3,200	2,909.1
Bologna	90	100	3,500	3,888.9	3,000	3,333.0	3,000	3,333.3	5500	—
Florence	102	100	4,600	4,509.8	4,300	4,215.7	4,400	4,313.7	4,400	4,313.7
Rome	132	100	5,000	3,787.9	—	—	4,000	3,030.3	4,000	3,030.3
Naples	140	100	—	—	6,000	4,285.7	—	—	—	—
Palermo	97.5	100	3,000	3,076.9	3,500	3,589.7	4,500	4,615.4	4,500	5,615.4
OXEN FOR SLAUGHTER (*Lire weight*)										
Alessandria	300	100	14,000	4,666.7	11,500	3,833.3	13,000	4,333.3	13,000	5,333.3
Milan	430	100	15,000	3,488.4	14,000	3,255.8	16,000	3,720.9	16,500	3,837.2
Vicenza	315	100	20,000	6,349.2	13,500	4,285.7	15,000	4,761.9	13,000	4,127.0
Bologna	320	100	16,500	5,156.3	15,000	4,687.5	17,000	5,312.5	18,000	5,625.0
Perugia	305	100	13,500	4,426.2	14,000	4,590.2	16,000	5,245.9	15,500	5,082.0

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Cities	June 1938		March 1946		June 1946		July 1946		August 1946	
	Price	Index	Price	Index	Price	Index	Price	Index	Price	Index
OLIVE OIL										
Genoa	748	100	55,700	7,446.5	53,000	7,085.6	—	—	—	—
Florence	734	100	52,500	7,152.6	50,000	6,812.0	54,250	7,391.0	55,000	7,493.2
Lucca	793	100	—	—	55,000	6,935.7	—	—	90,000	11,349.3
Perugia	704	100	42,000	5,965.9	48,000	6,818.2	48,000	6,818.2	55,000	7,812.5
Chieti	725	100	45,000	6,206.9	45,000	6,206.9	45,000	6,206.9	50,000	6,896.6
Naples	761	100	—	—	46,000	6,045.3	—	—	62,500	8,812.9
Bari	697	100	28,000	4,017.3	33,500	4,806.4	38,000	5,452.0	42,000	6,025.8
Foggia	670	100	29,000	3,328.4	—	—	36,000	5,373.1	37,000	5,522.4
Lecce	660	100	23,500	3,560.6	32,500	4,924.2	45,000	6,818.2	43,000	6,515.2
Catanzaro	689	100	—	—	30,000	4,354.1	—	—	40,000	5,805.5
Cosenza	660	100	—	—	28,000	4,242.4	—	—	40,000	6,060.6
Reggio Calabria	697	100	27,000	3,873.7	28,500	4,089.0	35,000	5,021.5	40,000	5,738.9
Catania	745	100	22,000	2,952.8	26,000	3,489.7	37,000	4,966.1	41,000	5,503.4
MILK FOR DIRECT CONSUMPTION (1)										
Milan	110	100	3,300	3,000.0	3,200	2,909.1	3,200	2,909.1	3,200	2,909.1
Bologna	90	100	3,500	3,888.9	3,000	3,333.0	3,000	3,333.3	—	—
Florence	102	100	4,600	4,509.8	4,300	4,215.7	4,400	4,313.7	4,400	4,313.7
Rome	132	100	5,000	3,787.9	—	—	4,000	3,030.3	4,000	3,030.3
Naples	140	100	—	—	6,000	4,285.7	—	—	—	—
Palermo	97.5	100	3,000	3,076.9	3,500	3,589.7	4,500	4,615.4	4,500	5,615.4
OXEN FOR SLAUGHTER (*Live weight*)										
Alessandria	300	100	14,000	4,666.7	11,500	3,833.3	13,000	4,333.3	13,000	5,333.3
Milan	430	100	15,000	3,488.4	14,000	3,255.8	16,000	3,720.9	16,500	3,837.2
Vicenza	315	100	20,000	6,349.2	13,500	4,285.7	15,000	4,761.9	13,000	4,127.0
Bologna	320	100	16,500	5,156.3	15,000	4,687.5	17,000	5,312.5	18,000	5,625.0
Perugia	305	100	13,500	4,426.2	14,000	4,590.2	16,000	5,245.9	15,500	5,082.0
Rome	364	100	12,500	3,434.1	10,000	2,747.3	14,000	3,846.2	16,000	4,395.6
Naples	327	100	—	—	11,400	3,486.2	—	—	14,000	4,281.3
Bari	310	100	14,000	4,516.1	12,000	3,871.0	11,500	3,709.7	14,000	4,516.1
Catania	291	100	13,000	4,467.4	13,000	4,467.4	13,000	4,467.4	13,000	4,467.4

(1) Price per 100 litres.

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TABLE 42 (*continued*)

Open or Black Market Prices in Lire per Quintal

	June 1938		March 1946		June 1946		July 1946		August 1946	
	Price	Index	Price	Index	Price	Index	Price	Index	Price	Index
COWS FOR SLAUGHTERING (*Live weight*) (1)										
Alessandria	210	210	11,000	5,238.1	9,000	4,285.7	11,000	5,238.1	11,000	5,238.1
Milan	370	100	13,000	3,513.5	12,000	3,243.2	14,000	3,783.8	15,500	5,189.2
Vicenza	260	100	15,000	5,769.2	12,000	4,615.4	13,000	5,000.0	13,000	5,000.0
Bologna	285	100	15,500	5,438.6	14,000	4,912.3	15,500	5,438.6	16,500	5,789.5
Perugia	280	100	12,500	4,464.3	13,500	4,821.4	15,000	5,357.1	14,200	5,071.4
Rome	324	100	12,000	3,703.7	9,500	2,932.1	13,500	4,166.7	15,500	5,784.0
Naples	339	100	—	—	12,000	3,539.8	—	—	14,000	4,129.8
Bari	310	100	13,000	4,193.5	12,000	3,871.0	11,500	3,709.7	13,000	4,193.5
Catania	306	100	12,000	3,921.6	12,000	3,921.6	12,000	3,921.6	12,000	3,921.6
CALVES FOR SLAUGHTER (*Live weight*).										
Alessandria	350	100	21,000	6,000.0	18,000	5,242.9	22,000	6,285.7	22,000	6,285.7
Milan	560	100	(2)19,000	3,392.9	18,500	3,303.6	20,000	3,571.0	23,000	4,107.1
Bologna	375	100	19,000	5,066.7	19,000	5,066.7	23,000	6,133.3	26,000	6,933.3
Perugia	350	100	19,000	5,428.6	19,000	5,428.6	20,000	5,714.3	20,000	5,714.3
Rome	427	100	16,000	3,747.1	13,000	3,044.5	18,000	4,215.5	18,000	4,215.5
Bari	483	100	16,000	3,312.6	14,000	2,898.6	14,000	2,898.6	15,000	3,105.6
LAMBS (*Live weight*)										
Rome	761	100	20,000	2,628.1	—	—	—	—	—	—
Campobasso	450	100	11,000	2,444.4	11,000	2,444.4	—	—	11,000	2,444.4
Chieti	335	100	19,000	4,935.1	19,000	4,935.1	20,000	5,194.8	16,000	4,776.1
Lecce	512	100	17,500	3,418.0	13,000	2,539.1	13,000	2,539.1	13,000	2,539.1
SHEEP (*Live weight*).										

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	June 1938		March 1946		June 1946		July 1946		August 1946	
	Price	Index	Price	Index	Price	Index	Price	Index	Price	Index
Cows for slaughtering (*Live weight*) (1)										
Alessandria	210	210	11,000	5,238.1	9,000	4,285.7	11,000	5,238.1	11,000	5,238.1
Milan	370	100	13,000	3,513.5	12,000	3,243.2	14,000	3,783.8	15,500	5,189.2
Vicenza	260	100	15,000	5,769.2	12,000	4,615.4	13,000	5,000.0	13,000	5,000.0
Bologna	285	100	15,500	5,438.6	14,000	1,912.3	15,500	5,438.6	16,500	5,789.5
Perugia	280	100	12,500	4,464.3	13,500	4,821.4	15,000	5,357.1	14,200	5,071.4
Rome	324	100	12,000	3,703.7	9,500	2,932.1	13,500	4,166.7	15,500	5,784.0
Naples	339	100	—	—	12,000	3,539.8	—	—	14,000	4,129.8
Bari	310	100	13,000	4,193.5	12,000	3,871.0	11,500	3,709.7	13,000	4,193.5
Catania	306	100	12,000	3,921.6	12,000	3,921.6	12,000	3,921.6	12,000	3,921.6
Calves for slaughter (*Live weight*).										
Alessandria	350	100	21,000	6,000.0	18,000	5,242.9	22,000	6,285.7	22,000	6,285.7
Milan	360	100	(2)19,000	3,392.9	18,500	3,305.6	20,000	3,571.0	23,000	4,107.1
Bologna	375	100	19,000	5,066.7	19,000	5,066.7	23,000	6,133.3	26,000	6,933.3
Perugia	350	100	19,000	5,428.6	19,000	5,428.6	20,000	5,714.3	20,000	5,714.3
Rome	427	100	16,000	3,747.1	18,000	3,044.5	18,000	4,215.5	18,000	4,215.5
Bari	483	100	16,000	3,312.6	14,000	2,898.6	14,000	2,898.6	15,000	3,105.6
Lambs (*Live weight*)										
Rome	761	100	20,000	2,628.1	—	—	—	—	—	—
Campobasso	450	100	11,000	2,444.4	11,000	2,444.4	—	—	11,000	2,444.4
Chieti	335	100	19,000	4,935.1	19,000	4,935.1	20,000	5,194.8	16,000	4,776.1
Lecce	312	100	17,500	3,418.0	13,000	2,539.1	13,000	2,539.1	13,000	2,539.1
Sheep (*Live weight*).										
Sassari	375	100	—	—	—	—	8,000	2,133.3	7,500	2,000.0

(1) For 1938, second quality.
(2) 24,000 lire according to the data of the Edison Combine.

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TABLE 43

Minimum and Maximum Open Market Prices in Lire per Quintal in certain Italian Markets: July 1946

PRODUCT	PRICES				Index numbers (1938 = 1)	
	Minimum		Maximum			
	Price	Market	Price	Market	Minimum	Maximum
Soft wheat	4,000	Padua	8,000	Cagliari	30	59
Husked rice	4,500	Pavia	7,000	Milan	48	73
Maize	4,000	Cremona	6,000	Milan	44	67
Olive Oil	35,000	Reggio Calabria	54,000	Florence	50	74
Oxen for slaughter	11,500	Bari	17,000	Bologna	37	53
Cows for slaughter	11,500	Bari	15,500	Bologna	37	54
Calves for slaughter	14,000	Bari	23,000	Bologna	29	61
Lambs	13,000	Lecce	20,000	Chieti	25	52
Milk for direct consumption (per 100 liters)	3,000	Bologna	4,500	Palermo	53	46

(b) *The Prices of Raw Materials and Industrial Products.*

283. The most recent, complete and reliable source of data on open market or black market wholesale prices of raw materials and industrial products, is that provided by the "Giunta Tecnica" (Technical Group) of the Edison Combine, Milan (see Table 44). Although the data refer only to Milan—one of Italy's most important markets—they are of wider interest. It will be appreciated that the economic importance of black market prices (a) is negligible for imported raw materials, where home production is insignificant or small, since, in this case, distribution and allocation are usually efficiently performed by the official agencies (e.g. coke, cotton, etc.), and (b) is great for commodities for which there is no official system of distribution or where distribution is ineffectually carried out.

284. In some cases (e.g. copper and lead) the official prices during March 1946—not currently adjusted—have remained at a higher level than the free prices: this is further evidence of the need for tightening up the efficiency of the price-controlling agencies.

285. Except for aluminum, all black market prices in September 1946 exceeded substantially the current circulation level, which is some 20 times higher than prewar. This applies also to some official prices (coke, lead, copper sulphate, cement and tires—also footwear).

286. The ratio of black market prices to official prices (unlike the relationship in food and agricultural products - see para. 279) is not extreme. Gasoline and tires show a wide difference, but this is due to the small official allocation and consequent greater resort to the black market. As is seen in the following summary, the divergence between official and black market prices has diminished from March to August 1946, except for tires, footwear, lead, copper, and wool:

Black Market Index Prices (official price = 1): March and August 1946.

	March	August		March	August
Copper sulphate	1.60	1.03	Wool	1.44	2.00

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PRODUCT	PRICES				(1938 = 1)	
	Minimum		Maximum		Minimum	Maximum
	Price	Market	Price	Market		
Soft wheat	4,000	Padua	8,000	Cagliari	30	59
Husked rice	4,500	Pavia	7,000	Milan	48	73
Maize	4,000	Cremona	6,000	Milan	44	67
Olive Oil	35,000	Reggio Calabria	54,000	Florence	50	74
Oxen for slaughter	11,500	Bari	17,000	Bologna	37	53
Cows for slaughter	11,500	Bari	15,500	Bologna	37	54
Calves for slaughter	14,000	Bari	23,000	Bologna	29	61
Lambs	13,000	Lecce	20,000	Chieti	25	52
Milk for direct consumption (per 100 liters)	3,900	Bologna	4,500	Palermo	53	46

(b) *The Prices of Raw Materials and Industrial Products.*

283. The most recent, complete and reliable source of data on open market or black market wholesale prices of raw materials and industrial products, is that provided by the "Giunta Tecnica" (Technical Group) of the Edison Combine, Milan (see Table 44). Although the data refer only to Milan—one of Italy's most important markets—they are of wider interest. It will be appreciated that the economic importance of black market prices (a) is negligible for imported raw materials, where home production is insignificant or small, since, in this case, distribution and allocation are usually efficiently performed by the official agencies (e.g. coke, cotton, etc.), and (b) is great for commodities for which there is no official system of distribution or where distribution is ineffectually carried out.

284. In some cases (e.g. copper and lead) the official prices during March 1946—not currently adjusted—have remained at a higher level than the free prices: this is further evidence of the need for tightening up the efficiency of the price-controlling agencies.

285. Except for aluminum, all black market prices in September 1946 exceeded substantially the current circulation level, which is some 20 times higher than prewar. This applies also to some official prices (coke, lead, copper sulphate, cement and tires—also footwear).

286. The ratio of black market prices to official prices (unlike the relationship in food and agricultural products - see para. 279) is not extreme. Gasoline and tires show a wide difference, but this is due to the small official allocation and consequent greater resort to the black market. As is seen in the following summary, the divergence between official and black market prices has diminished from March to August 1946, except for tires, footwear, lead, copper, and wool:

Black Market Index Prices (official price = 1): March and August 1946.

	March	August		March	August
Copper sulphate	1.60	1.03	Wool	1.44	2.00
Lead	0.94	1.10	Coke	2.71	2.61
Copper	0.94	1.21	Caustic soda	3.73	3.73
Coal	1.31	1.31	Tires	2.97	1.27
Cement	1.95	1.56	Gasoline	5.24	4.35
Combustible mineral oil	1.17	1.90	Lubricating mineral oils	5.60	1.76
Men's footwear	1.77	2.00			

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TABLE 44.

Official and Black Market Prices in Lire (Milan: 1938 and 1946)

		1938	March 1946		August 1946		September 1946	
			Official	Black market	Official	Black market	Official	Black market
A) *Prices.*								
Coal	metric tons	225.80 (1)	4,048 (2)	13,500 (3)	4,064 (3)	12,500	4,064(*)	12,500
Coke	quintals	30.74	850.00	2,300	880	2,300	880	2,300
Cotton	kilograms	15.95	225.00	225	225	225	225	540
Wool	»	32.06	660 (5)	1,600 (5)	600	1,200	600	1,200
Aluminum	»	11.00	130.00	130	—	152.50	—	165
Copper (6)	»	4.78	95.76	90	92.76	122.50	92.7	137.5
Lead, just after smelting	»	2.93	80.00	75	72	79	72	86.5
Gasoline	»	3.33	21.00	110	23	100	27	150
Combustible mineral oils (7)	quintals	48.80	840.00	3,500	840	1,600	350	1,700
Lubricating mineral oils (8)	»	476.00	3,570.00	20,000	3,570	17,000	5,420	17,000
Copper Sulphate	»	196.23	5,000.00	8,000	5,000	5,400	5,400	6,000
Caustic soda	»	130.00	1,340.00	5,000	1,340	5,000	1,340	7,000
Cement (type 500)	»	17.72	374.00	720	474	740	505	750
Tires (Fiat cars-500)	each	120.00	4,119.00	12,000	4,683	20,000	4,119	22,000
Paper (9)	quintals	260.88	5,700.00	12,000	—	8,750	—	8,750
Footwear for men	pairs	62.00	1,300.00	2,300	1,300	2,600	1,300	2,600
B) *Index Numbers* (1938 = 100).								
Coal		100	1,792.7	5,978.7	1,800.0	5,535.9	1,800.0	5,535.9
Coke		100	2,765.1	7,482.1	2,862.7	7,482.1	2,862.7	7,482.1
Cotton		100	1,410.7	1,410.7	1,410.7	1,410.7	1,410.7	3,385.6
Wool		100	2,058.6	4,990.6	1,871.5	3,743.0	1,811.5	3,743.0
Aluminum		100	1,181.8	1,181.8	—	1,386.4	—	1,500.0
Copper		100	2,003.3	1,882.8	2,003.3	2,562.6	2,003.3	2,876.6
Lead		100	2,730.4	2,559.7	2,457.3	2,696.2	2,457.3	2,952.2
Gasoline		100	630.6	3,303.3	690.7	3,003.0	810.8	4,504.5
Combustible mineral oils		100	1,721.3	7,172.1	1,721.3	3,278.7	1,741.8	3,483.6
Lubricating mineral oils		100	750.0	4,201.7	750.0	3,571.4	1,138.7	3,571.4
Copper sulphate		100	2,548.3	4,077.3	2,548.3	2,752.2	2,548.3	3,057.6
Caustic soda		100	1,030.8	3,846.2	1,030.8	3,846.2	1,030.8	5,384.6

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A) *Prices.*

Coal	metric tons	225.80 (1)	4,048 (2)	13.500 (3)	4,064 (3)	12,500	4,064(3)	12,500
Coke	quintals	30.74	850.03	2,300	880	2,300	880	2,300
Cotton	kilograms	15.95	225.00	225	225	225	225	540
Wool	»	32.06	660 (5)	1,600 (5)	600	1,200	600	1,200
Aluminum	»	11.00	130.00	130	—	152.50	—	165
Copper (6)	»	4.78	95.76	90	92.76	122.50	92.7	137.5
Lead, just after smelting	»	2.93	80.00	75	72	79	72	86.5
Gasoline	»	3.33	21.00	110	23	100	27	150
Combustible mineral oils (7)	quintals	48.80	840.00	3,500	840	1,600	350	1,700
Lubricating mineral oils (8)	»	476.00	3,570.00	20,000	3,570	17,000	5,420	17,000
Copper Sulphate	»	196.23	5,000.00	8,000	5,000	5,400	5,400	6.000
Caustic soda	»	130.00	1.340.00	5,000	1,340	5,000	1,340	7,000
Cement (type 500)	»	17.72	374.00	720	474	710	505	750
Tires (Fiat cars-500)	each	120.00	4,119.00	12,000	4,683	20,000	4,119	22,000
Paper (9)	quintals	260.88	5,700.00	12,000	—	8,750	—	8,750
Footwear for men	pairs	62.00	1,300.00	2,300	1,300	2,600	1,300	2,600

B) *Index Numbers* (1938 = 100).

Coal	100	1,792.7	5,978.7	1,800.0	5,535.9	1,800.0	5,535.9
Coke	100	2,765.1	7,482.1	2,862.7	7,482.1	2,862.7	7,482.1
Cotton	100	1,410.7	1,410.7	1,410.7	1,410.7	1,410.7	3,385.6
Wool	100	2,058.6	4,990.6	1,871.5	3,743.0	1,811.5	3,743.0
Aluminum	100	1,181.8	1,181.8	—	1,386.4	—	1,500.0
Copper	100	2,003.3	1,882.8	2,003.3	2,562.8	2,003.3	2,876.6
Lead	100	2,730.4	2,559.7	2,457.3	2,696.2	2,457.3	2,952.2
Gasoline	100	630.6	3,303.3	690.7	3,003.0	810.8	4,504.5
Combustible mineral oils	100	1,721.3	7,172.1	1,721.3	3,278.7	1,741.8	3,483.6
Lubricating mineral oils	100	750.0	4,201.7	750.0	3,571.4	1,138.7	3,571.4
Copper sulphate	100	2,548.3	4,077.3	2,548.3	2,752.2	2,548.3	3,057.6
Caustic soda	100	1,030.8	3,846.2	1,030.8	3,846.2	1,030.8	5,384.6
Cement	100	2,110.6	4,063.2	2,674.9	4,176.1	2,878.1	4,232.5
Tires	100	3,432.5	10,000.0	3,982.5	16,666.7	3,432.5	18,333.3
Paper	100	2,184.9	4,600.0	—	3,354.0	—	3,354.0
Footwear for men	100	2,096.8	3,709.7	2,096.8	4,193.5	2,996.8	4,193.5

(1) Westphalia. — (2) American coal for public utilities. — (3) For industry. — (4) Gas coal — (5) The official price refers to imported American wool, the actual price to domestic wool. — (6) American copper for wire. — (7) Fluid for boilers and furnaces. — (8) For transformers. — (9) Newsprint.

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287. Table 45 shows the prices for commodities for which there is no official price:

TABLE 45

Open Market Prices in Lire in Milan: 1938 and 1946.

Commodity		Prices				Index-numbers (1938 = 100)		
		1938	March 1946	August 1946	September 1946	March 1946	August 1946	Sept. 1946
Firewood	quintals	16.73	600	500	550	3,586.4	2,988.6	3,287.5
Sectioned homogeneous iron	kilograms	1.29	26.60	26.60	26.60	2,062.0	2,062.0	2,062.0
Mannesmann iron tubes	»	3.93	50	50	50	1,272.3	1,272.3	1,272.3
Mineral superphosphate	quintals	24.75	630	930	930	2,545.5	3,757.6	3,757.6
Bricks (25 × 13 × 6 cm.)	per one hundred	12.00	260	400	440	2,166.7	3,333.3	3,666.7
Rayon (150, 1st quality)	kilograms	21.45	600	605	800	2,797.2	2,820.5	3,729.6
Cotton yarns	»	15.50	510	620	950	3,290.3	4,000.0	6,129.0
Hemp yarns (1)	»	14.85	300	300	350	2,020.0	2,020.0	2,356.9
Lumber:								
a) 1st Quality for planks	cub. meter	487.50	16,500	15,500	16,000	3,384.6	3,179.5	3,282.1
b) Fir beams, Trieste type	»	217.50	10,000	10,000	10,000	4,597.7	4,597.7	4,597.7
Alcohol (95 %) (anhydrous)	hectoliters	2,300.00	43,000	36,000	36,000	1,869.6	1,565.2	1,565.2
Electric light bulbs (each)	each	3.87	80	95	105	2,067.2	2,454.8	2,713.2
Automobile (Fiat 500 make)	kilograms	20.16	330	326.75	326.75	1,635.3	1,620.7	1,620.7
Trucks (626 n.)	»	24.13	400	367.08	367.08	1,657.7	1,521.3	1,521.3
Electr. cables conductors (2)	meters	13.70	210	210	240	1,532.8	1,532.8	1,751.8
Mixed cotton rayon woven fabric	»	9.00	220	150	150	2,444.4	1,666.7	1,666.7
Hand combed woollen woven fabric	»	40.23	3,400	2,500	2,800	8,451.4	6,214.3	6,960.0

(1) Long fibre. — (2) Distribution cable (3 x 10 mm.²).
Source: Edison Combine, Milan.

288. Open market prices of but few commodities recorded in Table 45 stand at levels which are from 12 to 70 times higher than in 1938 (the greatest frequency is 20 to 40 times). The increases are therefore substantially lower than the increases in prices of agricultural products (see para. 282). For some products prices are lower, or slightly in excess of, the currency circulation index (i.e. 20 times higher than prewar). Table 46 (diagram) illustrates the high dispersion of wholesale prices for industrial products (August 1946) as well as the relationship between the general index of wholesale prices and the currency circulation index.

(c) *Building and House Repair Prices.*

289. The Government, for the payment of subsidies

290. For rural houses the coefficient ranges from 15 to 19 times the cost in 1940. For Government-built apartment houses for wage earners (case popolari) the coefficient ranges from 15 to 18. For apartment houses of the economic type (for the lower middle category incomes) built by cooperative associations or private builders, the coefficient ranges from 14 to 19. For residential houses the coefficient is from 15 to 22. As from 1938 to 1940 the prices of raw materials for building increased by 10 to 20 %, it may be assumed that the cost of residential houses has increased from 1938 to 1946 about 26 times (1).

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Commodity		Prices				Index-numbers (1938 = 100)		
		1938	March 1946	August 1946	September 1946	March 1946	August 1946	Sept. 1946
Firewood	quintals	16.73	600	500	550	3,586.4	2,988.6	3,287.5
Sectioned homogeneous iron	kilograms	1.29	26.60	26.60	26.60	2,062.0	2,062.0	2,062.0
Mannesmann iron tubes	»	3.93	50	50	50	1,272.3	1,272.3	1,272.3
Mineral superphosphate	quintals	24.75	630	930	930	2,545.5	3,757.6	3,757.6
Bricks (25 × 13 × 6 cm.)	per one hundred	12.00	260	400	440	2,166.7	3,333.3	3,666.7
Rayon (150, 1st quality)	kilograms	21.45	600	605	800	2,797.2	2,820.5	3,729.6
Cotton yarns	»	15.50	510	620	950	3,290.3	4,000.0	6,129.0
Hemp yarns (1)	»	14.85	300	300	350	2,020.0	2,020.0	2,356.9
Lumber:								
a) 1st Quality for planks	cub. meter	487.50	16,500	15,500	16,000	3,384.6	3,179.5	3,282.1
b) Fir beams, Trieste type	»	217.50	10,000	10,000	10,000	4,597.7	4,597.7	4,597.7
Alcohol (95 %) (anhydrous)	hectoliters	2,300.00	43,000	36,000	36,000	1,869.6	1,565.2	1,565.2
Electric light bulbs (each)	each	3.87	80	95	105	2,067.2	2,454.8	2,713.2
Automobile (Fiat 500 make)	kilograms	20.16	330	326.75	326.75	1,635.3	1,620.7	1,620.7
Trucks (626 n.)	»	24.13	400	367.08	367.08	1,657.7	1,521.3	1,521.3
Electr. cables conductors (2)	meters	13.70	210	210	240	1,532.8	1,532.8	1,751.8
Mixed cotton rayon woven fabric	»	9.00	220	150	150	2,444.4	1,666.7	1,666.7
Hand combed woollen woven fabric	»	40.23	3,400	2,500	2,800	8,451.4	6,214.3	6,960.0

(1) Long fibre. — (2) Distribution cable (3 x 10 mm.²).
Source: Edison Combine, Milan.

288. Open market prices of but few commodities recorded in Table 45 stand at levels which are from 12 to 70 times higher than in 1938 (the greatest frequency is 20 to 40 times). The increases are therefore substantially lower than the increases in prices of agricultural products (see para. 282). For some products prices are lower, or slightly in excess of, the currency circulation index (i.e. 20 times higher than prewar). Table 46 (diagram) illustrates the high dispersion of wholesale prices for industrial products (August 1946) as well as the relationship between the general index of wholesale prices and the currency circulation index.

(c) *Building and House Repair Prices.*

289. The Government, for the payment of subsidies for reconstruction and repairing of war-damaged or war-destroyed homes, has set (with the assistance of a special advisory board and of the Ministry of Public Works experts) a "coefficient of variation" from May 1940 to 1946 of the cost of house reconstruction and repairing. The coefficient differs from province to province according to the type of building.

290. For rural houses the coefficient ranges from 15 to 19 times the cost in 1940. For Government-built apartment houses for wage earners (case popolari) the coefficient ranges from 15 to 18. For apartment houses of the economic type (for the lower middle category incomes) built by cooperative associations or private builders, the coefficient ranges from 14 to 19. For residential houses the coefficient is from 15 to 22. As from 1938 to 1940 the prices of raw materials for building increased by 10 to 20 %, it may be assumed that the cost of residential houses has increased from 1938 to 1946 about 26 times (1).

(1) This 26 fold increase is near the index computed by the "Centro Aziendale of Florence" for the cost of building of an apartment house. Taking 1938=100, the index of building cost fluctuated from 2,702 to 2,717 during the first nine months of 1946.
The apartment building to which the calculation relates is one for lower salary earners in the outskirts of Florence. It has three floors and central stairway with no basement. The building consists of 6 flats, each having 3 rooms, bathroom, corridors and a small kitchen. The cost of building in 1938 was 161,500 lire, or in September 1946, 4,384,000 lire.

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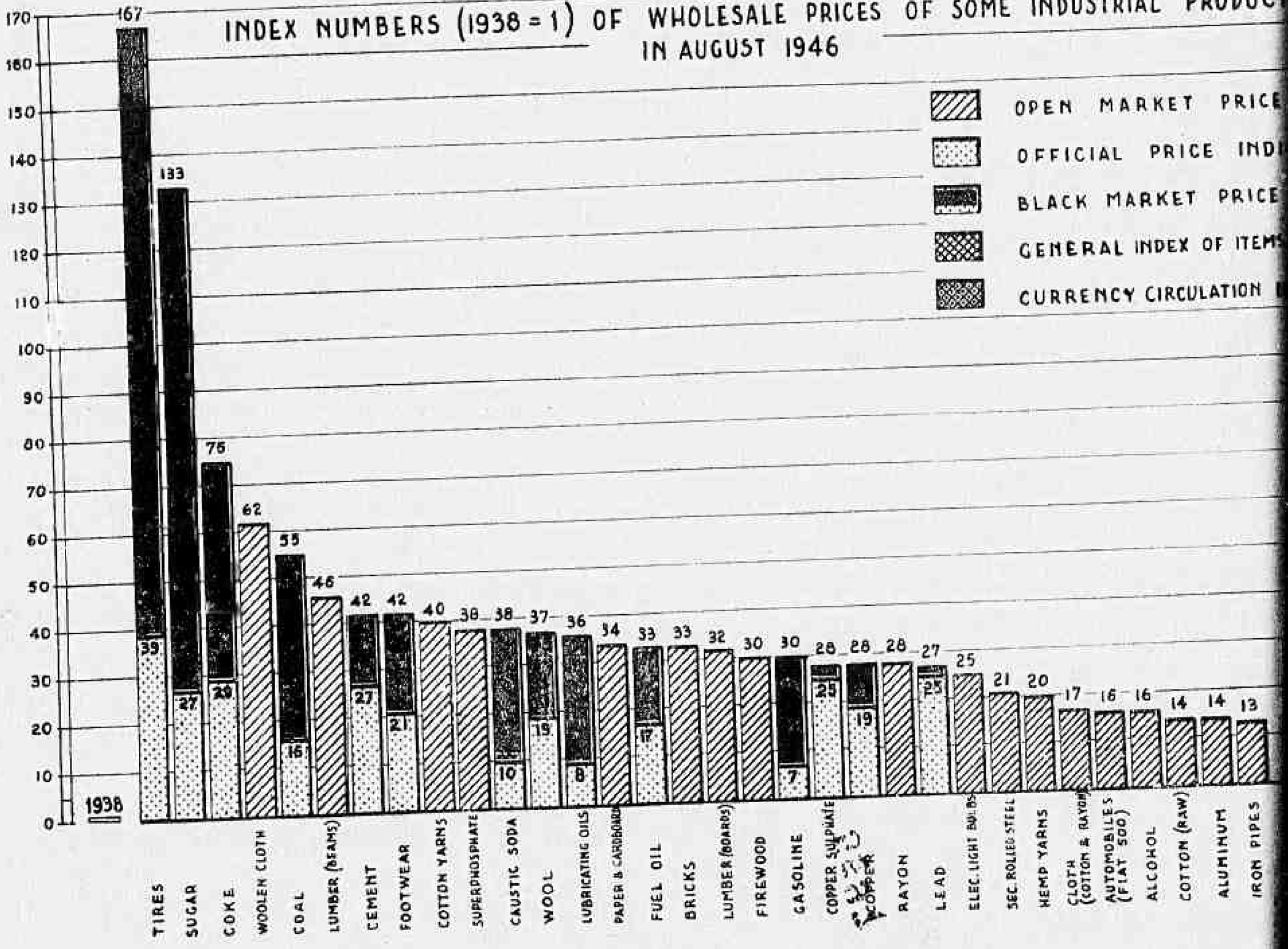
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TABLE 46

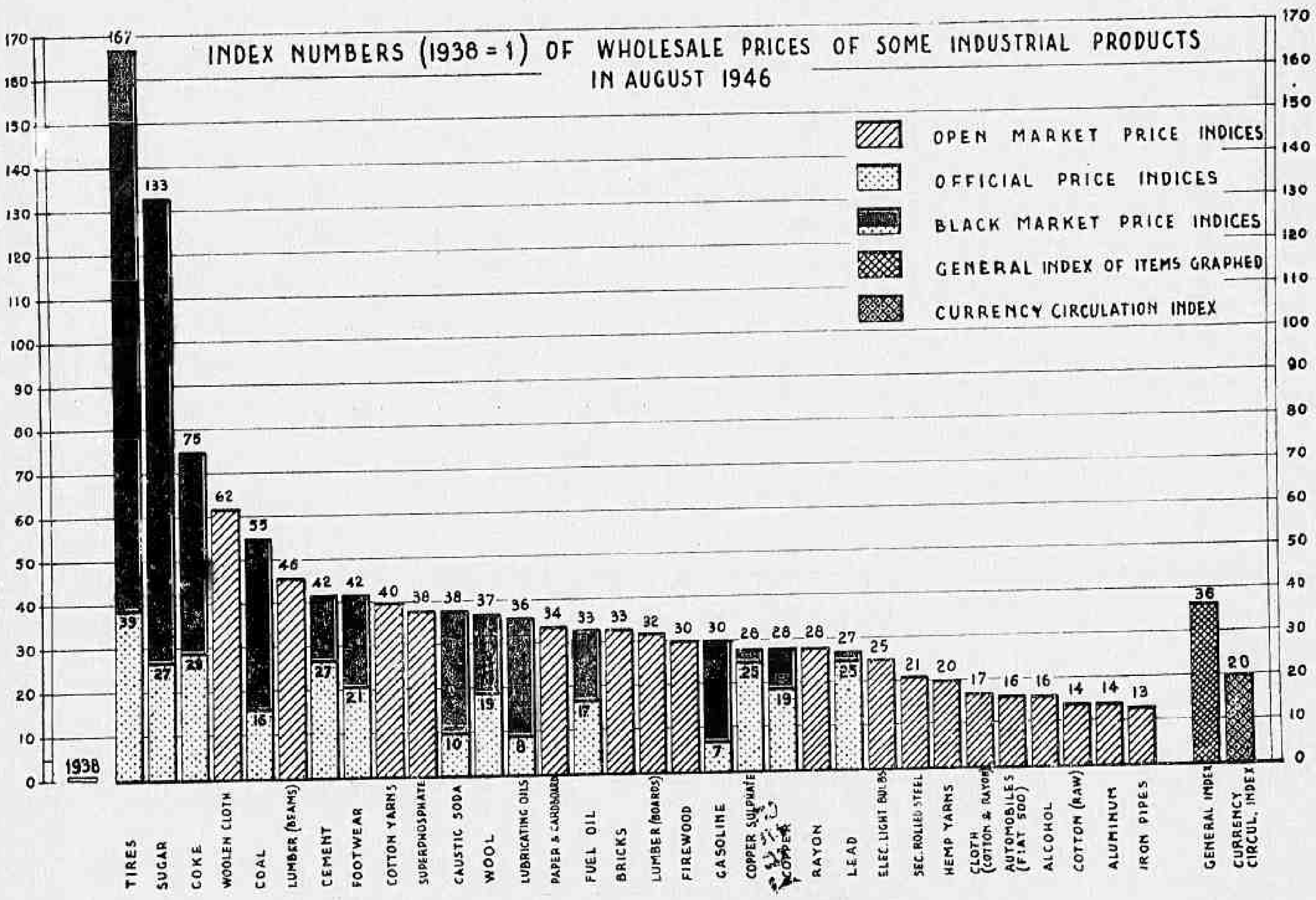
INDEX NUMBERS (1938 = 1) OF WHOLESALE PRICES OF SOME INDUSTRIAL PRODUCT
IN AUGUST 1946



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INDEX NUMBERS (1938 = 1) OF WHOLESALE PRICES OF SOME INDUSTRIAL PRODUCTS IN AUGUST 1946



(C) *UNRRA PRICE POLICY*

The Agreement with the Italian Government.

291. Under the following article (III (d) (iii)) of the Supplementary Agreement of 19 January 1946 between UNRRA and the Italian Government there must be concurrence between the parties on the price of UNRRA imports:

> "ARTICLE III
>
> (d) To enable the (UNRRA) Administration effectively to discharge its responsibilities, the Government will discuss and agree with UNRRA its policies and plans for the distribution of UNRRA supplies, insofar as may be deemed necessary by UNRRA in order to ensure that such policies and plans are consistent with the Agreement of 9th November 1943, with the Council Resolution, and with the purposes of this Agreement. With this object, the Government will consult with the Administration concerning the following subject:
>
> (iii) Price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically."

The Price Committee.

292. In June, 1946, as substantial cargoes of varied categories of supplies (requiring price fixing in accordance with this Article) started to arrive in Italy (earlier shipments having consisted mainly of wheat, coal and POL), a Price Committee was set up as an advisory body to the Chief of Mission and the President of the Italian Government Delegation for Relations with UNRRA.

293. The permanent membership of the Price Committee was made up of representatives of the Italian Government Delegation for Relations with UNRRA, the Ministry of the Treasury, the Ministry of Foreign Trade and the Interministerial Committee on Prices for the Government, and representatives of the UNRRA Mission in Italy. Italian Government representatives of any other Ministry or Government agency were invited to attend when concerned and a representative of the UNRRA Financial Advisor to the Lira Fund has participated in all Price Committee discussions.

294. The functions of the Committee, as outlined in the original terms of reference, consisted of discussing and agreeing on the specific prices to be charged by the Government for supplies furnished free of charge by UNRRA and the relationship of those prices to prices for similar supplies produced domestically or imported outside of the UNRRA program.

295. The Price Committee has worked very closely with the Lira Fund Control Committee, inasmuch as decisions on prices directly affect the proceeds of sale and subsequent accrual to the Lira Fund (1).

296. It was originally intended that the Price Committee, in order to meet the requirements of UNRRA Resolution VII: not only should recommend a price, but estimate handling charges and anticipated accrual to the Lira Fund from the sale of all UNRRA commodities. In the early months of the Committee's operations, the difficulty of estimating handling charges on commodities with which the consignees had had no previous experience, meant undesirable delays in fixing prices. The Lira Fund Control Committee, which is responsible for eventual audit and approval of costs of handling UNRRA supplies, undertook to compile expense schedules on the few consignees who handled the bulk of UNRRA supplies, and except where the handling charges were a determining factor in the price to be set very rough estimates were [illegible] in documentary material submitted to the Committee.

---

(1) To show how the Lira Fund amount is arrived at, the following is an example of an analysis of transactions between the U.N.R.R.A. Price Committee and the Italian Federation of Agricultural Consortia, which is in charge of the distribution and sale of farm machinery and seeds:

Item	Selling Price (*a*)	Actual Expenses	Mark-up	Total Handling Charges (*b*)	To Lira Fund (*a-b*)
		Lire			
Cockshutt Mowers	35,000	4,096.65	5,250	9,346.65	25,653.65
Deering Mowers	35,000	1,088.95	5,250	9,338.95	25,661.05
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2,004.60

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UNRRA and the Italian Government there must be concurrence between the parties on the price of UNRRA imports:

"ARTICLE III

(d) To enable the (UNRRA) Administration effectively to discharge its responsibilities, the Government will discuss and agree with UNRRA its policies and plans for the distribution of UNRRA supplies, insofar as may be deemed necessary by UNRRA in order to ensure that such policies and plans are consistent with the Agreement of 9th November 1943, with the Council Resolution, and with the purposes of this Agreement. With this object, the Government will consult with the Administration concerning the following subject:

(iii) Price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically."

The Price Committee.

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293. The permanent membership of the Price Committee was made up of representatives of the Italian Government Delegation for Relations with UNRRA, the Ministry of the Treasury, the Ministry of Foreign Trade UNRRA Financial Advisor to the Lira Fund has participated in all Price Committee discussions.

294. The functions of the Committee, as outlined in the original terms of reference, consisted of discussing and agreeing on the specific prices to be charged by the Government for supplies furnished free of charge by UNRRA and the relationship of those prices to prices for similar supplies produced domestically or imported outside of the UNRRA program.

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(1) To show how the Lira Fund amount is arrived at, the following is an example of an analysis of transactions between the U.N.R.R.A. Price Committee and the Italian Federation of Agricultural Consortia, which is in charge of the distribution and sale of farm machinery and seeds:

Item	Selling Price (*a*)	Actual Expenses	Mark-up	Total Handling Charges (*b*)	To Lira Fund (*a-b*)
			Lire		
Cockshutt Mowers	35,000	4,096.65	5,250	9,346.65	25,653.65
Deering Mowers	35,000	4,088.95	5,250	9,338.95	25,661.05
Reaping Attachments	3,000	155.40	450	905.40	2,094.60
Binders 1.52	70,000	12,143.35	10,500	22,643.35	47,356.65
Binders 2.10	85,000	12,576.25	12,750	25,326.25	59,673.75
Ploughs	55,000	4,172.25	8,250	12,422.25	42,577.75
Forage Pea Seed	25,000	7,204.50	2,000	9,104.50	15,795.50

(*a*) For each machine and for forage pea seed, for each ton.
(*b*) 15 % of selling price for machinery and 8 % for forage pea seed.

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Handling Charges.

297. More accurate estimates of handling charges are now obtainable and all Price Decisions submitted by the Committee to the Chief of Mission and the President of the Italian Government Delegation show:

A. recommended price
B. estimated handling charges
C. estimated accrual to the Lira Fund.

298. The price fixed and the two estimates are then incorporated in the final Price Decision and the estimated handling charges are the mandatory maxima permitted to be withheld by the consignees on the sale of UNRRA commodities. This practice prevents delaying transfer to the Lira Fund of accruals from proceeds of sale, and the Goverament, having been most anxious to institute this procedure, has undertaken to enforce the payment into the Lira Fund of the mandatory accruals.

299. As with all claims on the Lira Fund, handling charges are subject to final audit by the Lira Fund Control Committee and must be supported by properly documented bills. Estimated handling charges, it should be restated, as shown in Price Decisions, are only provisional maximum withholdings allowed, the Price Committee having no authority to give final approval to expenditure for handling charges. The Italian Government has agreed that UNRRA imports are free of fiscal charges, including custom duties. When, because of price practices, it has been advisable to include customs charges or government taxes in prices fixed, the amounts thus collected accrue to the Lira Fund.

Factors Governing Fixing of Prices.

300. There are several factors governing the fixing of prices for UNRRA imports; these imports can be roughly divided into two large categories: consumer supplies (including durable goods like agricultural machinery) and raw materials for processing in industrial rehabilitation. The UNRRA Italian Mission places great emphasis on the revival of industry as well as on the distribution of relief consumer goods. While the same considerations determining price decisions are applied to each category of imports, they are in many cases weighted differently in view of the individual [illegible]. In all cases the prevailing policies

301. A second important point is the necessity of considering the prices of similar or equal goods already on the market, in order to avoid a dual pricing system with its concomitant danger of speculative resale and disruption of any organized distribution.

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1. That at no time shall relief and rehabilitation supplies be used as a political weapon, and no discrimination shall be made in the distribution of relief supplies because of race, creed or political belief.

2. That in general the responsibility for the distribution, within an area, of relief and rehabilitation supplies should be borne by the government or recognized national authority which exercises administrative authority in the area.

3. That distribution should be so conducted that all classes of the population, irrespective of their purchasing power, shall receive their equitable shares of essential commodities. When supplies are sold to consumers, prices should be set at such levels as to facilitate the flow of supplies into the proper hands, and to avoid maladjustments in the price structure of the areas.

4. That distribution of relief and rehabilitation supplies should take place under effective rationing and price controls. The suppression of black markets should not be left to general pronouncements and decrees, but should be the subject of active measures of enforcement applied vigorously and unremittingly.

5. That the government or recognized national authority which exercises administrative authority in the area should take appropriate measures to insure that so far as the distribution within a liberated territory of relief and rehabilitation goods is done through private trade, the remuneration earned by private traders for their services is no more than is fair and reasonable.

6. That use should be made to the maximum practicable extent of normal agencies of distribution (governmental, commercial, cooperative) to the particular ends of combating inflation and restoring normal economic activity. This principle, however, cannot be pursued at the expense of measures found necessary under emergency conditions to insure an adequate control of the distribution of supplies and their direction to the appropriate consumers.

7. That if the Administration is called on by the military authority to furnish distribution services through its own organisation and personnel in a liberated territory in which a government or recognized national authority does not yet exercise administrative authority, the Administration should, subject to the general provisions governing the relation of the Administration to the military authority and the government or recognized national authority concerned, make the fullest possible use of local authorities and of local organizations.

8. That the Administration be prepared to render direct assistance in distribution whenever, because of unsual circum-

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the Committee to the Chief of Mission and the President of the Italian Government Delegation show:

A. recommended price
B. estimated handling charges
C. estimated accrual to the Lira Fund.

298. The price fixed and the two estimates are then incorporated in the final Price Decision and the estimated handling charges are the mandatory maxima permitted to be withheld by the consignees on the sale of UNRRA commodities. This practice prevents delaying transfer to the Lira Fund of accruals from proceeds of sale, and the Government, having been most anxious to institute this procedure, has undertaken to enforce the payment into the Lira Fund of the mandatory accruals.

299. As with all claims on the Lira Fund, handling charges are subject to final audit by the Lira Fund Control Committee and must be supported by properly documented bills. Estimated handling charges, it should be restated, as shown in Price Decisions, are only provisional maximum withholdings allowed, the Price Committee having no authority to give final approval to expenditure for handling charges. The Italian Government has agreed that UNRRA imports are free of fiscal charges, including custom duties. When, because of price practices, it has been advisable to include customs charges or government taxes in prices fixed, the amounts thus collected accrue to the Lira Fund.

Factors Governing Fixing of Prices.

300. There are several factors governing the fixing of prices for UNRRA imports: these imports can be roughly divided into two large categories: consumer supplies (including durable goods like agricultural machinery) and raw materials for processing in industrial rehabilitation. The UNRRA Italian Mission places great emphasis on the revival of industry as well as on the distribution of relief consumer goods. While the same considerations determining price decisions are applied to each category of imports, they are in many cases weighted differently in view of the individual problems involved. In all cases the prevailing policies are those set forth in UNRRA Resolution VII (1).

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(1) UNRRA RESOLUTION ON POLICY - No. 7

(dated November 1943)

A resolution relating to Relief Distribution Policies.

RESOLVED that the Council approves the following statement as a guide to activities with respect to relief and rehabilitation distribution:

disruption of any organized distribution.

---

1. That at no time shall relief and rehabilitation supplies be used as a political weapon, and no discrimination shall be made in the distribution of relief supplies because of race, creed or political belief.

2. That in general the responsibility for the distribution, within an area, of relief and rehabilitation supplies should be borne by the government or recognized national authority which exercises administrative authority in the area.

3. That distribution should be so conducted that all classes of the population, irrespective of their purchasing power, shall receive their equitable shares of essential commodities. When supplies are sold to consumers, prices should be set at such levels as to facilitate the flow of supplies into the proper hands, and to avoid maladjustments in the price structure of the areas.

4. That distribution of relief and rehabilitation supplies should take place under effective rationing and price controls. The suppression of black markets should not be left to general pronouncements and decrees, but should be the subject of active measures of enforcement applied vigorously and unremittingly.

5. That the government or recognized national authority which exercises administrative authority in the area should take appropriate measures to insure that so far as the distribution within a liberated territory of relief and rehabilitation goods is done through private trade, the remuneration earned by private traders for their services is no more than is fair and reasonable.

6. That use should be made to the maximum practicable extent of normal agencies of distribution (governmental, commercial, cooperative) to the particular ends of combating inflation and restoring normal economic activity. This principle, however, cannot be pursued at the expense of measures found necessary under emergency conditions to insure an adequate control of the distribution of supplies and their direction to the appropriate consumers.

7. That if the Administration is called on by the military authority to furnish distribution services through its own organisation and personnel in a liberated territory in which a government or recognized national authority does not yet exercise administrative authority, the Administration should, subject to the general provisions governing the relation of the Administration to the military authority and the government or recognized national authority concerned, make the fullest possible use of local authorities and of local organizations.

8. That the Administration be prepared to render direct assistance in distribution whenever, because of unsual circumstances, the government or recognized national authority concerned requests such aid within its territory. Wherever as a consequence of such request the Administration is directly concerned with internal distribution, it should follow, in cooperation with the national or local authorities, the same general principles as those recommended above.

9. That the Director General should be kept fully informed concerning the distribution of relief and rehabilitation supplies within any recipient areas, and under all circumstances there should be the fullest working cooperation between the governments or recognized national authorities concerned and the Administration for this purpose.

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(a) *Consumer goods.*

302. With regard to consumer goods, the UNRRA Mission policy is to keep the price as low as possible in conformity with UNRRA Resolution VII.

(a) In cases where there exists no competing price for indigenously produced or non-UNRRA imported items, this price is based on the landed cost of the article (e.g. penicillin) if this price achieves the objective of Resolution VII.

(b) Where a free market price exists, UNRRA policy has been one of undercutting it by a margin large enough to force down the domestic price, but not one of making the price of UNRRA goods low enough to encourage speculative resale or to discourage home production.

(c) Where a controlled price exists, UNRRA must consider the Italian market as one unit and set the price of its products at the existing level or agree with the Government on a new common level.

(d) When the usefulness of an article depends on its rapid distribution, prices are fixed at a level where they will be immediately absorbed (without regard to competing national production). These prices, however, are set for short periods (e.g. agricultural machinery at harvest time and seed during the planting season).

(b) *Raw Materials for Industry.*

303. In the case of raw materials for industrial rehabilitation, the situation is rather more complicated. In addition to the necessity of taking into consideration the prices of similar domestic or imported items, the price fixed depends on the amount of control exercised over the finished product.

(a) In cases where the distribution of the end product is uncontrolled by allocation and by price, where the item enters a multitude of products and where no particular reason exists to favor the processor, the price fixed is one which will move the item in question into the desired channels without loss to the Lira Fund. This policy:

(iii) in cases where similar items exist in the country alongside UNRRA supplies, prevents UNRRA prices from being so low as to encourage buying for speculative resale.

(b) In cases where the distribution of end products is controlled, e.g., hides, cotton and wool, and copra (which is processed into margarine), prices of the derived products are set at a relief level, none of the above elements called for consideration.

(c) But there are, in addition, several secondary considerations, which, in the final analysis, show themselves of great importance.

(i) For instance, it is felt with regard to large scale, basic imports such as coal, that the estimated price to be paid for similar imports, when UNRRA supplies cease ("replacement cost") must be taken into account to facilitate a smooth transition from the UNRRA to the post-UNRRA period. In the light of the delicate financial situation of Italy a sharp rise in the prices of such basic commodities at the time of UNRRA's departure (as happened, for example, in the case of coal in Greece) would more than offset any temporary benefit derived from prices held below world prices during the UNRRA period.

(ii) In other cases, the price set is one which will stimulate domestic production. For example, the price of tin plate, set first for the relatively small-scale UNRRA imports, was set high enough to encourage maximum domestic production. Since, only by large domestic production could essential requirements for tin plate be met. In the case of POL, one of the decisive considerations was that of setting the price at a level which would permit Italian oil refineries, currently being reactivated, to operate without a loss. Refining crude oil in Italy removes the necessity of importing the more expensive refined oil and releases foreign exchange for other purposes. (POL prices are however also roughly equivalent to replacement cost.)

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conformity with UNRRA Resolution VII.

(a) In cases where there exists no competing price for indigenously produced or non-UNRRA imported items, this price is based on the landed cost of the article (e.g. penicillin) if this price achieves the objective of Resolution VII.

(b) Where a free market price exists, UNRRA policy has been one of undercutting it by a margin large enough to force down the domestic price, but not one of making the price of UNRRA goods low enough to encourage speculative resale or to discourage home production.

(c) Where a controlled price exists, UNRRA must consider the Italian market as one unit and set the price of its products at the existing level or agree with the Government on a new common level.

(d) When the usefulness of an article depends on its rapid distribution, prices are fixed at a level where they will be immediately absorbed (without regard to competing national production). These prices, however, are set for short periods (e.g. agricultural machinery at harvest time and seed during the planting season).

(b) *Raw Materials for Industry.*

303. In the case of raw materials for industrial rehabilitation, the situation is rather more complicated. In addition to the necessity of taking into consideration the prices of similar domestic or imported items, the price fixed depends on the amount of control exercised over the finished product.

(a) In cases where the distribution of the end product is uncontrolled by allocation and by price, where the item enters a multitude of products and where no particular reason exists to favor the processor, the price fixed is one which will move the item in question into the desired channels without loss to the Lira Fund. This policy:

(i) does not hurt the consumer since it is applied in cases where a lower price would not result in lower costs of the end product;

(ii) ensures that undue profits will not accrue to industry through their buying at a low controlled price and selling at a high uncontrolled price;

sale.

(b) In cases where the distribution of end products is controlled, e.g., hides, cotton and wool, and copra (which is processed into margarine), prices of the derived products are set at a relief level, none of the above elements called for consideration.

(c) But there are, in addition, several secondary considerations, which, in the final analysis, show themselves of great importance.

(i) For instance, it is felt with regard to large scale, basic imports such as coal, that the estimated price to be paid for similar imports, when UNRRA supplies cease ("replacement cost") must be taken into account to facilitate a smooth transition from the UNRRA to the post-UNRRA period. In the light of the delicate financial situation of Italy a sharp rise in the prices of such basic commodities at the time of UNRRA's departure (as happened, for example, in the case of coal in Greece) would more than offset any temporary benefit derived from prices held below world prices during the UNRRA period.

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304. Manifestly none of these principles outlined above generally appears in its "pure" form. In setting any one price various considerations have to be weighed in view of the merits of each case. In every instance, however, the concepts embodied in Resolution VII are controlling.

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TABLE 47

Prices of UNRRA Imported supplies as agreed upon by the Italian Government and the UNRRA Italian Mission: As at 27 November 1946

UNRRA Imported Commodities	Latest Price Fixed		Conditions	Remarks
	1946	Lire		
I. FOOD.				
Beans, haricot, peas dried, lentils	2 Nov.	55 per kg.	On retailer's vehicle ex inter-communal warehouse	Total cost: Beans, Dols. 147.50 per metric ton = 38,188 lire Peas, ols. 173.50 per metric ton = 89,038 lire Lentils, Dols. 122.50 per metric ton = 27,563 lire
Blood sausage	14 Nov.	105.50 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost Dols. 340 per ton = 76,500 lire
Canned salmon, mackerel, mackerel fillets and sardines and fish in oil	14 Nov.	95 per kg.	On retailer's vehicles ex inter-communal warehouse	Landed cost Dols. 328.25 per ton = 73,856 lire
Candy bars	14 Nov.	135 per kg.	At consumers ex authorised cooperative stores	Landed cost Dols. 262.50 per ton = 59,062.50 lire
Chicken huddie	14 Nov.	60 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost Dols. 328.25 per metric ton = 73,856 lire
Coffee beans, green	14 Nov.	250 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost Dols. 381.50 per ton = 85,838 lire
Copra	2 Nov.	3,300.50 per qtl.	Free port warehouse, Genoa	Landed cost: Dols. 128.97 per metric ton = 29,014 lire
Corn syrup	23 Aug.	35 per kg.	Price valid to 30 Nov. 1946 For direct human consumption	Landed estimated cost: Dols. 102.22 per ton = 23,000 lire (not included in UNRRA program but accepted as sugar substitute)
Fat cut	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 415 per ton = 93,375 lire
Garbanzos	2 Nov.	55 per kg.	On retailer's vehicle ex inter-communal warehouse	Total cost: Dols. 184.50 per metric ton = 41,513 lire
Ground fish	14 Nov.	60 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Dols. 328.25 per metric ton = 73,856 lire
Lard	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 471 per ton = 105,975 lire
Liver spread	14 Nov.	105.5 per kg.	On retailer's vehicle ex public warehouse	Landed cost: Dols. 467 per metric ton = 145,575 lire
Margarine (imported)	2 Nov.	110 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 422 per metric ton = 94,950 lire
Margarine produced in Italy from UNRRA imported copra)	2 Nov.	100 per kg.	Free manufacturers' warehouse	Cost of processing Copra into Margarine: Dols 444.45 per ton = 100,002 lire
Meat and vegetables	14 Nov.	105.5 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Dols. 515 per ton = 115,875 lire
Meat spread and meat paste	14 Nov.	105.5 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: meat spread Dols. 661 per metric ton = 148,725 lire Meat paste: Dols. 471 per metric ton = 105,975 lire

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and the UNRRA Italian Mission. As at 27 November 1946

UNRRA Imported Commodities	Latest Price Fixed 1946	Latest Price Fixed Lire	Conditions	Remarks
I. Food.				
Beans, haricot, peas dried, lentils	2 Nov.	55 per kg.	On retailer's vehicle ex inter-communal warehouse	Total cost: Beans, Dols. 147.50 per metric ton = 33,188 lire Peas, ols. 173.50 per metric ton = 39,038 lire Lentils, Dols. 122.50 per metric ton = 27,563 lire
Blood sausage	14 Nov.	105.50 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost Dols. 340 per ton = 76,500 lire
Canned salmon, mackerel, mackerel fillets and sardines and fish in oil	14 Nov.	95 per kg.	On retailer's vehicles ex inter-communal warehouse	Landed cost Dols. 328.25 per ton = 73,856 lire
Candy bars	14 Nov.	135 per kg.	At consumers ex authorised cooperative stores	Landed cost Dols. 262.50 per ton = 59,062.50 lire
Chicken haddie	14 Nov.	60 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost Dols. 328.25 per metric ton = 73,856 lire
Coffee beans, green	14 Nov.	250 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost Dols. 381.50 per ton = 85,838 lire
Copra	2 Nov.	3,300.50 per qtl.	Free port warehouse, Genoa	Landed cost: Dols. 128.97 per metric ton = 29,014 lire
Corn syrup	23 Aug.	35 per kg.	Price valid to 30 Nov. 1946 For direct human consumption	Landed estimated cost: Dols. 102.22 per ton = 23,000 lire (not included in UNRRA program but accepted as sugar substitute)
Fat cut	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 115 per ton = 25,875 lire
Garbanzos	2 Nov.	55 per kg.	On retailer's vehicle ex inter-communal warehouse	Total cost: Dols. 184.50 per metric ton = 41,513 lire
Ground fish	14 Nov.	60 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Dols. 328.25 per metric ton = 73,856 lire
Lard	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 471 per ton = 105,975 lire
Liver spread	14 Nov.	105.5 per kg.	On retailer's vehicle ex public warehouse	Landed cost: Dols. 467 per metric ton = 145,575 lire
Margarine (imported)	2 Nov.	110 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 422 per metric ton = 94,950 lire
Margarine produced in Italy from UNRRA imported copra)	2 Nov.	100 per kg.	Free manufacturers' warehouse	Cost of processing Copra into Margarine: Dols 444.45 per ton = 100,002 lire
Meat and vegetables	14 Nov.	105.5 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Dols. 515 per ton = 115,875 lire
Meat spread and meat paste.	14 Nov.	105.5 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: meat spread Dols. 661 per metric ton = 148,725 lire Meat paste: Dols. 471 per metric ton = 105,975 lire
Milk evaporated	2 Nov.	52 per kg.	Retailer's vehicle ex public warehouse	Total cost: Dols. 281.25 per metric ton = 63,281 lire
Milk dry skim (roller and spray)	2 Nov.	69,50 per kg.	Retailer's vehicle ex public warehouse	Total cost: Roller Dols. 393,50 per metric ton = 88,538 lire Spray, Dols. 401.50 per metric ton = 90,338 lire

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TABLE 47. (Continued)

UNRRA Imported Commodities	Latest Price Fixed		Conditions	Remarks
	1946	Lire		
Milk (whole dry)	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 984.50 per metric ton = 221,513 lire
Pilchards and herring	14 Nov.	80 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Dols. 328.25 per ton = 73,856 lire
Shortening	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 515 per ton = 115,875 lire
Soup dehydrated	2 Nov.	35 per kg.	Retailer's vehicle ex public warehouse	Total cost: Dols. 394 per metric ton = 88,650 lire
Sugar	14 Nov.	115 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Dols. 145.45 per metric ton = 32,726 lire
Thuringer sausage, pork, luncheon meat and other canned meats (solid)	14 Nov.	180 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Thuringer Sausage. Pork, luncheon meat Dols. 691 per ton = 155,475 lire. Other canned meat Dols. 647 per ton = 145,575 lire
I. (a) SOAP.				
Laundry	22 Nov.	115 per kg.	On retailer's vehicle, ex-inter-communal warehouse	Estimated landed cost: Dols. 251.50 per ton = 56,587.50 lire
Toilet	22 Nov.	150 per kg.	On retailer's vehicle, ex-inter-communal warehouse	Estimated landed cost: Dols. 381.50 per ton = 85,837.50 lire
II. AGRICULTURAL REHABILITATION.				
Ammonium Nitrate 31-35 per cent	2 Aug.	2,400 per qtl.	Original weight, including packing	Cost, F.A.S. US port: Dols. 55 per short ton = 13,859 lire per metric ton
Basic Slag	18 Sept.	1,100 per qtl.	Net weight: sacks included. F.O.B. Consorzio Agrario warehouse	Landed cost: Dols. 29.74 per metric ton = 6,691.50 lire
Binders, wheat (Deering, Massey-Harris)	16 July	70,000 each 85,000 each	With cutting bar of 1.52 m. With cutting bar of 2.10 m. FOB Consorzio Agrario warehouse	Estimated cost: Deering Dols. 342.67 each = 77,100 lire Massey-Harris Dols. 331.11 each = 74,500 lire
Blister copper	16 Nov.	85 per kg.	Ex consignee's warehouse	Landed cost: Dols. 260 per metric ton = 58,500 lire
Cotton seed cake	2 Aug.	1,000 per qtl.	FOB feed-mixing plants	Estimated landed cost: Dols. 66 per ton = 14,850 lire
Flax Seed Forage Pea Seed	16 July 6 Nov.	5,500 per qtl. 45,000 per m. ton	Ex Consorsi Agrari warehouse (Exclusively for mixing)	The procurement cost in Belgium was 5 ½ pounds sterling per ton = 46,800 lire
Forage Seed Corn	22 July	25,000 per m. ton	FOB Consorzio Agrario warehouse	Landed cost estimated at Dol. 158 per ton = 35,550 lire
Mowers (Deering, Bamford, Cockshutt)	16 July	35,000 each	do (Price valid to 15 August)	Cost: Deering brand Dols. 114,95 each = 25,875 lire Cockshutt brand Dols. 105.28 each = 23,670 lire

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Milk (whole dry)	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 984.50 per metric ton = 221,513 lire
Pilchards and herring	14 Nov.	80 per kg.	On retailer's vehicle ex intercommunal warehouse	Landed cost: Dols. 328.25 per ton = 73,856 lire
Shortening	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 515 per ton = 115,875 lire
Soup dehydrated	2 Nov.	35 per kg.	Retailer's vehicle ex public warehouse	Total cost: Dols. 394 per metric ton = 88,650 lire
Sugar	14 Nov.	115 per kg.	On retailer's vehicle ex intercommunal warehouse	Landed cost: Dols. 145.45 per metric ton = 32,726 lire
Thuringer sausage, pork, luncheon meat and other canned meats (solid)	14 Nov.	180 per kg.	On retailer's vehicle ex intercommunal warehouse	Landed cost: Thuringer Sausage. Pork, luncheon meat Dols. 691 per ton = 155,475 lire. Other canned meat Dols. 647 per ton = 145,575 lire
I. (a) SOAP.				
Laundry	22 Nov.	115 per kg.	On retailer's vehicle, ex-intercommunal warehouse	Estimated landed cost: Dols. 251.50 per ton = 56,587.50 lire
Toilet	22 Nov.	150 per kg.	On retailer's vehicle, ex-intercommunal warehouse	Estimated landed cost: Dols. 381.50 per ton = 85,837.50 lire
II. AGRICULTURAL REHABILITATION.				
Ammonium Nitrate 31-35 per cent	2 Aug.	2,400 per qtl.	Original weight, including packing	Cost, F.A.S. US port: Dols. 55 per short ton = 13.859 lire per metric ton
Basic Slag	18 Sept.	1,100 per qtl.	Net weight: sacks included. F.O.B. Consorzio Agrario warehouse	Landed cost: Dols. 29.74 per metric ton = 6,691.50 lire
Binders, wheat (Deering, Massey-Harris)	16 July	70,000 each 85,000 each	With cutting bar of 1.52 m. With cutting bar of 2.10 m. FOB Consorzio Agrario warehouse	Estimated cost: Deering Dols. 342.67 each = 77,100 lire Massey-Harris Dols. 331.11 each = 74,500 lire
Blister copper	16 Nov.	85 per kg.	Ex consignee's warehouse	Landed cost: Dols. 260 per metric ton = 58,500 lire
Cotton seed cake	2 Aug.	1,000 per qtl.	FOB feed-mixing plants	Estimated landed cost: Dols. 66 per ton = 14,850 lire
Flax Seed	16 July	5,500 per qtl.		
Forage Pea Seed	6 Nov.	45,000 per m. ton	Ex Consorsi Agrari warehouse (Exclusively for mixing)	The procurement cost in Belgium was 5 ½ pounds sterling per ton = 46,800 lire
Forage Seed Corn	22 July	25,000 per m. ton	FOB Consorzio Agrario warehouse	Landed cost estimated at Dols. 158 per ton = 35,550 lire
Mowers (Deering, Bamford, Cockshutt)	16 July	35,000 each	do (Price valid to 15 August)	Cost: Deering brand Dols. 114.95 each = 25,875 lire Cockshutt brand Dols. 105.26 each = 23,670 lire
Plows (Massey Harris, 2-bottomed model)	1 Sept.	55,000 each	FOB Consorzio Agrario warehouse	Estimated landed cost Dols. 157.33 each = 35,400 lire
Plows (3-bottomed plows, tractor drawn 570 kg. ea.).	4 Sept.	80,000 each	Ex consignees warehouse	Landed cost: Dols. 183 each = 41,175 lire
Reaper attachments (Deering)	16 July	3,000 each	FOB Consorzio Agrario warehouse	Landed cost estimated: Dols. 14.44 each = 3,250 lire
Seed potatoes	16 July	3,250 per qtl.	To farmers	This price includes all handling and distribution charges

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TABLE 47 (Continued)

UNRRA Imported Commodities	Latest Price Fixed		Conditions	Remarks
	1946	Lire		
Sodium nitrate for agriculture	14 Nov.	22 per kg.	FOB ex Consorzio Agrario warehouse	Price at port: Dols. 50 per metric ton = 11,250 lire
Sudan Grass	2 Aug.	4,000 per qtl.	Original weight including packing - Ex Consorzio Agrario	Cost estimated at Dols. 185 per ton = 41,625 lire
Vetch seed	22 July	45,000 per m. ton	FOB Consorzio Agrario warehouse	Landed cost approximately Dols. 242.22 per ton = 54,500 lire
Zinc phosphide	14 Oct.	290 per kg.	Ex Consorzio Agrario warehouse including packing in paper bags	Landed cost: Dols. 817.65 per metric ton = 183971.25 lire
III. CLOTHING, TEXTILES AND FOOTWEAR.				
Cotton goods:				
a) Sheeting for sheets and pillow cases	16 July	70 per sq. m.	Price to consumer	Landed cost of raw cotton is approx. Dols. 533.33 per ton = 120,000 lire (See Notes 2 (iv))
b) Towelling		75 per sq. m.		
c) Material for diapers and napkins		60 per sq. m.		
IV. MEDICAL.				
Insulin	16 July	12 per 100 unit vial 5 cc. 18 per 100 unit vial 10 cc. 18 per 200 unit vial 5 cc. 23 per 200 unit vial 10 cc. 29 per 400 unit vial 5 cc. 35 per 400 unit vial 10 cc. 58 per 800 unit vial 12 cc.	Price to consumer	
Penicillin (vial of 100,000 units or equivalent)	2 Aug.	235 per 100,000 unit vial 450 per 200,000 unit vial	Price to consumer	Landed cost: Dols. 0.64 per 100,000 unit vial = 144 lire
V. TRANSPORT				
Trailers one ton cargo, two wheels with tires	2 Aug.	55,000 each	Ex distribution centres	Cost to Army Depot: Dols. 298.80 each = 67,230 lire
VI. INDUSTRIAL REHABILITATION.				
Anthracite for Electrodes	22 July	5,250 per ton	At port	This price to be re-examined.
Benzol (Industrial)	4 Sept.	55 per kg.	FOB tanks in bulk	Budget cost for the production in UK Dols. 172.40 per ton = 38,790 lire
Benzol (Nitration grade)	4 Sept.	60 per kg.	FOB tanks in bulk	Budget cost for production in UK Dols. 158 per ton = 35,560 lire
Bitumen	28 Oct.	21 per kg.	Ex consignee's warehouse including customs	Landed cost: Type R 85.25, Dols. 72.40 per ton = 16,290 lire; Type 50.80, Dols. 66.44 per ton = 14,950 lire
Calcined Magnesite	2 Nov.	16.15 per kg.	Ex consignee's warehouse	Landed cost: Dols. 59.79 per ton = 13,453.75 lire

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Sodium nitrate for agriculture	14 Nov.	22 per kg.	FOB ex Consorzio Agrario warehouse	Price at port: Dols. 50 per metric ton = 11,250 lire
Sudan Grass	2 Aug.	4,000 per qtl.	Original weight including packing - Ex Consorzio Agrario	Cost estimated at Dols. 185 per ton = 41,625 lire
Vetch seed	22 July	45,000 per m. ton	FOB Consorzio Agrario warehouse	Landed cost approximately Dols. 242.22 per ton = 54,500 lire
Zinc phosphide	14 Oct.	290 per kg.	Ex Consorzio Agrario warehouse including packing in paper bags	Landed cost: Dols. 817.65 per metric ton = 183971.25 lire
III. Clothing, textiles and footwear.				
Cotton goods:				
a) Sheeting for sheets and pillow cases.	16 July	70 per sq. m.	Price to consumer	Landed cost of raw cotton is approx. Dols. 533.33 per ton = 120,000 lire (See Notes 2 (iv))
b) Towelling.		75 per sq. m.		
c) Material for diapers and napkins		60 per sq. m.		
IV. Medical.				
Insulin	16 July	12 per 100 unit vial 5 cc. 18 per 100 unit vial 10 cc. 18 per 200 unit vial 5 cc. 23 per 200 unit vial 10 cc. 29 per 400 unit vial 5 cc. 35 per 400 unit vial 10 cc. 58 per 800 unit vial 12 cc.	Price to consumer	
Penicillin (vial of 100,000 units or equivalent).	2 Aug.	235 per 100,000 unit vial 450 per 200,000 unit vial	Price to consumer	Landed cost: Dols. 0.64 per 100,000 unit vial = 144 lire
V. Transport				
Trailers one ton cargo, two wheels with tires	2 Aug.	55,000 each	Ex distribution centres	Cost to Army Depot: Dols. 298.80 each = 67,230 lire
VI. Industrial rehabilitation.				
Anthracite for Electrodes . .	22 July	5,250 per ton	At port	This price to be re-examined.
Benzol (Industrial)	4 Sept.	55 per kg.	FOB tanks in bulk	Budget cost for the production in UK Dols. 172.40 per ton = 38,790 lire
Benzol (Nitration grade) . .	4 Sept.	60 per kg.	FOB tanks in bulk	Budget cost for production in UK Dols. 158 per ton = 35,560 lire
Bitumen	28 Oct.	21 per kg.	Ex consignee's warehouse including customs	Landed cost: Type R 85.25, Dols. 72.40 per ton = 16,290 lire; Type 50.80, Dols. 66.44 per ton = 14,950 lire
Calcined Magnesite	2 Nov.	16.15 per kg.	Ex consignee's warehouse	Landed cost: Dols. 59.79 per ton = 13,453.75 lire
Channel Black	2 Nov.	65 per kg.	Ex consignee's warehouse	Landed cost: Dols. 181.64 per ton = 40,870 lire
Chrome ore	21 Oct.	10 per kg. metallurgical grade 8 per kg. chemical grade	do.	Landed cost of min. grade 48 % Cr_2O_3 Dols. 32.44 per ton = 7,300 lire
Clays (fireclay)	28 Oct.	3 per kg. with less than 36 % alumina: 7 per kg. with 37-40 % of allumina	Ex C.I.M.P. warehouse	Landed cost: Dols. 25.41 per ton = 5,717.50 lire

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TABLE 47. (Continued)

UNRRA Imported Commodities	Latest Price Fixed		Conditions	Remarks
	1946	Lire		
Coal	18 Sept.	2,600 per ton	At port to public utilities and railroads (excluding handling cost)	CIF American coal Dols. 22 per ton = 4,950 lire European coal Dols. 14.50 per ton = 3,962.50 lire
		3,500 per ton	At port to manufacturers (excluding handling cost) Ex consignee's warehouse	
Colophony	22 Aug.	100 per kg.	Ex consignee's warehouse net weight, incl. packing	From US - landed cost: Dols. 250 per ton = 56,250 lire
Corn Syrup (for industrial purposes)	22 Aug.	50 per kg.	Ex consignee's warehouse Price valid to 30 Nov. 1946	Landed estimated cost: Dols. 102.22 per ton = 23,000 lire
Denatured Ethyl Alcohol	22 Aug.	200 per liter	Ex consignee's warehouse (drums free)	FAS cost: Approximately Dols. 0.182 per liter of anhydrous alcohol = 41 lire
Diesel Oil	30 Nov.	30 per liter	Retail price	
Ferro-tungsten	14 Nov.	12 per kg.	Ex consignee's warehouse 1 % tungsten content	Landed cost: Dols. 3,126.95 per ton = 703,562.50 lire
Finished steel	6 Nov.	20.8 per kg. Bars 21.8 per kg. Reinforced 30.75 per kg. Galvanized 30.00 per kg. Corrugated 28.75 per kg. Steel sheet 16.40 per kg. Black Steel sheet	Ex-consignee's warehouse: sold Ministries and Italian State Railways	Landed cost: Corrugated sheet Dols. 109.78 per ton = 24,700 lire Galvanized steel sheets: Dols. 114.44 per ton = 25,750 lire Reinforcing Rods: Dols. 70.89 per ton = 15,950 lire Steel Bars: Dols. 70.44 per ton = 15,850 lire Plate: Dols. 203.33 per ton = 45,750 lire Angles: Dols. 195.78 per ton = 44,050 lire Black galvanized sheets: Dols. 50.44 per ton = 11,350 lire
		32.50 per kg. Hot rolled 34.68 per kg. Wire rod 40.45 per kg. Plate and heavy sheet 49.30 per kg. thin and black sheet 55.55 per kg. Tubes-base 1 in. 46.20 per kg. Prod. derived from wire rod 39.00 per kg. Mushroom rail 41.70 per kg. Shaped rails 67.00 per kg. Cold rolled strip. 57 per kg. All sections	Ex-consignee's warehouse: for all consumers other than Ministries and the Italian State Railways	Steel sheets: Dols. 105.56 per ton = 23,750 lire Angles, plates, sheets: Dols. 79.56 per ton = 17,900 lire
Fire refined and electrolytic copper	24 Oct.	92 per kg. Elec. 87 per kg. F. Ref.	Ex consignee's warehouse	Landed cost: fire refined Dols. 250.15 per ton = 56,284.75 lire: Electrolytic Dols. 301.44 per ton = 67,825 lire
Fuel Oil	30 Nov.	24.00 per liter 8.00 per kg.	Ex C.I.P. coastal tanks including handling charges	—
Furnace Black	2 Nov.	55 per kg.	Ex consignee's warehouse	Landed cost: Dols. 168.44 per ton = 37,900 lire
Kaolin	21 Oct.	12 per kg.	Ex C.I.M.P. warehouse	Landed cost: Dols. 45.78 per ton = 10,300 lire

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Coal	18 Sept.	2,600 per ton 3,500 per ton	At port to public utilities and railroads (excluding) handling cost) At port to manufacturers (excluding handling cost) Ex consignee's warehouse	CIF American coal Dols. 22 per ton = 4,950 lire European coal Dols. 14.50 per ton = 3,962.50 lire
Colophony	22 Aug.	100 per kg.	Ex consignee's warehouse net weight, incl. packing	From US - landed cost: Dols. 250 per ton = 56.250 lire
Corn Syrup (for industrial purposes)	22 Aug.	50 per kg.	Ex consignee's warehouse Price valid to 30 Nov. 1946	Landed estimated cost: Dols. 102.22 per ton = 23,000 lire
Denatured Ethyl Alcohol	22 Aug.	200 per liter	Ex consignee's warehouse (drums free)	FAS cost: Approximately Dols. 0.182 per liter of anhydrous alcohol = 41 lire
Diesel Oil	30 Nov.	30 per liter	Retail price	
Ferro-tungsten	14 Nov.	12 per kg.	Ex consignee's warehouse 1 % tungsten content	Landed cost: Dols. 3,126.95 per ton = 703,562.50 lire
Finished steel	6 Nov.	20.8 per kg. Bars 21.8 per kg. Reinforced 30.75 per kg. Galvanized 30.00 per kg. Corrugated 28.75 per kg. Steel sheet 16.10 per kg. Black Steel sheet	Ex-consignee's warehouse: sold Ministries and Italian State Railways	Landed cost: Corrugated sheet Dols. 109.78 pert on = 24,700 lire Galvanized steel sheets: Dols. 114.44 per ton = 25,750 lire Reinforcing Rods: Dols. 70.89 per ton = 15,950 lire Steel Bars: Dols. 70.44 per ton = 15,850 lire Plate: Dols. 203.33 per ton = 45,750 lire Angles: Dols. 195.78 per ton = 44,050 lire Black galvanized sheets: Dols. 50.44 per ton = 11,350 lire Steel sheets: Dols. 105.56 per ton = 23,750 lire Angles, plates, sheets: Dols. 79.56 per ton = 17,900 lire
		32.50 per kg. Hot rolled 34.68 per kg. Wire rod 40.45 per kg. Plate and heavy sheet 49.30 per kg. thin and black sheet 55.55 per kg. Tubes-base 1 in. 46.20 per kg. Prod. derived from wire rod 39.00 per kg. Mushroom rail 41.70 per kg. Shaped rails 67.00 per kg. Cold rolled strip. 57 per kg. All sections	Ex-consignee's warehouse: for all consumers other than Ministries and the Italian State Railways	
Fire refined and electrolytic copper	24 Oct.	92 per kg. Elec. 87 per kg. F. Ref.	Ex consignee's warehouse	Landed cost: fire refined Dols. 250.15 per ton = 56,284.75 lire: Electrolytic Dols. 301.44 per ton = 67.825 lire
Fuel Oil	30 Nov.	24.00 per liter 8.00 per kg.	Ex C.I.P. coastal tanks including handling charges	—
Furnace Black	2 Nov.	55 per kg.	Ex consignee's warehouse	Landed cost: Dols. 168.44 per ton = 37,900 lire
Kaolin	21 Oct.	12 per kg.	Ex C.I.M.P. warehouse	Landed cost: Dols. 45.78 per ton = 10,300 lire
Gasoline H. B.	30 Nov.	35 per liter	Retail price	—
Kerosene	30 Nov.	36.23 per kg.	do.	—
Magnesite Bricks	2 Nov.	28.80 per kg.	Ex consignee's warehouse	Landed cost: Dols. 106.71 per ton = 24,009 lire
Manganese Ore	24 Oct.	12 per kg.	Ex consignee's warehouse	Landed cost: Dols. 30.44 per long ton unit = 6.850 lire

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TABLE 47 (Continued)

UNRRA Imported Commodities	Latest Price Fixed		Conditions	Remarks
	1946	Lire		
Nickel	2 Nov.	435 per kg.	Ex consignee's warehouse	Landed cost Australian nickel Dols. 1,114.44 per ton = 250,750 lire: Canadian nickel Dols. 861.44 = 193,824 lire
Open cast coal	3 Sept.	2,450 per ton	At port to manufacturers	From UK
Petroleum Coke	1 Aug.	4,375 per ton	At port	Estimated cost in US: Dols. 22 per ton = 4,950 lire
Pig iron - Foundry and hematite grades	8 Nov.	18.5 per kg.	Ex consignee's warehouse	Landed cost: Dols. 49.44 per ton = 11,125 lire
Pig-iron, Refining grade	8 Nov.	17.5 per kg.	Ex consignee's warehouse	
Pig tin	28 Sept.	600 per kg.	Ex seller's warehouse. Price valid to 31 Dec. 1946	Landed cost: Dols. 1,516 per ton = 341,000 lire
Pine Tar	2 Nov.	45 per kg.	Ex consignee's warehouse	Landed cost: Dols. 93.44 per ton = 24,274 lire
Plasticlay	24 Oct.	9.25 per kg.	Ex C.I.M.P. warehouse	Landed cost: Dols. 35.04 per ton = 7,885 lire
Rubber (crude)	22 Aug.	200 per kg.	MS/1 standard quality (crude ex consignee's warehouse	Expenses for transportation Dols. 14.50 lire per ton = 3,262 lire
Sanocure	2 Nov.	490 per kg.	Ex consignee's warehouse	Landed cost: Dols. 1,840.44 per ton = 414,100 lire
Sealing compound	14 Oct.	235 per kg.	Ex Siderurgica Italiana S. A.	Landed cost: Dols. 0.53 per kg. = 119.95 lire
Semi-finished steel	6 Nov.	19.3 per kg. Ingots 20.8 per kg. Blooms and slabs 27.3 per kg. Billets and steel bars.	Ex consignee's warehouse	Landed cost: Dols. 82.10 per ton = 18,473 lire
Solvent Naphtha (aromatic)	22 Nov.	66 per kg.	In bulk, ex-consignee's warehouse	Estimated landed cost: Dols. 185.40 per ton = 41,700 lire
Solvent Naphthas and white spirit	31 Oct.	5,600 per qtl. Light 5,320 per qtl. Medium 5,280 per qtl. Heavy 4,790 per qtl. White spirit	Ex CIP regional tanks or storehouses	Total cost: Light, Dols. 24.86 per qtl. = 5,592.89 lire Medium, Dols. 23.63 per qtl. = 5,317.55 lire Heavy, Dols. 23.46 per qtl. = 5,279.40 lire White spirit, Dols. 21.28 per qtl. = 4,787.11 lire
Special Graphite (for steel making)	2 Nov.	32 per kg.	Ex consignee's warehouse	Landed cost: Dols. 114.44 per ton = 25,750 lire
Tinplate	4 Sept.	136 per kg.	FOB sellers' warehouse	Cost: Dols. 136.20 per ton = 30,645 lire
Toluol (nitration grade)	4 Sept.	75 per kg.	FOB tanks in bulk	Landed cost (from UK) Dols. 198 per ton = 44,560 lire
Wood Rosin	22 Nov.	100 per kg.	Ex-consignee's warehouse, including drums	Estimated landed cost: Dols. 200 per ton (80 % of gum resin) = 45,000 lire
Xilol-Nitration	22 Nov.	75 per kg.	In bulk, ex-consignee's warehouse	Estimated landed cost: Dols. 220 per ton = 49,500 lire. Procu-

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Nickel	2 Nov.	435 per kg.	Ex consignee's warehouse	Landed cost Australian nickel Dols. 1,114.44 per ton = 250,750 lire : Canadian nickel Dols. 861.44 = 193.824 lire
Open cast coal	3 Sept.	2,450 per ton	At port to manufacturers	From UK
Petroleum Coke	1 Aug.	4.375 per ton	At port	Estimated cost in US : Dols. 22 per ton = 4,950 lire
Pig iron - Foundry and hematite grades	8 Nov.	18.5 per kg.	Ex consignee's warehouse	Landed cost : Dols. 49.44 per ton = 11,125 lire
Pig-iron, Refining grade	8 Nov.	17.5 per kg.	Ex consignee's warehouse	
Pig tin	28 Sept.	600 per kg.	Ex seller's warehouse. Price valid to 31 Dec. 1946	Landed cost : Dols. 1,516 per ton = 341,000 lire
Pine Tar	2 Nov.	45 per kg.	Ex consignee's warehouse	Landed cost : Dols. 93.44 per ton = 24,274 lire
Plasticlay	24 Oct.	9.25 per kg.	Ex C.I.M.P. warehouse	Landed cost : Dols. 35.04 per ton = 7,885 lire
Rubber (crude)	22 Aug.	200 per kg.	MS/1 standard quality (crude ex consignee's warehouse	Expenses for transportation Dols. 14.50 lire per ton = 3.262 lire
Sanocure	2 Nov.	490 per kg.	Ex consignee's warehouse	Landed cost : Dols. 1,840.44 per ton = 414,100 lire
Sealing compound	14 Oct.	235 per kg.	Ex Siderurgica Italiana S. A	Landed cost : Dols. 0.53 per kg. = 119.95 lire
Semi-finished steel	6 Nov.	19.3 per kg. Ingots 20.8 per kg. Blooms and slabs 27.3 per kg. Billets and steel bars.	Ex consignee's warehouse	Landed cost : Dols. 82.10 per ton = 18,473 lire
Solvent Naphtha (aromatic)	22 Nov.	66 per kg.	In bulk, ex-consignee's warehouse	Estimated landed cost : Dols. 185.40 per ton = 41,700 lire
Solvent Naphthas and white spirit	31 Oct.	5.600 per qtl. Light 5,320 per qtl. Medium 5,280 per qtl. Heavy 4,790 per qtl. White spirit	Ex CIP regional tanks or storehouses	Total cost : Light, Dols. 24.86 per qtl. = 5,592.89 lire Medium, Dols. 23.63 per qtl. = 5,317.55 lire Heavy, Dols. 23.46 per qtl. = 5,279.40 lire White spirit, Dols. 21.28 per qtl. = 4,787.11 lire
Special Graphite (for steel making)	2 Nov.	32 per kg.	Ex consignee's warehouse	Landed cost : Dols. 114.44 per ton = 25,750 lire
Tinplate	4 Sept.	100 per kg.	FOB sellers' warehouse	Cost : Dols. 136.20 per ton = 30,645 lire
Toluol (nitration grade)	4 Sept.	75 per kg.	FOB tanks in bulk	Landed cost (from UK) Dols. 198 per ton = 44,560 lire
Wood Rosin	22 Nov.	100 per kg.	Ex-consignee's warehouse, including drums	Estimated landed cost : Dols. 200 per ton (80 % of gum resin) = 45,000 lire
Xilol-Nitration	22 Nov.	75 per kg.	In bulk, ex-consignee's warehouse	Estimated landed cost : Dols. 220 per ton = 49,500 lire. Procurement cost in U.K. Dols. 184.89 per ton = 41,600 lire

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NOTES ON TABLE 47.

(1) The conversion used from US dollars to Italian lire is 225 lire to the US dollar.

(2) Note of some factors reviewed by the Joint Committee of the Italian Government and the UNRRA Italian Mission when fixing prices for certain UNRRA goods:

(i) *Tinplate* Local producers cannot produce and sell tinplate at present prices: local production has, therefore, been low and unless imports of tinplate can be secured food preservation will be limited. Italy needed 21,000 tons of tinplate for the canning and other industries in 1946, as follows: for vegetables and fruit 14,770 tons; for fish 3,693 tons; for milk 1,055 tons; for meat 633 tons; for olive oil 396 tons; for other processing industries 528,000 tons. The pre-war production of tinplate was in 1938, 82,389 tons, of which 19,816 tons were exported. Owing to war damage and plant deterioration the capacity of the tinplate industry in 1946 was 17,690 tons, requiring the following raw materials: pig iron 4,790 tons; sheet metal 4,160 tons; tin 252 tons; Ruhr coal 26,770 tons; soft coal 33,755 tons; palm oil 126 tons. Small quantities of tinplate are being manufactured at from 130 to 160 lire per kilogram. This represents on the sale price of canned goods, 25 % for tomato paste in 1 kg. tins as against 10 % pre-war, 28 % for peeled tomatoes (15 % prewar): 15 for jam in half kilogram tins (4.5 % pre-war).

(ii) *Finished steel.* Full specifications of thickness, size and quality will be obtained at the ports. A Committee of the Italian Government, including technicians, and UNRRA technicians will classify the steel to determine base price and extras.

(iii) *Anthracite for electrodes.* Following taken into consideration: (*a*) high grade quality (very low ash, calorific value about 25 % higher than that of other coals normally received): (*b*) low volatile and sulphur contents make the anthracite very suitable for purpose needed. Basic price of anthracite agreed at 50 % higher than other coals, i. e. at 5,250 lire per ton at port (September 1946) subject to re-examination after three months.

(iv) *Raw Cotton.* To manufacture 31,000 tons of cotton at 84 % yield would produce approximately 26,040 tons of finished materials at an average price of 245 lire per kilogram — total expenditure 6,379 million lire. Manufactures limited to following nine types of material:

(*a*) flannelette for babies;
(*b*) madapolam for underwear, etc.
(*c*) heavy shirting for men;
(*d*) sheeting for sheets, pillow cases and general household uses
(*e*) strong drill for overalls and trousers;
(*f*) cotton suiting for farm workers:
(*g*) cloth for mattress covers;
(*h*) calico for shirts, blouses and household use;
(*i*) Florida in checks and stripes for general clothing.

(v) *Cotton seed cake.* United States cotton seed cake is not normally used in Italy in the form now imported. It cannot be fed to pigs, calves and young horses because of presence of "gassiopol". Mixing with other feeds would increase cost.

(vi) *Plows.* Italian plows of the same type and weight as the UNRRA imported plows will plow 35 cm. deep as against 25 cm. for the imported. In Italy, plows are sold by weight.

(vii) *Reaper attachment. - Vetch seed.* Price limited by what, in expert opinion, the Italian farmer will pay.

(viii) *Forage pea seed.* Price limited to assure prompt distribution and sale to permit effective use of the seed as a summer forage crop after wheat harvest in North and as a fall crop in South.

(ix) *Forage seed corn.* Official price for milling corn from 1946 new crop fixed at least 15 % below price of wheat. No official price set for seed corn but seed sold in Spring 1946 from 18,000 to 22,000 lire per ton f. o. b. loading station; later on corn was sold on the black market from 50,000 to 55,000 lire per ton, and used for feed.

(x) *Sudan grass.* (sorgo sudanese). Price 4,000 lire per quintal, because local sorghum, which is considered superior to Sudan grass as a forage, is sold at about 6,000 lire per quintal.

(3) *Foodstuffs.* Special conditions applying to sales of foodstuffs:

Candy bars: No sweetmeats of this type are normally sold in Italy. Limited quantities only of imported candies and sweets are at present sold on the free market. The proposed method of distribution of the candy bars is as follows:

(*a*) through UNRRA welfare channels, a free issue of 400 grams per head will be made to all recipients of UNRRA assistance (this will absorb 791 tons);

(*b*) an issue, under SEPRAL control, of 400 grams per head, spread over three months, to sick in hospital (144 tons);

(*c*) the balance to be offered to industrial cooperatives — excluding the Cooperative of State Employees — for sale to their members. (The balance will amount to about 1,480 tons).

As 935 tons are to be disposed of without adding to the Lira Fund, resale price of the balance should be so fixed as to recoup the Fund [illegible] the total "landed cost" value of the whole quantity available for distribution.

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prices for certain UNRRA goods:

(i) *Tinplate.* Local producers cannot produce and sell tinplate at present prices; local production has, therefore, been low and unless imports of tinplate can be secured food preservation will be limited. Italy needed 21,000 tons of tinplate for the canning and other industries in 1946, as follows: for vegetables and fruit 14,770 tons; for fish 3,693 tons; for milk 1,055 tons; for meat 633 tons; for olive oil 396 tons; for other processing industries 528,000 tons. The pre-war production of tinplate was in 1938, 82,389 tons, of which 19,816 tons were exported. Owing to war damage and plant deterioration the capacity of the tinplate industry in 1946 was 17,600 tons, requiring the following raw materials: pig iron 1,790 tons; sheet metal 1,160 tons; tin 252 tons; Ruhr coal 26,770 tons; soft coal 33,755 tons; palm oil 126 tons. Small quantities of tinplate are being manufactured at from 130 to 160 lire per kilogram. This represents on the sale price of canned goods, 25 % for tomato paste in 1 kg. tins as against 10 % pre-war, 28 % for peeled tomatoes (15 % pre-war): 15 for jam in half kilogram tins (4.5 % pre-war).

(ii) *Finished steel.* Full specifications of thickness, size and quality will be obtained at the ports. A Committee of the Italian Government, including technicians, and UNRRA technicians will classify the steel to determine base price and extras.

(iii) *Anthracite for electrodes.* Following taken into consideration: (*a*) high grade quality (very low ash, calorific value about 25 % higher than that of other coals normally received); (*b*) low volatile and sulphur contents make the anthracite very suitable for purpose needed. Basic price of anthracite agreed at 50 % higher than other coals, i. e. at 5,250 lire per ton at port (September 1946) subject to re-examination after three months.

(iv) *Raw Cotton.* To manufacture 31,000 tons of cotton at 24 % yield would produce approximately 26,040 tons of finished materials at an average price of 245 lire per kilogram — total expenditure 6,379 million lire. Manufactures limited to following nine types of material:

(*a*) flannelette for babies;
(*b*) madapolam for underwear, etc.
(*c*) heavy shirting for men;
(*d*) sheeting for sheets, pillow cases and general household uses;
(*e*) strong drill for overalls and trousers;
(*f*) cotton suiting for farm workers;
(*g*) cloth for mattress covers;
(*h*) calico for shirts, blouses and household use;
(*i*) Florida in checks and stripes for general clothing.

(v) *Cotton seed cake.* United States cotton seed cake is not normally used in Italy in the form now imported. It cannot be fed to pigs, calves and young horses because of presence of "gassiopol". Mixing with other feeds would increase cost.

(vi) *Plows.* Italian plows of the same type and weight as the UNRRA imported plows will plow 35 cm. deep as against 25 cm. for the imported. In Italy, plows are sold by weight.

(vii) *Reaper attachment. - Vetch seed.* Price limited by what, in expert opinion, the Italian farmer will pay.

(viii) *Forage pea seed.* Price limited to assure prompt distribution and sale to permit effective use of the seed as a summer forage crop after wheat harvest in North and as a fall crop in South.

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(ix) *Forage seed corn.* Official price for milling corn from 1946 new crop fixed at least 15 % below price of wheat. No official price set for seed corn but seed sold in Spring 1946 from 18,000 to 22,000 lire per ton f. o. b. loading station; later on corn was sold on the black market from 50,000 to 55,000 lire per ton, and used for feed.

(x) *Sudan grass.* (sorgo sudanese). Price 4,000 lire per quintal, because local sorghum, which is considered superior to Sudan grass as a forage, is sold at about 6,000 lire per quintal.

(3) *Foodstuffs.* Special conditions applying to sales of foodstuffs:

Candy bars: No sweetmeats of this type are normally sold in Italy. Limited quantities only of imported candies and sweets are at present sold on the free market. The proposed method of distribution of the candy bars is as follows:

(*a*) through UNRRA welfare channels, a free issue of 400 grams per head will be made to all recipients of UNRRA assistance (this will absorb 791 tons);

(*b*) an issue, under SEPRAL control, of 400 grams per head, spread over three months, to sick in hospital (141 tons);

(*c*) the balance to be offered to industrial cooperatives — excluding the Cooperative of State Employees — for sale to their members. (The balance will amount to about 1,480 tons).

As 935 tons are to be disposed of without adding to the Lira Fund, resale price of the balance should be so fixed as to recoup the Fund with approximately the total "landed cost" value of the whole quantity available for distribution.

The following commodities will be sold to special classes of the population on the authorised ration scale. There is no limitation as to time of distribution:

(*a*) Salmon, mackerel fillets, sardines and fish in oil;
(*b*) meat and vegetable;
(*c*) blood sausage;
(*d*) pil hards;
(*e*) thuringer sausage, pork luncheon meat, other canned meats (solid);
(*f*) liver spread, meat spread, meat paste;
(*g*) chicken haddie (issue only to approved industrial and communal canteens);
(*h*) coffee beans (special distribution plans agreed from time to time between the Government and the UNRRA Mission).

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COMPARISON BETWEEN WHOLESALE AND RETAIL PRICES IN ITALY

(a) *Consideration of Margins Between Wholesale and Retail Prices* (1).

305. The difference between wholesale and retail prices is made up of the costs of distribution (including retailers' profits). The extent of distributive costs is closely related to (a) the degree of service to be rendered at the wholesale stage e.g. breaking from bulk, repacking, credit etc., (b) local transport costs to the retail point and (c) the structure, equipment and organization of retail trade. As regards (c) the large cooperative stores, paying consumer dividends, the "Enti Comunali di Consumo" (Municipal Cooperative shops) and the fixed price departmental stores, all aim at minimizing distribution costs. Prior to fascism the "Cooperative di consumo" (consumer cooperatives) were highly successful, especially in Northern Italy, but after 1922 they were for the most part dissolved. The fixed price departmental stores never took hold in Italy. In large towns there are an excessive number of individual retail stores (2), mostly small shops, which, without competition from larger stores, have contributed to keep distributive costs at a high level. The proportion of fixed overhead charges (rent, personnel, taxes, etc.) has, therefore, been an appreciable element in the price of each unit sold in retail shops. There is, in the public interest, scope for greater rationalization of the retail trade. For the long-term protection of the small shopkeepers themselves, reforms are overdue. In August and September 1946, at a time of labor unrest, the need for encouraging the extension of consumer cooperatives was evident.

306. Thriving black market activities, especially in the towns of Central and Southern Italy, have added to distribution costs, which include the profits of innumerable dealers and extra charges to compensate for the risks involved in illegal sales.

307. Before the war the percentage of the distribution costs in retail prices was estimated by the "Confederazione dei Commercianti" (Confederation of Retail Traders) in some large towns on the basis of surveys covering an appreciable number of samples. Table 48 shows the distributive margin for various types of retail trade, according to the surveys made by the Italian Confederation of Retail Traders before the war.

(1) The importance of the study of distribution can be gauged by the recent authorization by the United States Congress of appropriations up to 11 million dollars for research in 1950 on distribution with the objective of lowering costs.

(2) (a) The two commercial censuses taken in Italy 1927 and in 1938 show that in this period of 12 years instead of a trend towards concentration of individually-owned retail businesses, the opposite occurred. The number of shops per 1,000 inhabitants in 1927 was 13.6 and in 1938, 17.0. The number of persons employed (including shop-keepers) in each retail shop has decreased from 1.8 to 1.6, which suggests that the number of small shops has increased. The position, in brief, is as follows:

	Shops employing five persons or less			
	No.		% of total retail shops	
	1927	1938	1927	1938
Number of retail shops	555,084	777,058	98	99.1
Number of persons employed	880,332	1,151,634	72.7	72.9

(b) A comparison of distributive conditions in 26 countries was made in 1938 by the International Chamber of Commerce. The results, shown below, indicate that the percentage of small retail shops existing then in Italy was comparatively high.

Country	Retail shops (per 1000 persons)	Percentage of persons occupied in retail shops		
		Number of persons employed per shop		
		1-5	6-50	51 and more
		%	%	%

TABLE 48

The pre-war Margin Between Retailers' Cost and Selling Prices

	1929 %	1932 %	1937 %
(a) Foods:			
Grocers	12.75	11.50	13.16
Pork Butchers' shops	20.51	20.33	18.75
Food markets	15.00	15.51	16.16
Fish shops	22.13	22.72	17.63
Eggs and poultry shops	12.85	13.90	15.63
Butchers' shops	14.47	19.46	13.88
Bakeries	27.61	29.68	24.49
Milk shops	21.61	25.46	20.44
Wine shops	29.09	31.72	22.83
Peddlers	16.03	17.13	18.09
Average	19.21	20.74	18.11
Cooperative stores	12.48	11.35	12.67

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305. The difference between wholesale and retail prices is made up of the costs of distribution (including retailers' profits). The extent of distributive costs is closely related to (a) the degree of service to be rendered at the wholesale stage e.g. breaking from bulk, repacking, credit etc., (b) local transport costs to the retail point and (c) the structure, equipment and organization of retail trade. As regards (c) the large cooperative stores, paying consumer dividends, the "Enti Comunali di Consumo" (Municipal Cooperative shops) and the fixed price departmental stores, all aim at minimizing distribution costs. Prior to fascism the "Cooperative di consumo" (consumer cooperatives) were highly successful, especially in Northern Italy, but after 1922 they were for the most part dissolved. The fixed price departmental stores never took hold in Italy. In large towns there are an excessive number of individual retail stores (2), mostly small shops, which, without competi-

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Country	Retail shops (per 1000 persons)	Percentage of persons occupied in retail shops		
		Number of persons employed per shop		
		1-5	6-50	51 and more
		%	%	%
Germany	12.10	73	16	11
Italy	13.29	89	10	1
Netherlands	13.28	76	15	9
Sweden	8.91	70	24	6
Switzerland	11.37	60	26	8
U. S. A.	10.50	—	—	—

therefore, been an appreciable element in the price of each unit sold in retail shops. There is, in the public interest, scope for greater rationalization of the retail trade. For the long-term protection of the small shopkeepers themselves, reforms are overdue. In August and September 1946, at a time of labor unrest, the need for encouraging the extension of consumer cooperatives was evident.

306. Thriving black market activities, especially in the towns of Central and Southern Italy, have added to distribution costs, which include the profits of innumerable dealers and extra charges to compensate for the risks involved in illegal sales.

307. Before the war the percentage of the distribution costs in retail prices was estimated by the "Confederazione dei Commercianti" (Confederation of Retail Traders) in some large towns on the basis of surveys covering an appreciable number of samples. Table 48 shows the distributive margin for various types of retail trade, according to the surveys made by the Italian Confederation of Retail Traders before the war.

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Milk shops	21.61	25.46	20.44
Wine shops	29.09	31.72	22.83
Peddlers	16.03	17.13	18.09
Average	19.21	20.74	18.11
Cooperative stores	12.48	11.35	12.67
(b) Wearing apparel and textiles:			
Clothing stores	25.66	28.62	27.38
Hat stores	31.50	34.73	34.14
Footwear shops	22.32	22.42	21.97
General stores	27.39	29.93	26.86
Peddlers	—	—	28.47
Average	26.72	28.93	27.76
Fixed price departmental stores	24.50	27.25	22.86

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308. The Confederation of Retail Traders estimated the velocity of turnover of stock in the different kinds of stores as shown in Table 49.

TABLE 49

Velocity of Turnover of Stock in the Retail Trade in Italy 1937:

	Number of times stock was turned over in a year	Average number of days sales represented by stock-in-trade
(*a*) Food:		
Grocers	6	60
Pork butchers	11	32
Food markets	9	40
Fish shops	300	1 1/4
Eggs and poultry shops	200	1 3/4
Butchers shops	160	12
Bakeries	29	12
Milk shops	250	1 1/2
Wine shops	17	21
Cooperative stores	19	20
(*b*) Wearing apparel, textiles and general supplies:		
Clothing stores	2.8	130
Hat stores	4.1	89
Footwear shops	3.1	118
General stores	3.5	104
Peddlers	12.6	29
Fixed price stores	7.8	46

309. From Table 48 it would appear that in 1937 costs of distribution of the cooperative stores are appreciably

TABLE 50

Difference Between Wholesale and Retail Prices: August 1946

Commodities subject to official prices in August 1946	Imported price (c.i.f.)	Retail price to the consumer	Difference %
	Lire per kilogram		
Sugar	120	165	37.6
Codfish	55	85	54.5
Sausage	172.30	250	45.1
Lard	77.75	116	49.2
Evaporated milk	52	73	40.4
Peas	42	60	42.8
Raw coffee	200	275	37.5

Prior to the war (1930) the margin between wholesale and retail prices was 33 %, and was therefore less than in 1946, when taxes, transportation charges etc. are higher.

310. The proportion of cost of distribution in official retail food prices is probably not substantially higher than pre-war. In August 1946 the "Confederazione Generale Italiana del Commercio" (Italian General Confederation of Commerce) made a careful survey of food distribution costs, from the "Consorzio Agrario Provinciale" (Provincial Agricultural Consortium), the distributing agency, to the wholesaler; from the wholesaler to the retailer; and from the retailer to the consumer. Table 50 is a summary of the results of the survey (see also Tables 51 and 52).

311. Table 51, based on the same survey, shows the officially approved percentage margin taken by the wholesaler and the retailer in June 1946 (see also Table 52).

TABLE 51

Approved Margin in Lire per kilogram taken by Wholesalers and Retailers: June 1946

Commodities subject to official prices in June 1946	Cost to the wholesaler (excluding margin)	Approved margin taken by wholesaler		Cost to retailer (excluding margin)	Approved margin taken by retailer (1)	
	Lire	Lire	%	Lire	Lire	%
Sugar	126.80	2.50	5.9	145.80	20.40	14.0

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TABLE 49

Velocity of Turnover of Stock in the Retail Trade in Italy 1937:

	Number of times stock was turned over in a year	Average number of days sales represented by stock-in-trade
(*a*) Food:		
Grocers	6	60
Pork butchers	11	32
Food markets	9	40
Fish shops	300	1 1/4
Eggs and poultry shops	200	1 3/4
Butchers shops	160	12
Bakeries	29	12
Milk shops	250	1 1/2
Wine shops	17	21
Cooperative stores	19	20
(*b*) Wearing apparel, textiles and general supplies:		
Clothing stores	2.8	130
Hat stores	4.1	89
Footwear shops	3.1	118
General stores	3.5	104
Peddlers	12.6	29
Fixed price stores	7.8	46

309. From Table 48 it would appear that in 1937 costs of distribution of the cooperative stores are appreciably less than for other retail distributors (12.67 % as against an average of 18.11 % for the other shops and this is not explained by the more personal (delivery etc.) services of the latter). The remarkable speed of turnover of stock-in-trade for fixed price department stores, as compared with stores of other types, is of note. The position, has, however, deteriorated since 1937.

Commodities subject to official prices in August 1946	Imported price (c.i.f.)	Retail price to the consumer	Difference %
	Lire per kilogram		
Sugar	120	165	37.6
Codfish	55	85	54.5
Sausage	172.30	250	45.1
Lard	77.75	116	49.2
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	Lire	Lire	%	Lire	Lire	%
Sugar	126.80	7.50	5.9	145.80	20.40	14.0
Codfish	59.95	3.60	6.0	74.22	10.16	13.6
Sausage	190.78	11.45	6.0	219.66	30.34	13.8
Lard	86.24	5.17	6.0	101.85	14.10	13.8
Evaporated milk	55.62	3.33	6.0	64.35	9.00	14.0
Peas	45.12	2.71	6.0	52.35	7.33	14.0
Raw coffee	211.00	12.66	5.7	241.73	33.84	14.0

(1) For comparison with pre-war. See Table 48 (Grocers)

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TABLE 52

Analysis of Prices in lire per kilogram of Imported Foodstuffs from (a) Provincial Agricultural Consortium to Wholesaler (b) Wholesaler to Retailer and (c) Retailer to Consumer: Rome, June 1946.

Item	Sugar	Codfish	Sausage (Salami type)	Lard	Milk (evaporated)	Vegetables (peas)	Raw Coffee
A. (i) Sale price from Prov. Agr. Consortium to wholesaler	120.00	55.00	172.30	77.75	52.00	42.00	200.00
(ii) Sales tax - Prov. Agr. Consortium to wholesaler	4.80	2.20	13.78	6.22	2.08	1.68	8.00
(iii) Fee to Insurance Fund	1.00	0.57	1.80	0.84	0.54	0.44	2.00
(iv) Fee to Sepral (Provincial Food Office)	1.00	1.00	1.00	1.00	1.00	1.00	1.00
(v) Loss of Weight	—	1.18	1.90	0.43	—	—	—
(vi) Wholesaler's profit	7.50	3.60	11.45	5.17	3.33	2.71	12.00
Transportation cost from wholesaler to retailer	0.50	0.55	0.50	0.55	0.55	0.55	0.50
(vii) Consumption tax	—	3.00	14.00	8.75	—	—	—
Price to retailer (free at retailer's store, including consumption tax)	134.80	67.10	216.73	100.73	59.50	48.40	223.50
B. (viii) Sales tax from wholesaler to retailer	5.40	2.68	—	—	2.38	1.94	8.94
Total cost to retailer	140.20	69.78	—	—	61.88	50.34	232.44
C. (ix) Sales tax from retailer to consumer	5.60	2.79	—	—	2.47	2.01	9.29
Loss of weight	—	1.65	2.91	1.15	—	—	—
Profit to retailer	20.40	10.16	30.34	14.10	9.00	7.33	33.84
Total	166.20	84.38	250.00	115.95	73.35	59.68	275.57
Approved price to the consumer per kg.	165	85	250	116	73	60	275

(i) Price fixed by the High Commissariat for Food
(ii) Sales tax is 4 % (for sausages and lard the sales tax is 8 % — one tax only in marketing chain)
(iii) Rounded off at 10 %
(iv) One lira per kg.
(v) For codfish 2 %; Thuringher sausages 1 %; lard 0.50 %
(vi) Varies from 0.50 to 0.55 lire per kg.
(vii) Varies for each commodity
(viii) and ix) Sales tax 4 %

312. For UNRRA-imported goods (two-thirds of which are represented in value, to end October 1946, by food, coal, and POL) sold at prices fixed by the UNRRA Mission in conjunction with the Italian Government, distribution costs vary according to the kind of goods. The following statement shows the estimated cost of handling charges in Italy as a percentage of the landed cost of UNRRA-imported goods:

TABLE 53.

UNRRA Supplies to Italy: Estimated Handling Charges in Lire per metric Ton: 1946

(Statement subject to review by Lira Fund Committee)

a) *Foodstuffs* (and soap)

Product	Landed cost	Estimated Handling Charges in Italy				Estimated handling charges as percentage of landed cost
		Expenses of distribution	Insurance 1.5% of landed cost	Shrinkage loss, etc.	Total Handling charges	
Milk:						
whole dry	221,513	11,010	3,300	6,600	20,910	9.43
dry skim roller	88,538	11,010	1,300	2,600	14,910	16.84
» » spray	90,338	11,010	1,300	2,600	14,910	16.50
evaporated	63,281	15,300	900	1,800	18,000	28.44
Lard	105,975	11,010	1,60	3,200	15,810	14.92
Shortening	115,875	11,010	1,70	3,500	16,210	13.99
Fat cuts	93,375	11,010	1,40	2,800	15,210	16.29

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A. (i) Sale price from Prov. Agr. Consortium to wholesaler	120.00	55.00	172.30	77.75	32.00	42.00	200.00
(ii) Sales tax - Prov. Agr. Consortium to wholesaler	1.80	2.20	13.78	6.22	2.08	1.68	8.00
(iii) Fee to Insurance Fund	1.00	0.57	1.89	0.84	0.54	0.44	2.00
(iv) Fee to Sepral (Provincial Food Office)	1.00	1.00	1.00	1.00	1.00	1.00	1.00
(v) Loss of Weight	—	1.18	1.90	0.43	—	—	—
(vi) Wholesaler's profit	7.50	3.60	11.45	5.17	3.33	2.71	12.00
Transportation cost from wholesaler to retailer	0.50	0.53	0.59	0.55	0.55	0.55	0.50
(vii) Consumption tax	—	3.00	14.00	8.75	—	—	—
Price to retailer (free at retailer's store, including consumption tax)	134.80	67.10	216.75	100.79	39.50	48.40	223.50
B. (viii) Sales tax from wholesaler to retailer	5.40	2.68	—	—	2.38	1.94	8.94
Total cost to retailer	140.20	69.78	—	—	61.88	50.34	232.44
C. (ix) Sales tax from retailer to consumer	5.60	2.79	—	—	2.47	2.01	9.29
Loss of weight	—	1.65	2.91	1.15	—	—	—
Profit to retailer	20.40	10.16	30.34	14.10	9.00	7.33	33.84
Total	166.20	84.38	250.00	115.95	73.35	59.68	275.57
Approved price to the consumer per kg.	165	85	250	116	73	60	275

(i) Price fixed by the High Commissariat for Food
(ii) Sales tax is 4 % (for sausages and lard the sales tax is 8 % — one tax only in marketing chain)
(iii) Rounded off at 10 %
(iv) One lira per kg.
(v) For codfish 2 %; Thuringher sausages 1 %; lard 0.50 %
(vi) Varies from 0.50 to 0.55 lire per kg.
(vii) Varies for each commodity
(viii) and ix) Sales tax 4 %

312. For UNRRA-imported goods (two-thirds of which are represented in value, to end October 1946, by food, coal, and POL) sold at prices fixed by the UNRRA Mission in conjunction with the Italian Government, distribution costs vary according to the kind of goods. The following statement shows the estimated cost of handling charges in Italy as a percentage of the landed cost of UNRRA-imported goods:

TABLE 53.

UNRRA Supplies to Italy: Estimated Handling Charges in Lire per metric Ton: 1946

(Statment subject to review by Lira Fund Committee)

a) *Foodstuffs* (and soap)

Product	Landed cost	Estimated Handling Charges in Italy				Estimated handling charges as percentage of landed cost
		Expenses of distribution	Insurance 1.5% of landed cost	Shrinkage loss, etc.	Total Handling charges	
Milk:						
whole dry	221,513	11,010	3,300	6,600	20,910	9.43
dry skim roller	88,538	11,010	1,300	2,600	14,910	16.84
" spray	90,338	11,010	1,300	2,600	14,910	16.50
evaporated	63,281	15,300	900	1,800	18,000	28.44
Lard	105,975	11,010	1,60	3,200	15,810	14.92
Shortening	115,875	11,010	1,70	3,500	16,210	13.99
Fat cuts	93,375	11,010	1,40	2,800	15,210	16.29
Margarine	94,950	11,010	1,400	2,800	15,210	16.02
Beans, haricot	33,188	9,480	500	1,000	10,980	33.08
Peas, dried	39,038	9,480	600	1,200	11,280	28.89
Lentils	27,563	9,480	400	800	10,680	38.75
Garbanzos (Chick-peas)	41,513	9,480	600	1,200	11,280	27.17
Soup dehydrated	88,650	9,480	1,300	2,600	13,380	15.09
Toilet Soap	85,837	11,010	1,300	2,600	14,910	17.37
Laundry Soap	56,587	11,010	800	1,700	13,510	23.87

NOTE: The figures in Table 53 are subject to final adjustment, and actual savings will be credited to the Lira Fund.

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(TABLE 53 continued)

b) *Industrial products*

Commodities	Fixed price in Italy (in lire per metric ton)	Estimated handling charges (in lire) (1)	Estimated accrual to lire fund	Percentage of estimated handling charges to price
Gasoline	35,000 (2)	10,640	24,360	30.4
Kerosene	36,230	13,470	22,760	37.2
Diesel oil	30,000 (2)	11,440	18,560	38.1
Fuel oil	8,000	3,150	4,850	39.4
Basic slag	11,000	6,500	4,500	59.1
Manganese ore	12,000	2,460	9,540	20.5
Fire refined copper	87,000	5,260	81,740	6.0
Solvent Naphtha: medium	53,200	14,000	39,200	26.3
Nitrate of soda	22,000	10,000	12,000	45.5
Copra	33,005	5,000	28,005	15.1
Semi-finished steel: ingots blooms	20,800	3,889	16,911	18.7
Finished steel: bars	20,800	5,000	15,800	24.0
corrugated	30,000	5,000	25,000	16.7

(1) Final settlement of handling charges will be made after after audit of consignee's expenses.
(2) Lire per 1,000 liters.

For foodstuffs the estimated handling charges are thus from 9 to 38 % of the landed cost and for industrial products from 6 to 59 % of the lire price.

313. As an illustration only of the breakdown of estimated distribution costs for agricultural machinery, the following details, which are subject to revision, for reaping attachments are given:

Estimated Handling and other Charges (1946) for UNRRA - Supplied Reaper attachments, model Deering

Gross Weight 50 Kg. Net Weight 42 Kg.

1) Insurance against fire, theft, other risks, etc. (3 months)	20.00
2) I.C.E. margin 0.20 % on landing cost estimated at 1,450 lire (at the exchange rate of 100 lire to the $)	2.90
3) Taking on charge under ship side at Naples & loading on truck or lorry, 130 lire per quintal	65.00
4) Transport charges to the warehouses at Castellamare, Rome and Piacenza - average 210 lire per quintal	105.00
5) Unloading & storage at the warehouses at 40 lire per quintal	20.00
6) Storage for 3 months (0.30 per Qtl. per day) 90 days × 0.30 - 27 lire per quintal	13.50
7) Assemblage, putting in running order, lubricating, etc.	120.00
8) Transport charges from warehouse to station & loading on truck 50 lire per quintal	25.00
9) Transport charges from Federazione warehouse to distribution centres - average journey calculated at 300 km. - at 150 lire	63.00

Note: The following items are not included in the above list: (a) 4 % general income tax on handing over the machines to the central consignee: (b) debtor interest on the sums to be advanced to the Treasury.

314. The open market prices of non-controlled products were such as to allow tradesmen to reap profits exceeding many times the cost of production. During the period of falling prices, i.e. from April to June 1946, traders generally maintained their retail prices for non-controlled commodities. A factor tending to prevent retail prices from falling has been the reluctance of traders to reduce the high percentage of profit reaped in periods of increasing prices.

315. These reasons, together with the shortage of goods, the reduction in the list of goods subject to official rations and the controls on official prices, explain the increase in 1946 in free retail prices (40 to 50 times pre-war on the average). This increase has been out of proportion to the increase in currency circulation (about 20 times pre-war) and to the rise in official prices of controlled commodities. For lack of data, it is not possible to say whether the wide difference between retail prices and prices on the free market to producers, has mainly benefited the wholesaler or the retailer.

(b) *Comparison Between Wholesale and Retail Prices.*

316. Any comparison between wholesale and retail prices of the same goods is recognised to be difficult.

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Gasoline	35,000 (2)	10,640	24,360	30.4
Kerosene	36,230	13,470	22,760	37.2
Diesel oil	30,000 (2)	11,440	18,560	38.1
Fuel oil	8,000	3,150	4,850	39.4
Basic slag	11,000	6,500	4,500	59.1
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Solvent Naphtha : medium	53,200	14,000	39,200	26.3
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corrugated	30,000	5,000	25,000	16.7

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For foodstuffs the estimated handling charges are thus from 9 to 38 % of the landed cost and for industrial products from 6 to 59 % of the lire price.

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2) I.C.E. margin 0.20 % on landing cost estimated at 1.450 lire (at the exchange rate of 100 lire to the $)	2.90
3) Taking on charge under ship side at Naples & loading on truck or lorry, 130 lire per quintal	65.00
4) Transport charges to the warehouses at Castellamare, Rome and Piacenza - average 210 lire per quintal	105.00
5) Unloading & storage at the warehouses at 40 lire per quintal	20.00
6) Storage for 3 months (0.30 per Qtl. per day) 90 days × 0.30 - 27 lire per quintal	13.50
7) Assemblage, putting in running order, lubricating, etc.	120.00
8) Transport charges from warehouse to station & loading on truck 50 lire per quintal	25.00
9) Transport charges from Federazione warehouse to distribution centres - average journey calculated at 300 km. - at 150 lire per quintal net	63.00
10) Unloading at destination - transport & putting in warehouse at 50 lire per quintal net	21.00
TOTAL HANDLING EXPENSES	455.40
Commission to distribution 15 % on sale price fixed at 3.000 lire including test, help & general expenses	450.00
TOTAL EXPENSES & COMMISSION	905.40

Note: The following items are not included in the above list: (a) 4 % general income tax on handing over the machines to the central consignee: (b) debtor interest on the sums to be advanced to the Treasury.

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(b) *Comparison Between Wholesale and Retail Prices.*

316. Any comparison between wholesale and retail prices of the same goods is recognised to be difficult. The prices at each stage in the marketing chain for the same type and quality of goods (producer, first wholesaler or semi-wholesaler, or a consortium of retailers, etc.), as well as all charges adding to the cost of goods (e.g. sales tax) must be known. Comparison is also complicated by the changes which take place in the product before consumer sale (re-processing, "appeal" packing, etc.)

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TABLE 54

Comparison of Wholesale and Retail Food Prices in Italy: 1938-1946 (1)

Commodity	Wholesale Price		Retail Price (3)		Relation of retail to wholesale prices (wholesale price = 1)		Index Numbers (1938 = 100)	
							Wholesal. prices	Retail prices
	1938	1946 (4)	1938	1946 (4)	1938	1946	1946	1946
	(Lire per quintal)							
Wheat	138	5,000	227	8,000	1.64	1.60	3,623	3,524
Husked rice	159	7,000	182	12,000	1.46	1.71	4,403	6,593
Butter	1,000	55,000	1,547	63,600	1.55	1.16	5,500	4,111
Pasta	225	13,000 (2)	291	14,400	1.29	1.11	5,778	4,948
Sugar	638	85,000 (2)	660	110,600	1.03	1.30	13,323	16,758

(1) Sources of prices: Central Institute of Statistics, Rome.

Reference is made here, and at other places in this survey, to the Central Institute of Statistics, Rome. The following is a brief history of the development and work of the Institute. The "Istituto Centrale di Statistica" (Central Institute of Statistics) was founded in Rome in 1926 as a result of a reconstruction of the former "Direzione Generale della Statistica Italiana" (General Direction of Italian Statistics), created in 1861. According to an Act of 1926 (revised in 1929) the Central Institute of Statistics is responsible for all official statistics for Italy, i.e. (1) statistics compiled by the Institute itself (statistics of (a) population and mortality, (b) foreign trade, (c) public education, (d) agriculture, (e) prices and cost of living and (f) judicial and penal statistics); (2) statistics compiled by the Ministries (statistics of industry and labor, public education, finance, banking, etc.) which are coordinated by the Central Institute. The Institute, as the official agency for national statistics, is responsible to the "Presidenza del Consiglio dei Ministri" (Presidency of the Council of Ministers). Since 1941 the Institute has been under the administration of provisional agencies and a project for a general reorganization of the Italian statistical services is included in a bill still awaiting approval. Prior to 1943 the periodical publications of the Institute were numerous. Since the war these have been reduced to the Monthly Bulletin of Statistics (from September 1945 through October 1946), a "Statistical Digest" (1943 to 1946) and a "Monthly Bulletin of Foreign Trade." Prior to the war, the periodical publications of the Central Institute were the following: the "Annuario Statistico Italiano" (Italian Statistical Yearbook); the "Compendio Statistico" (Statistical Digest); some books on population growth and on the causes of death; the "Annuario dell'Agricoltura Italiana" (Italian Agricultural Yearbook); annual statistics on foreign trade; annual statistics on shipping; annual judicial statistics, statistics on criminality and on civil law suits, statistics on penal institutes and annual statistics on public education. The monthly publications were: "Bollettino Mensile di Statistica" (Monthly Bulletin of Statistics); "Bollettino di Statistica Agraria e Forestale" (Bulletin of Statistics on Agriculture and Forests); "Bollettino dei Prezzi" (Price Bulletin); "Bollettino del Commercio Estero" (Foreign Trade Bulletin); "Notiziario demografico" (Demographical information).

The Central Institute was also charged with taking a five year census of the population (the last census was in 1936), a five year census of industry, transportation and trade (last census 1939) and

317. Another factor complicating comparison with pre-war prices, is the change in the quality of goods which has taken place between the two periods. Table 54 is an attempt to compare some wholesale prices with retail prices. The Table (making all necessary reservations, due to unreliability of the data on black market prices and the lack of proper controls during the enquiry) suggests that the percentage added to the wholesale price of some foodstuffs by the black market operator has fallen as compared with 1938.

318. Attempts were made before the war to compare wholesale and retail price index numbers for the same commodities and services (5) but no work has been done on this subject since the war.

(5) In 1929 the "Confederazione dei Commercianti" (Confederation of Traders) initiated two distinct series of index numbers of wholesale and retail prices for the same 25 commodities selected from among those most common in household consumption, e. g. price of wheat and flour in wholesale trade, and the price of bread in retail trade; wholesale price of oxen and calves, and retail price of meat. Professor Tagliacarne directed the work and the commodities were selected by experts and the quality and sale conditions for each commodity described in detail. For each commodity the price index was calculated monthly (wholesale and retail). The national index was arrived at by taking the mean of the national index numbers of the commodities considered in the two series. The two series of the index numb-

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Commodity	Wholesale Price		Retail Price (3)		Ratio of retail to wholesale prices (wholesale price = 1)		Wholesale prices	Retail prices
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The Central Institute was also charged with taking a five year census of the population (the last census was in 1936), a five year census of industry, transportation and trade (last census 1939) and of agriculture (last census 1930).

Since the extensive census taken in September 1944 in 38 provinces of Southern and Central Italy, in conjunction with the Allied Control Commission (census of population, housing, industry, transportation and standard of living), the Institute has taken no further censuses or surveys of a national character.

(2) Source: Edison Combine, Milan for wholesale prices.

(3) For wheat, bread prices are taken and for husked rice, cleaned rice.

(4) Black market price.

317. Another factor complicating comparison with pre-war prices, is the change in the quality of goods which has taken place between the two periods. Table 54 is an attempt to compare some wholesale prices with retail prices. The Table (making all necessary reservations, due to unreliability of the data on black market prices and the lack of proper controls during the enquiry) suggests that the percentage added to the wholesale price of some foodstuffs by the black market operator has fallen as compared with 1938.

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Index numbers (first fortnight January 1929 = 100).

	Wholesale prices (a)	Retail prices (b)	Ratio $\frac{b}{a} \times 100$
1934	63.64	65.60	103.08
1936	76.66	75.01	97.85
1938	89.76	87.10	97.04

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MEASURE OF GENERAL PRICE LEVEL AND INDICES OF AGRICULTURAL POSITION

(a) *General Index of Prices and Services.*

319. The index numbers of wholesale prices are often considered as indices of the movement of all prices and services. This is not the case. To give a correct measure of the variation in the general purchasing power of the currency, weight should be given to all transactions involving payment in money—not only in wholesale and retail trade but transactions in bonds, in movable and immovable property, wages and salaries (in industry, agriculture and commerce), professional fees, house and land rents, transportation and communication rates, light and heat, etc.

320. To take all these factors into account is not easy at the present time. Professor S. Golzio, of Turin, computed at the end of 1945 a very approximate comprehensive index which estimated the general rise of prices, services and other expenditure at 17.1 times 1938. Using as basis the work done in 1933 by Prof. G. Tagliacarne in the calculation of a general index of prices and services in Italy, and estimating the changes which have since taken place in the proportions of the different heads of expenditure to the total, the general index of prices and services for the first nine months of 1946 can be put at about 20 (1) times the 1938 level. This index gives an idea of the devaluation of the general purchasing power of the currency.

321. Both at the end of 1945 and in June 1946 the level of this general index of prices and services did not differ materially from the level of the currency circulation index (18 times pre-war at the end of 1945 and 20.4 in August 1946).

(b) *Indices of the Agricultural Situation.*

322. A study of index numbers of variations in the level of the prices of individual products and services throws light on the changing situation in groups of economic activity, as for instance in agriculture or industry. On the one hand variations in purchase prices and in cost of services, which are part of the cost of production in a particular branch of activity, can be seen. On the other hand the variations in the selling prices of the goods produced are revealed. If, in relation to a particular base period, the synthetic index number of the cost of production of certain goods has increased by a smaller proportion than the index number of the no data are available in Italy for the calculation of indices for industry on these lines. Professor P. Albertario, general director of the office for the "Tutela del prodotto economico in agricoltura" (the purpose of this office is to stimulate efficiency in agriculture) has calculated, on the basis of uniform criteria and of broad surveys all over Italy, the indices of the variations for the period from 1938 to 1944 (1938=100) in (a) the purchase price of agricultural requisites; (b) the sale price of agricultural products (2). The calculation for 1945 has, with Professor Albertario's assistance, been made provisionally by the UNRRA Italian Mission. The 1945 data in Tables 55 and 56 (graph) can, however, be regarded as only indicative of a trend.

323. The following considerations arise from Table 55: (a) while the average index of the overall prices of labor, agricultural requisites etc. to the farmer (index of agricultural costs) stood in 1945 at about 15 times the 1938 level, the index of the prices of agricultural products sold by farmers stood at 21 times pre-war. The position of the farmer, therefore, during the war and until 1945 considerably improved in comparison with 1938. Other surveys and investigations indicate that this improvement continued into 1946. Within this overall cost, the index of the prices of factory products (fertilizers, fodder, fuel etc.) purchased by farmers on the open market (and which before the war comprised about 20 % of the cost of production) has, however, increased about 34 times its 1938 level, i.e. higher than the index of free prices made by the farmer in selling his produce (28 times the 1938 index). The shortage from 1943 till 1946 of factory-produced requisites has, however, diminished the "weight" of expenditure on these to production cost; the influence of costs has, therefore, been less than is shown in the index (3); (b) among the main cost items in Table 55 the following increased less than the average general cost (14.8): (taxes (3.5 times 1938), labor (9 times on the basis of official wage rates, 14 times if actual wages are taken —or an average of 11.5 times 1938); (c) the highest increases in the open market prices of farm requisites—

(2) A similar index was computed annually after 1929 by the Central Institute of Statistics (indices of the prices of products sold and purchased by farmers). The calculation was discontinued in 1942. Such official indices had a more limited scope

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considered as indices of the movement of all prices and services. This is not the case. To give a correct measure of the variation in the general purchasing power of the currency, weight should be given to all transactions involving payment in money—not only in wholesale and retail trade but transactions in bonds, in movable and immovable property, wages and salaries (in industry, agriculture and commerce), professional fees, house and land rents, transportation and communication rates, light and heat, etc.

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(1) This index was calculated by taking the geometric mean of two weighted indices. One was calculated on the basis of pre-war transactions and the other on the basis of 1946.

bertario, general director of the office for the "Stima del prodotto economico in agricoltura" (the purpose of this office is to stimulate efficiency in agriculture) has calculated, on the basis of uniform criteria and of broad surveys all over Italy, the indices of the variations for the period from 1938 to 1944 (1938=100) in (a) the purchase price of agricultural requisites; (b) the sale price of agricultural products (2). The calculation for 1945 has, with Professor Albertario's assistance, been made provisionally by the UNRRA Italian Mission. The 1945 data in Tables 55 and 56 (graph) can, however, be regarded as only indicative of a trend.

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(2) A similar index was computed annually after 1929 by the Central Institute of Statistics (indices of the prices of products sold and purchased by farmers). The calculation was discontinued in 1942. Such official indices had a more limited scope (since they covered only variations in prices that were of particular interest to farmers). The indices did not cover some important items included in Professor Albertario's calculation, which permit of a comparison, over a period of time, of the variation in farmers' costs and receipts.

(3) The 1938 "weights" remain unvaried in the calculation of the indices. To determine more correctly the combined index of costs and receipts it would be necessary to calculate separately an index on the basis of the "presumable weights" of 1945 (which differ substantially from the 1938 weights). The geometric mean of the two indices should then be calculated.

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TABLE 55

Italian Agricultural Production etc.: 1939 to 1945

(to show the trend of costs and prices)

Classes of goods & services	Indices: 1938 = 100 (3)									
	1939	1940	1941	1942	1944			1945		
					Official Prices	Free Prices	Average (1)	Official Prices	Free Prices	Average (1)
	A. *Indices of the sale prices of agricultural products (receipts from sale).*									
I. *Crop production*	*109.6*	*134.6*	*163.1*	*185.1*	*658.2*	*1,273.0*	*965.6*	*1,609.7*	*2,835.3*	*2,222.5*
a) cereals	103.0	119.7	135.0	160.8	448.9	912.3	680.6	650.0	2,000.0	1,325.0
b) dried legumes	135.1	153.7	185.7	189.6	359.2	2,155.7	1,257.4	870.0	2,800.0	1,835.0
c) industrial crops	108.7	122.4	148.9	163.2	494.6	544.2	519.4	1,800.0	1,800.0	1,800.0
d) potatoes, fruit & fruit crops	128.1	164.7	178.6	254.7	1,379.8	2,954.8	2,267.3	3,500.0	5,000.0	4,250.0
e) dried and fresh fruits	108.8	146.8	230.1	240.6	725.8	1,367.6	1,046.7	1,900.0	2,500.0	2,200.0
f) citrus fruits	102.6	122.5	136.1	170.8	686.8	1,196.3	941.5	1,600.0	2,500.0	2,050.0
g) wine	120.4	198.7	222.6	222.6	1,874.8	2,713.6	2,294.2	3,500.0	4,500.0	4,000.0
h) olive oil	111.6	123.9	199.4	199.1	895.0	2,003.2	1,449.1	2,400.0	5,000.0	3,700.0
II. *Animal products*	*107.3*	*138.1*	*177.1*	*200.9*	*436.2*	*835.2*	*665.7*	*1,400.0*	*2,500.0*	*1,950.0*
a) foodstuffs	107.6	138.0	177.5	201.9	510.5	852.8	681.6	—	—	—
b) non-foodstuffs	102.1	139.8	170.8	184.4	306.0	585.0	445.5	—	—	—
GENERAL INDEX OF RECEIPTS FROM SALE	108.8	135.8	167.9	190.7	597.7	1,094.3	846.0	1,534.4	2,714.9	2,124.7
	B. *Indices of purchase prices of agricultural requisites and other costs.*									
I. *Labor*	*107.1*	*117.5*	*148.4*	*162.5*	*396.0*	*451.8*	*423.9*	*900.0*	*1,400.0*	*1,150.0*
II. *Interest on capital invested in livestock, machinery, etc.* (2)	*106.3*	*133.6*	*149.1*	*166.1*	*953.5*	*1,315.3*	*1,134.4*	*2,000.0*	*2,400.0*	*2,200.0*
III. *Working capital*	*102.8*	*121.0*	*133.9*	*163.5*	*327.9*	*497.9*	*412.9*	*1,279.1*	*3,385.0*	*2,332.0*
a) chemical fertilizers	101.4	114.1	127.0	145.1	243.0	624.4	433.7	1,380.0	3,000.0	2,190.0
b) fodder	106.8	128.2	134.2	145.2	215.2	484.0	349.6	450.0	2,500.0	1,475.0
c) seeds	108.4	129.7	145.0	172.8	539.6	645.9	592.7	1,150.0	1,400.0	1,275.0
d) pesticides	97.3	115.9	121.0	267.1	804.7	6,005.0	3,404.8	2,300.0	7,500.0	4,900.0
e) motive power, fuel, lubricants	103.1	141.5	171.9	179.0	409.3	989.3	699.3	880.0	2,000.0	1,440.0
IV. *Agricultural machines & tools* (maintenance and amortizement)	*103.0*	*129.4*	*142.4*	*169.8*	*597.7*	*726.8*	*662.2*	*1,600.0*	*1,900.0*	*1,750.0*
V. *Buildings & fixed installations* (maintenance and amortization)	*105.2*	*137.1*	*156.4*	*183.0*	*334.2*	*1,139.6*	*736.9*	*1,500.0*	*3,200.0*	*2,350.0*

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Classes of goods & services	1939	1940	1941	1942	1944 Official Prices	1944 Free Prices	1944 Average (1)	1945 Official Prices	1945 Free Prices	1945 Average (1)
A. *Indices of the sale prices of agricultural products (receipts from sale).*										
I. *Crop production*	*109.6*	*134.6*	*163.1*	*185.4*	*658.2*	*1,273.0*	*965.6*	*1,609.7*	*2,835.3*	*2,222.5*
a) cereals	103.0	119.7	135.0	160.8	448.9	912.3	680.6	650.0	2,000.0	1,325.0
b) dried legumes	135.1	153.7	185.7	189.6	359.2	2,155.7	1,257.4	870.0	2,800.0	1,835.0
c) industrial crops	108.7	122.4	148.9	163.2	494.6	344.2	519.4	1,800.0	1,800.0	1,800.0
d) potatoes, fruit & fruit crops	128.1	164.7	178.6	254.7	1,379.8	2,954.8	2,267.3	3,500.0	5,000.0	4,250.0
e) dried and fresh fruits	108.8	146.8	230.1	240.6	725.8	1,367.6	1,046.7	1,900.0	2,500.0	2,200.0
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h) olive oil	111.6	123.9	199.4	199.4	895.0	2,003.2	1,449.1	2,400.0	5,000.0	3,700.0
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a) foodstuffs	107.6	138.0	177.5	201.9	510.5	852.8	681.6	—	—	—
b) non-foodstuffs	102.1	139.8	170.8	184.4	306.0	585.0	445.5	—	—	—
GENERAL INDEX OF RECEIPTS FROM SALE	108.8	135.8	167.9	190.7	597.7	1,094.3	846.0	1,534.4	2,714.9	2,124.7
B. *Indices of purchase prices of agricultural requisites and other costs.*										
I. *Labor*	*107.1*	*117.5*	*148.4*	*162.5*	*396.0*	*451.8*	*423.9*	*900.0*	*1,400.0*	*1,150.0*
II. *Interest on capital invested in livestock, machinery, etc.* (2)	*106.3*	*133.6*	*149.1*	*166.1*	*953.5*	*1,315.3*	*1,134.4*	*2,000.0*	*2,400.0*	*2,200.0*
III. *Working capital*	*102.8*	*121.0*	*133.9*	*163.5*	*327.9*	*497.9*	*412.9*	*1,279.1*	*3,385.0*	*2,332.0*
a) chemical fertilizers	101.4	114.1	127.0	145.1	243.0	624.4	433.7	1,380.0	3,000.0	2,190.0
b) fodder	106.8	128.2	134.2	145.2	215.2	484.0	349.6	450.0	2,500.0	1,475.0
c) seeds	108.4	129.7	145.0	172.8	539.6	645.9	592.7	1,150.0	1,400.0	1,275.0
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e) motive power, fuel, lubricants	103.1	141.5	171.9	179.0	409.3	989.3	699.3	880.0	2,000.0	1,440.0
IV. *Agricultural machines & tools* (maintenance and amortizement)	*103.0*	*129.4*	*142.4*	*169.8*	*597.7*	*726.8*	*662.2*	*1,600.0*	*1,900.0*	*1,750.0*
V. *Buildings & fixed installations* (maintenance and amortization)	*105.2*	*137.1*	*156.4*	*183.0*	*334.2*	*1,139.6*	*736.9*	*1,500.0*	*3,200.0*	*2,350.0*
VI. *Taxes, fees, social security contributions*	*110.5*	*125.6*	*149.4*	*150.9*	*225.9*	*225.9*	*225.9*	*350.0*	*350.0*	*350.0*
GENERAL INDEX OF COST	106.1	123.1	145.5	162.2	403.5	509.8	456.6	1,108.5	1,859.8	1,484.1

(1) Unweighted arithmetic mean of the indices of official and free prices.
(2) Interest on capital invested in livestock, machines, tools, fodder, seeds, etc.
(3) *Sources*: (a) From 1938 to 1944 PAOLO ALBERTARIO:
The economic situation of agriculture and price policy (mimeographed yearly reports).
(b) From official and other data. Calculations for 1945 made by UNRRA Italy Mission (Operational Analysis).
See also Table (Graph) 56.

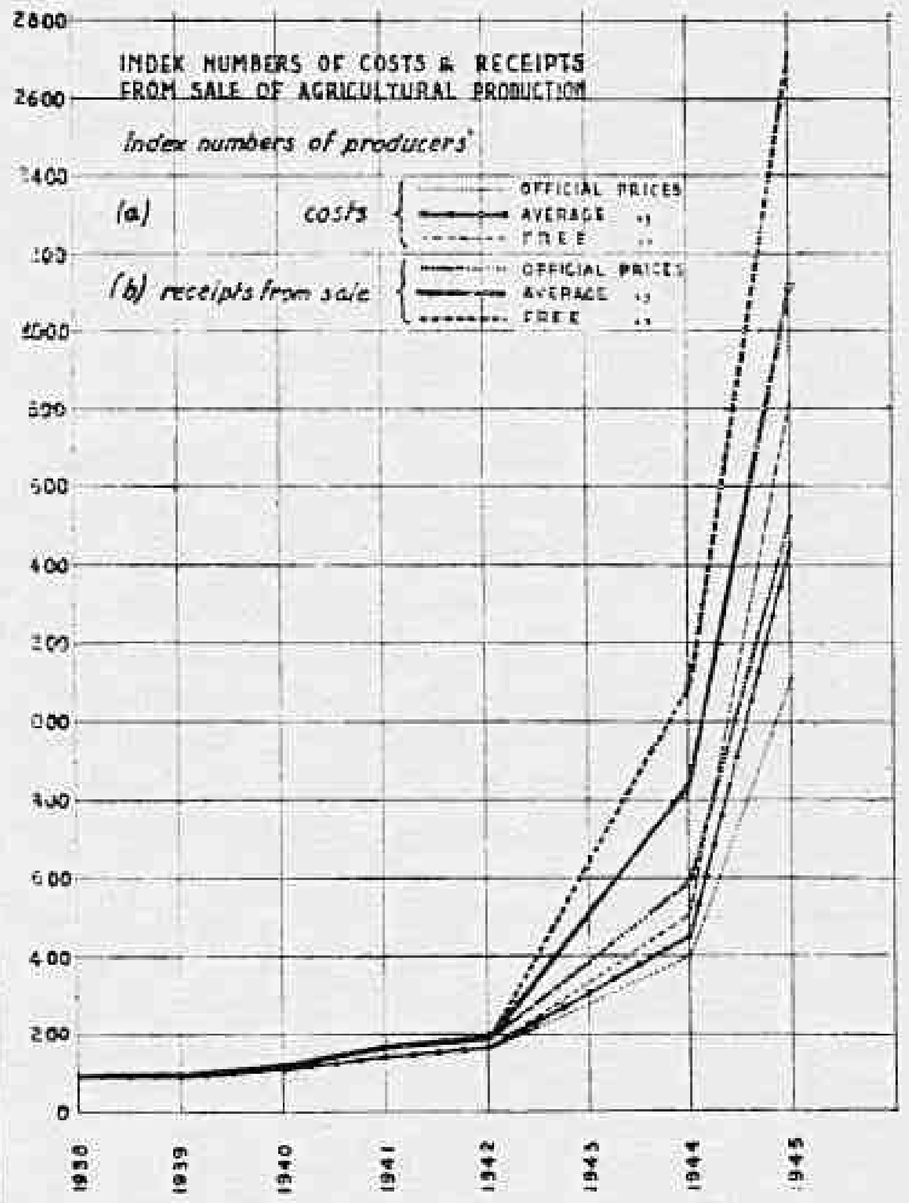
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only a very small quantity is allotted at official prices—are for the pesticide group (75 times) and chemical fertilizers (30 times the 1938 level); (d) the agricultural products for which farmers received the highest prices (free prices), as compared with 1938, are potatoes, fruit and vegetables (50 times), wine (45 times) i.e. products not closely controlled, for which the demand was high; (e) as can be seen from Table 55, there is a considerable difference as between the costs of one item and another in the increases shown in the indices. These differences are evidence (as regards requisites subject to official prices) of lack of efficient regulatory measures and, for those on the free market, of a continuing disequilibrium and economic maladjustment.

324. It is not possible, owing to lack of data, to construct an index combining for industry, (a) costs of raw materials, semi-finished products, wages, etc., and (b) wholesale prices of finished products. A comparison between the movement of wages, as an element in the cost of production, and the wholesale price indices shows that the indices of wages have maintained a much lower level than the indices of wholesale prices.

TABLE 56

INDICES OF THE ECONOMIC SITUATION OF AGRICULTURE



RETAIL PRICES IN ITALY

(A) *FIXING OF RETAIL PRICES AND COLLECTION OF RETAIL PRICE DATA*

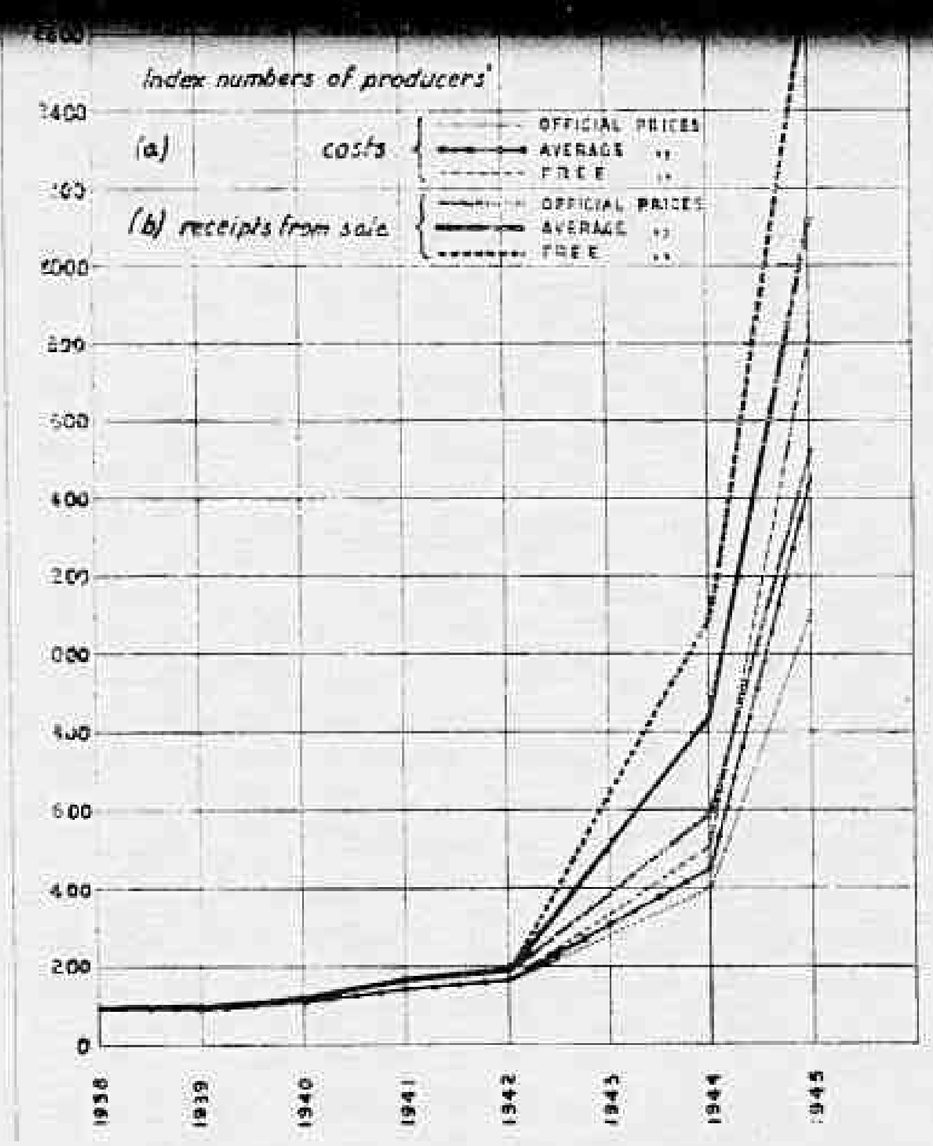
325. The larger Italian communes (mainly the communes of provincial capitals) following a very old tradition (which for Milan goes as far back as the end of the XIIth century), fix the retail price of bread, which, as always, is the predominant item of the Italian people's diet. To the cost of flour is added the cost of baking. This cost is called "dato di panificazione," and is also ing and the price of bread laid down for the whole of Italy (1).

326. Official retail prices of foodstuffs (other than bread) were, prior to World War I, fixed only during emergency periods of economic depression or in times of widespread unrest provoked by rising costs and low wages. At these times, prices were fixed on the results of quick surveys.

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and vegetables (50 times), wine (45 times) i.e. products not closely controlled, for which the demand was high; (c) as can be seen from Table 55, there is a considerable difference as between the costs of one item and another in the increases shown in the indices. These differences are evidence (as regards requisites subject to official prices) of lack of efficient regulatory measures and, for those on the free market, of a continuing disequilibrium and economic maladjustment.

324. It is not possible, owing to lack of data, to construct an index combining for industry, (a) costs of raw materials, semi-finished products, wages, etc., and (b) wholesale prices of finished products. A comparison between the movement of wages, as an element in the cost of production, and the wholesale price indices shows that the indices of wages have maintained a much lower level than the indices of wholesale prices.



RETAIL PRICES IN ITALY

(A) *FIXING OF RETAIL PRICES AND COLLECTION OF RETAIL PRICE DATA*

325. The larger Italian communes (mainly the communes of provincial capitals) following a very old tradition (which for Milan goes as far back as the end of the XIIth century), fix the retail price of bread, which, as always, is the predominant item of the Italian people's diet. To the cost of flour is added the cost of baking. This cost is called "dato di panificazione," and is also determined by the Commune authorities or the Prefect. The observance of the official price of bread has generally been enforced for large loaves of 450 to 1,000 grams which are more greatly consumed than the somewhat more expensive 100 to 200 grams sizes. In one year only, 1 July 1942 to 30 June 1943, a single price applying to the whole country was fixed for flour, and a uniform procedure for determining the cost of baking and the price of bread laid down for the whole of Italy (1).

326. Official retail prices of foodstuffs (other than bread) were, prior to World War I, fixed only during emergency periods of economic depression or in times of widespread unrest provoked by rising costs and low wages. At these times, prices were fixed on the results of quick surveys.

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(1) For this purpose Italy was divided into 10 zones and for each zone a different price of bread was established. Loaves of two sizes only could be sold i.e. of 150 and 450 grams. For 150 grams size the price ranged from a minimum of 2 lire (Frosinone, Teramo, Matera and Palermo provinces) to a maximum of 2.50 lire (for Turin, Milan, Venice and Rome provinces).

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327. Only a few communes (or Chambers of Commerce) published price-lists (listini) or market lists (mercuriali) for retail prices of foodstuffs in popular consumption. Some larger communes have collected data on the prices of main foods in consumption under regulations made by the Ministries concerned, which published weekly or monthly the data collected.

328. During and after World War I, as a result of the increasing Government control over consumption and of the adoption of rationing systems and of price ceilings, retail prices were fixed for a larger number of non-rationed commodities.

329. Retail prices were fixed: (a) for rationed commodities, by the addition of a percentage to the wholesale prices set by the Provincial agencies (these prices, in turn, were based on the national prices, as established by Governmental agencies, plus transportation, distribution and other charges). In these charges were also included processing costs (for flour, bread, pasta, butter, olive oil, cheese, meat, etc.) as determined periodically by Provincial or municipal authorities, on the basis of actual cost surveys; (b) for non-rationed commodities, the criteria applied in price fixing are approximately the same as when there is an official price, provincial or national. In the absence of any official price, a percentage was added to the wholesale price ruling in the market.

330. During and after World War I it was the practice of larger communes and Chambers of Commerce to publish periodically retail price-lists for consumers' goods. These price-lists, in periods of wide-spread economic depression, were for ceiling prices and were largely used by the consumers' cooperatives and by "aziende annonarie comunali" (communal cooperative retail shops). These communal shops, prior to fascism, had developed to a noteworthy extent.

331. Before the war the Central Institute of Statistics collected through the authorities in provincial capitals, and in accordance with uniform technical rules, data on retail prices (beginning in 1923) for about 20 foodstuffs in large consumption, together with similar data on clothing, drugs, stationery, etc. These data were used in the calculation of index numbers of total cost of living. For foodstuffs, the collection of data on prices usually took place on the last Saturday of each month in a number of shops and markets, selected according to standards laid down by the Rome Central for all communes (with capital towns) in accordance with new uniform technical rules which for the first time included the methods to be used in the collection of information on black market prices. In this way, the existence and the importance of the black market, to which the consumer was driven by the insufficiency of his allotted rations, were officially but indirectly admitted. Data were collected on prices of about 50 commodities (including fruit and vegetables).

333. In 1946 the Central Institute of Statistics added the collection of statistics, each month, on maximum, minimum, or prevailing prices, for some 30 items of clothing, linen, etc., and for miscellaneous items (such as newspapers, books, medicines, cigarettes, etc.). No publication has been made in 1946 of the prices of non-foodstuffs so collected.

334. Up to 1935 no official regulations were in force regarding the compilation and publication of retail price-lists. In 1935 all provincial capital-communes were requested to publish a list of maximum retail prices for the most important consumer goods. The prices were worked out by the "Consigli Provinciali dell'Economia Nazionale" (Provincial Councils of National Economy) on the basis of the maximum national price, as established by the Central Government agencies, with the addition of a percentage, varying from province to province, for transportation and distribution costs. In 1937 it was made optional for the other communes (i.e. other than provincial capital-communes) to publish such price lists. The prices in the list (which had to be displayed in all shops) had to be complied with by the retailer. For the more important communes the prices were collected and published monthly by the Central Institute of Statistics (see para. 331).

335. After July 1943, the municipalities discontinued the publication of lists of maximum prices; the larger communes, however, continued to publish them, on their own responsibility or because of the insistence of the Provincial Price Committees, i.e. local branches of the "Comitato Interministeriale Prezzi" (Interministerial Price Committee) (see para. 236). The continued publication of foodstuff prices is made by the Central Institute of Statistics (see para. 332) which issues them in its bulletin about two months late. The figures so published are also used, in conjunction with other price data (see para. 333), to calculate the cost

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regulations made by the Ministries concerned, which published weekly or monthly the data collected.

328. During and after World War I, as a result of the increasing Government control over consumption and of the adoption of rationing systems and of price ceilings, retail prices were fixed for a larger number of non-rationed commodities.

329. Retail prices were fixed: (a) for rationed commodities, by the addition of a percentage to the wholesale prices set by the Provincial agencies (these prices, in turn, were based on the national prices, as established by Governmental agencies, plus transportation, distribution and other charges). In these charges were also included processing costs (for flour, bread, pasta, butter, olive oil, cheese, meat, etc.) as determined periodically by Provincial or municipal authorities, on the basis of actual cost surveys; (b) for non-rationed commodities, the criteria applied in price fixing are approximately the same as when there is an official price, provincial or national. In the absence of any official price, a percentage was added to the wholesale price ruling in the market.

330. During and after World War I it was the practice of larger communes and Chambers of Commerce to publish periodically retail price-lists for consumers' goods. These price-lists, in periods of wide-spread economic depression, were for ceiling prices and were largely used by the consumers' cooperatives and by "aziende annonarie comunali" (communal cooperative retail shops). These communal shops, prior to fascism, had developed to a noteworthy extent.

331. Before the war the Central Institute of Statistics collected through the authorities in provincial capitals, and in accordance with uniform technical rules, data on retail prices (beginning in 1923) for about 20 foodstuffs in large consumption, together with similar data on clothing, drugs, stationery, etc. These data were used in the calculation of index numbers of total cost of living. For foodstuffs, the collection of data on prices usually took place on the last Saturday of each month in a number of shops and markets, selected according to standards laid down by the Rome Central Institute of Statistics.

332. The collection of data continued during the war except in the period July 1943 to June 1944. At the latter date (immediately after the liberation of Rome) the Central Institute of Statistics resumed the collection of statistics on retail prices for the most important communes. In January 1945 these statistics were collected

to which the consumer was driven by the insufficiency of his allotted rations, were officially but indirectly admitted. Data were collected on prices of about 50 commodities (including fruit and vegetables).

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(1) The "Globo," a Rome daily, has a bureau for the daily collection of retail prices. A weekly index of retail prices is also calculated by the "Globo."

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336. For most agricultural products there were, during the 1940-45 war, official wholesale prices, and consequently, for most food-stuffs (even non-rationed foodstuffs), the corresponding official retail prices were increasingly used. After a period of disorganization during 1943 and 1944, price fixing was again enforced. In 1946, official prices (for bread, pasta, rice, oil, butter and sugar) are determined, in each province, by the Provincial Price Committees (local branches of the Inter-ministerial Price Committee). These Provincial Committees act independently. They are not required to adhere to any regulation of nation-wide application although they accept, as basis, the national prices fixed by the Inter-ministerial Price Committee. Whereas in North Italy a uniform official cost of milling and baking is determined and the price of flour and pasta to the consumer is the same; in Central and Southern Italy, where zoning of prices is not so disciplined, prices vary from province to province. The price of bread in the latter is established for each province by the provincial authority independently and following different standards.

337. In the larger communes, where there are established fruit and vegetable markets, the communal authorities set the fruit and vegetables retail prices and control their observance. The prices of other foodstuffs are free. In September 1946, consequent upon widespread unrest due to rising costs of living, some northern provinces set ceilings also to these non-rationed foods. As a result, black market prices and official market prices were both available.

(B) *THE BLACK MARKET IN RETAIL COMMODITIES*

338. The expression "black market" (1) applies to the sale (wholesale and retail) of rationed commodities or of commodities for which official prices are fixed by the authorities (even when distributed only occasionally), as well as to the sale of products under State monopolies (indigenous and imported tobacco, salt, matches, cigarette-lighters, etc.). The organization of the black market in Italy, in 1946, embraces a significant group of activities and a large number of operators. The black market is served by a close network of intermediaries, informers, carriers and transport agencies. For a large number of families in Italy, black market profits are a source of important income. This has

It is also supplied with imported foodstuffs pilfered at sea-ports, from military and civilian warehouses both Italian and Allied. Tobacco for the black market is mainly recruited at some stage during distribution, e.g. by Allied and Italian soldiers who cash their rations. Some illegal factories have also been discovered, where tobacco and tobacco products have been manufactured. There is a retail black market also in gasoline and motor tires. In the cities of Central and Southern Italy black market goods (including State monopoly goods) are openly sold by thousands of small operators—food and tobacco, mainly by women and young boys—on street corners and other places, or even in public market places. In Northern Italy black market transactions generally take place under cover and less openly than in the South.

340. The vast number of interests connected with the black market, and the total inadequacy of the food (2) and tobacco rations, have faced the authorities with a problem of serious dimensions, with which they are not organized or staffed to cope.

341. The gradual contraction of the rationing system to a few main foodstuffs (bread, pasta, rice, edible fats and sugar) has transferred to the open market a number of foodstuffs which could be purchased only against a ration card at official prices (e.g. salami, cheese, meat, dry beans, etc.) These foodstuffs are now displayed in the shop windows of the larger cities. They are sold at high prices and only the higher income groups can afford to buy them. This display impresses superficial observers and foreign visitors as evidence that there is plenty in Italy. In fact during compulsory rationing of these foodstuffs (salami, cheese, meat, etc.) the quantities available for general rationing were so negligible as to make effective control supremely difficult. The expense involved in control was also inordinately high. The official view taken was that if all available supplies were distributed equitably to the whole population, it would result in an inappreciable benefit to the individual, but would be a substantial help to a much smaller number of consumers, the selection of whom was available in the higher income groups. A points rationing scheme such as that adopted in similar circumstances and on grounds of fairness in some other countries would have been a better approach to the problem.

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(2) "When the total rations are too small to satisfy the

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during 1943 and 1944, price fixing was again enforced. In 1946, official prices (for bread, pasta, rice, oil, butter and sugar) are determined, in each province, by the Provincial Price Committees (local branches of the Inter-ministerial Price Committee). These Provincial Committees act independently. They are not required to adhere to any regulation of nation-wide application although they accept, as basis, the national prices fixed by the Inter-ministerial Price Committee. Whereas in North Italy a uniform official cost of milling and baking is determined and the price of flour and pasta to the consumer is the same; in Central and Southern Italy, where zoning of prices is not so disciplined, prices vary from province to province. The price of bread in the latter is established for each province by the provincial authority independently and following different standards.

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(B) *THE BLACK MARKET IN RETAIL COMMODITIES*

338. The expression "black market" (1) applies to the sale (wholesale and retail) of rationed commodities or of commodities for which official prices are fixed by the authorities (even when distributed only occasionally), as well as to the sale of products under State monopolies (indigenous and imported tobacco, salt, matches, cigarette-lighters, etc.). The organization of the black market in Italy, in 1946, embraces a significant group of activities and a large number of operators. The black market is served by a close network of intermediaries, informers, carriers and transport agencies. For a large number of families in Italy, black market profits are a source of important income. This has enabled many people to exist during times of unemployment and others to supplement inadequate salaries and wages.

339. Foodstuffs for the black market are supplied by farmers, flour-millers, bakers, manufacturers of pasta. Some illegal factories have also been discovered, where tobacco and tobacco products have been manufactured. There is a retail black market also in gasoline and motor tires. In the cities of Central and Southern Italy black market goods (including State monopoly goods) are openly sold by thousands of small operators—food and tobacco, mainly by women and young boys—on street corners and other places, or even in public market places. In Northern Italy black market transactions generally take place under cover and less openly than in the South.

340. The vast number of interests connected with the black market, and the total inadequacy of the food (2) and tobacco rations, have faced the authorities with a problem of serious dimensions, with which they are not organized or staffed to cope.

341. The gradual contraction of the rationing system to a few main foodstuffs (bread, pasta, rice, edible fats and sugar) has transferred to the open market a number of foodstuffs which could be purchased only against a ration card at official prices (e.g. salami, cheese, meat, dry beans, etc.) These foodstuffs are now displayed in the shop windows of the larger cities. They are sold at high prices and only the higher income groups can afford to buy them. This display impresses superficial observers and foreign visitors as evidence that there is plenty in Italy. In fact during compulsory rationing of these foodstuffs (salami, cheese, meat, etc.) the quantities available for general rationing were so negligible as to make effective control supremely difficult. The expense involved in control was also inordinately high. The official view taken was that if all available supplies were distributed equitably to the whole population, it would result in an inappreciable benefit to the individual, but would be a substantial help to a much smaller number of consumers, the selection of whom was available in the higher income groups. A points rationing scheme such as that adopted in similar circumstances and on grounds of fairness in some other countries would have been a better approach to the problem.

(1) See footnote (1) para. 218.

(2) "When the total rations are too small to satisfy the minimum needs of the population, the whole rationing system is threatened. The black market will thrive and further decrease supplies on the legal market. Thus, the success of rationing depends in the last analysis on the ability of the authorities to maintain supplies at or above a level which is acceptable to the population . . . Two aspects of rationing technique may be considered here. In the first place, it is desirable that rations should meet as closely as possible the needs of various categories of consumers. The closer they approach actual needs, the less is the incentive to illicit trade." ("Wartime rationing and consumption" *cf.*).

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(C) *THE TREND OF RETAIL PRICES OF SINGLE COMMODITIES*

FOODSTUFFS

Average National Prices up to March 1946.

342. The Central Institute of Statistics collected and calculated, prior to the war, *national average prices*, taking the unweighted arithmetic mean of the prices collected monthly in each provincial capital-commune for 20 main foodstuffs. This work came to an end in 1943, and was resumed in 1945 with some revision of criteria. The revision was made retrospective to 1938.

343. The new prices collection system differs from the pre-war in that: (a) the national average price results from the calculation of the weighted arithmetic mean (instead of the unweighted) of prices ruling in the provincial capitals; (b) the number of main foodstuffs considered is 17. The data so far published on (b) appear in Tables 57 and 58 (diagram) from which it may be inferred that:

(i) the official prices of *rationed foods* have increased from 1938 to the average of the first quarter of 1946 as follows: bread 9.37 times; pasta 8.76 times; sugar 13.66 times; olive oil 23.16 times;

(ii) *black market prices* have advanced in the same period from 44 to 123 times, i.e. 44 to 48 times for bread and pasta (political prices), 68 times for olive oil and 123 times for sugar;

(iii) *for non-rationed commodities*, the open market prices increased in the same period from a minimum of 30 to 35 times for beef and milk respectively, to a maximum of 85 to 86 times for potatoes and tomato paste (see Table 58 - diagram).

Trend of Prices in the Individual Communes up to September 1946.

344. From March 1946 onwards comparisons can be made only for a small number of communes. Tables 60 and 61 give the official and black market prices of rationed and open market prices non-rationed foodstuffs in five large cities of Northern, Central and Southern Italy.

345. The increase in official and black market prices of rationed foodstuffs (see Table 60) from 1938 to 30 September 1946, in number of times over pre-war (maximum and minimum prices in Milan, Genoa, Rome, Naples and Palermo), is summarized in para. 346 (B).

TABLE 57

National Average Retail Prices in Italy of Some Foodstuffs and Corresponding Index-numbers: 1938 to 1946

Description of Foodstuff	Unit	Price in lire							Index-numbers (1938 = 100)					
		1938	1940	1942	1945 III Qr.		1946 I Q.		1940	1942	1945 III Q.		1946 I Q.	
					Official	Black and Open Market	Official	Black and Open Market			Official	Black and Open Market	Official	Black and Open Market
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Bread	kg.	1.92	2.23	2.25	15	62	18	85	116.1	117.2	781	3,229	937	4,427
2. Pasta	"	2.74	3.11	3.16	20	91	24	132	113.5	115.3	730	3,321	876	4,818
3. Rice	"	1.98	2.22	2.27	—	52	—	99	116.8	119.5	—	2,737	—	5,210
4. Wheat flour	"	1.93	2.24	2.19	—	68	—	95	116.1	113.5	—	3,523	—	4,922
5. Corn flour	"	1.25	1.71	1.71	—	27	—	36	136.8	136.8	—	2,160	—	4,480
6. Beans	"	2.15	4.19	5.83	—	99	—	158	194.9	271.2	—	4,605	—	7,349
7. Potatoes	"	0.33	0.93	1.66	—	24	—	17	178.2	290.9	—	4,361	—	8,545
8. Tomato paste	"	3.66	5.61	8.52	—	231	—	315	153.3	231.5	—	6.277	—	8,560
9. Sugar	"	6.66	7.28	7.83	41	734	91	818	109.3	117.6	616	11,021	1,366	12,282
10. Wine	liter	2.15	2.59	4.39	—	59	—	72	120.5	227.4	—	2,744	—	3,349
11. Olive oil	kg.	7.67	9.86	14.38	82	329	216	525	128.6	187.5	1,063	6,897	2,816	6,845

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342. The Central Institute of Statistics collected and calculated, prior to the war, *national average prices*, taking the unweighted arithmetic mean of the prices collected monthly in each provincial capital-commune for 20 main foodstuffs. This work came to an end in 1943, and was resumed in 1945 with some revision of criteria. The revision was made retrospective to 1938.

343. The new prices collection system differs from the pre-war in that: (a) the national average price results from the calculation of the weighted arithmetic mean (instead of the unweighted) of prices ruling in the provincial capitals; (b) the number of main foodstuffs considered is 17. The data so far published on (b) appear in Tables 57 and 58 (diagram) from which it may be inferred that:

(i) the official prices of *rationed foods* have increased from 1938 to the average of the first quarter of 1946 as follows: bread 9.37 times; pasta 8.76 times; sugar 13.66 times; olive oil 28.16 times; prices increased in the same period from a minimum of 30 to 35 times for beef and milk respectively, to a maximum of 85 to 86 times for potatoes and tomato paste (see Table 58 - diagram).

Trend of Prices in the Individual Communes up to September 1946.

344. From March 1946 onwards comparisons can be made only for a small number of communes. Tables 60 and 61 give the official and black market prices of rationed and open market prices non-rationed foodstuffs in five large cities of Northern, Central and Southern Italy.

345. The increase in official and black market prices of rationed foodstuffs (see Table 60) from 1938 to 30 September 1946, in number of times over pre-war (maximum and minimum prices in Milan, Genoa, Rome, Naples and Palermo), is summarized in para. 346 (B).

TABLE 57

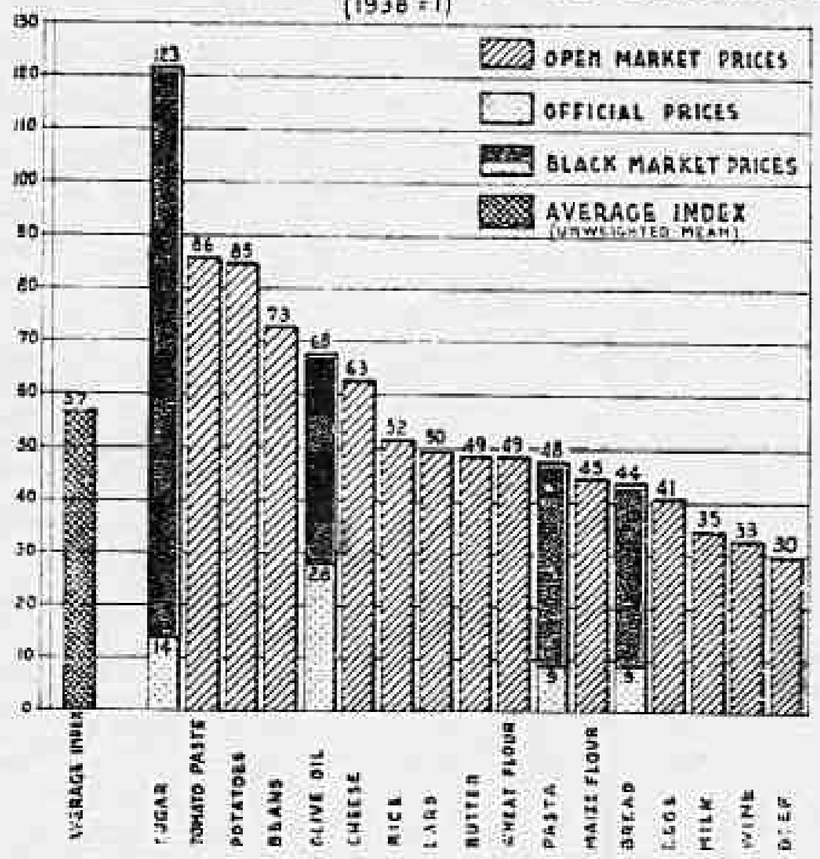
National Average Retail Prices in Italy of Some Foodstuffs and Corresponding Index-numbers: 1938 to 1946

Description of Foodstuff	Unit	Price in lire							Index-numbers (1938 = 100)					
		1938	1940	1942	1945 III Qr.		1946 I Q.		1940	1942	1945 III Q.		1946 I Q.	
					Official	Black and Open Market	Official	Black and Open Market			Official	Black and Open Market	Official	Black and Open Market
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Bread	kg.	1.92	2.23	2.25	15	62	18	85	116.1	117.2	781	3,229	937	4,427
2. Pasta	"	2.74	3.11	3.16	20	91	24	132	113.5	115.3	730	3,321	876	4,818
3. Rice	"	1.96	2.22	2.27	—	52	—	99	116.8	119.5	—	2,737	—	5,210
4. Wheat flour	"	1.93	2.21	2.19	—	68	—	95	116.1	113.5	—	3,523	—	4,922
5. Corn flour	"	1.25	1.71	1.71	—	37	—	56	136.8	136.8	—	2,160	—	4,480
6. Beans	"	2.15	4.19	5.83	—	99	—	158	194.9	271.2	—	4,605	—	7,349
7. Potatoes	"	0.55	0.98	1.60	—	24	—	47	178.2	290.9	—	4,364	—	8,545
8. Tomato paste	"	3.68	5.64	8.52	—	221	—	315	153.3	231.5	—	6,277	—	8,560
9. Sugar	"	6.66	7.28	7.83	41	734	91	818	109.3	117.6	616	11,021	1,366	12,282
10. Wine	liter	2.15	2.39	4.89	—	59	—	72	120.5	227.4	—	2,744	—	3,349
11. Olive oil	kg.	7.67	9.86	14.38	82	529	216	525	128.6	187.5	1,063	6,897	2,816	6,845
12. Butter	"	14.97	21.73	26.74	—	722	—	746	145.2	178.6	—	4,823	—	4,943
13. Lard	"	10.94	12.15	18.56	—	574	—	507	121.0	184.3	—	5,717	—	5,050
14. Beef	"	10.24	12.66	15.82	—	269	—	311	123.6	154.5	—	2,627	—	3,037
15. Cheese (grating)	"	13.05	16.58	23.32	—	629	—	819	127.0	178.7	—	4,820	—	6,276
16. Milk	liter	1.26	1.50	2.19	—	31	—	44	119.0	173.8	—	2,460	—	3,492
17. Eggs	each	0.51	0.74	1.76	—	20	—	21	145.1	345.1	—	3,922	—	4,118

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TABLE 58

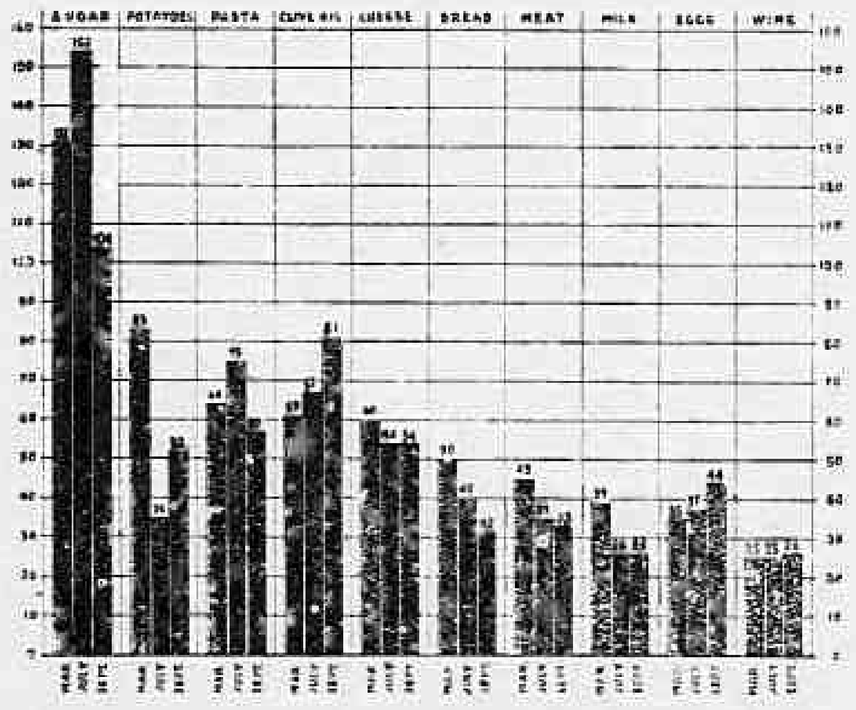
INDICES OF THE AVERAGE NATIONAL RETAIL PRICES OF THE MAIN CONSUMPTION GOODS - 1st QUARTER 1946
(1938 = 1)



346. (a) Table 59 (diagram) shows the changes which have occurred in some prices in Rome during the representative months of March, July and September 1946.

TABLE 59

INDEX NUMBERS (1938 = 1) OF RETAIL PRICES IN THE ROME OPEN MARKET IN MARCH, JULY & SEPTEMBER 1946



As compared with September 1945 the price variations of rationed foodstuffs over the period of one year, i.e. to September 1946, were as follows:

		Index numbers of prices (Sept. 1945 = 100)	
		Official	Black market
Bread	Max.	125.3 (Naples)	254.0 (Genoa)
	Min.	108.9 (Rome)	71.0 (Rome)
Pasta	Max.	122.7 (Milan)	239.8 (Genoa)
	Min.	110.9 (Palermo)	81.4 (Rome)
Sugar	Max.	539.7 (Naples)	119.7 (Naples)
	Min.	174.9 (Genoa)	79.5 (Rome)
Olive oil	Max.	400.0 (Rome)	137.4 (Palermo)
	Min.	389.6 (Naples)	102.3 (Milan)
Butter	Max.		137.2 (Naples)
	Min.		106.8 (Rome)

The erratic movement of the above prices is symptomatic of the absence of economic stability.

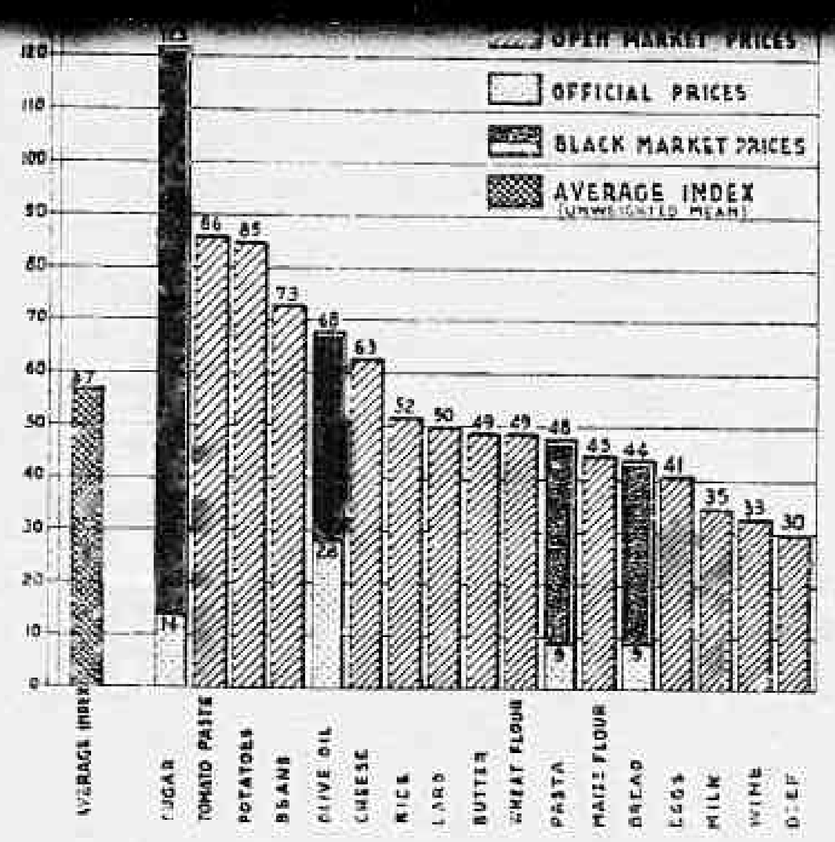
347. The official retail prices in Table 60 of rationed foodstuffs show, from town to town, some differences for which, e.g. bread and sugar, there would seem to be little justification. In September 1946 the difference between the minimum price of bread (Rome: 19.60 lire per kilo) and the maximum price (Palermo: 22.50 lire per kilo) was 14.8 %. For sugar the difference between the maximum price (Milan: 200 lire per kilo) and the minimum price (Palermo: 145 lire per kilo) was 37.9 %. The difference in the five cities between official and black market prices of rationed foodstuffs, in September 1945, July and September 1946, respectively, are shown in Table 62 and for Rome alone in Table 63 (diagram).

348. The variations in the ratios between official and black market prices of rationed foodstuffs shown in Table 62 emphasize the low level of official prices in comparison with black market prices, and suggest scarcity of supply. Except for olive oil, the black market prices, in September 1946, are from 3.6 to 11.3 times higher than the comparable official prices. The difference between the two prices is highest in Genoa.

(i) *Difference in the Regional Open Market Prices.*

349. Table 61 reflects the differences in open market prices for non-rationed foodstuffs in various parts of Italy in September 1946. Table 64, compiled from

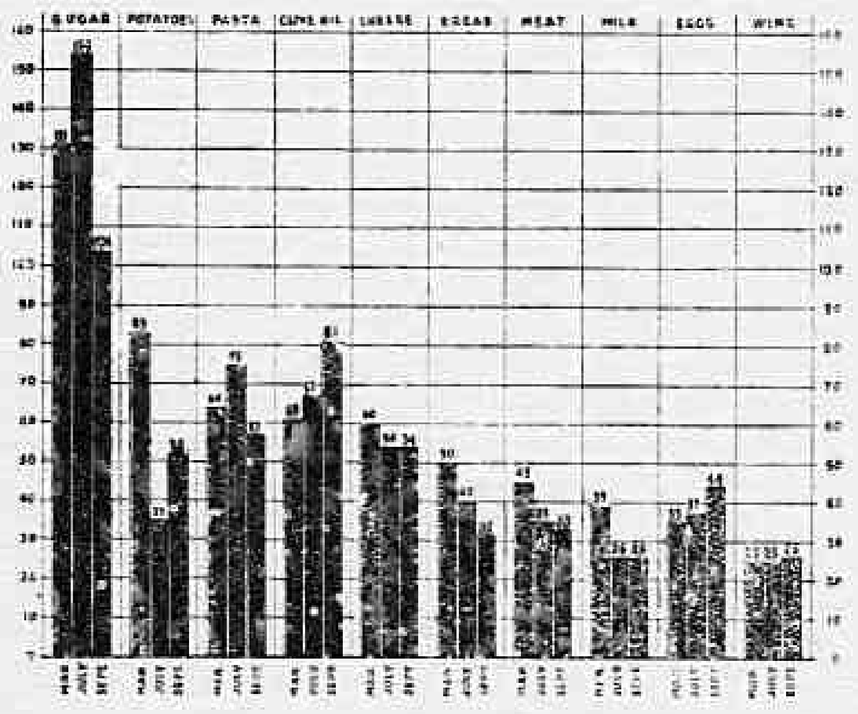
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316. (a) Table 59 (diagram) shows the changes which have occurred in some prices in Rome during the representative months of March, July and September 1946.

TABLE 59

INDEX NUMBERS (1938 = 1) OF RETAIL PRICES IN THE ROME OPEN MARKET IN MARCH, JULY & SEPTEMBER 1946



(b) September 1946 Retail Prices (times the Prices in 1938)

(Summary of Table 60)

	Official	Black market
Bread	9 to 12	32 to 64
Pasta	9 to 11	54 to 97
Sugar	21 to 30	80 to 152
Olive oil	35 to 43	58 to 97
Butter	32	51 to 55

(Sept. 1945 = 100)

		Official	Black market
Bread	Max.	125.3 (Naples)	254.0 (Genoa)
	Min.	108.9 (Rome)	71.0 (Rome)
Pasta	Max.	122.7 (Milan)	239.8 (Genoa)
	Min.	110.9 (Palermo)	81.4 (Rome)
Sugar	Max.	539.7 (Naples)	119.7 (Naples)
	Min.	174.9 (Genoa)	79.5 (Rome)
Olive oil	Max.	400.0 (Rome)	137.4 (Palermo)
	Min.	339.6 (Naples)	102.3 (Milan)
Butter	Max.		137.2 (Naples)
	Min.		106.8 (Rome)

The erratic movement of the above prices is symptomatic of the absence of economic stability.

347. The official retail prices in Table 60 of rationed foodstuffs show, from town to town, some differences for which, e.g. bread and sugar, there would seem to be little justification. In September 1946 the difference between the minimum price of bread (Rome: 19.60 lire per kilo) and the maximum price (Palermo: 22.50 lire per kilo) was 14.8 %. For sugar the difference between the maximum price (Milan: 200 lire per kilo) and the minimum price (Palermo: 145 lire per kilo) was 37.9 %. The difference in the five cities between official and black market prices of rationed foodstuffs, in September 1945, July and September 1946, respectively, are shown in Table 62 and for Rome alone in Table 63 (diagram).

348. The variations in the ratios between official and black market prices of rationed foodstuffs shown in Table 62 emphasize the low level of official prices in comparison with black market prices, and suggest scarcity of supply. Except for olive oil, the black market prices, in September 1946, are from 3.6 to 11.3 times higher than the comparable official prices. The difference between the two prices is highest in Genoa.

(i) *Difference in the Regional Open Market Prices.*

349. Table 61 reflects the differences in open market prices for non-rationed foodstuffs in various parts of Italy in September 1946. Table 64, compiled from information in Tables 60 and 61 shows: (a) the difference between the open market retail prices in Rome (Rome price = 100) and the lowest index of prices in four other cities—Milan, Genoa, Naples and Palermo; (b) the difference between the highest index in the four other cities and the Rome index of 100; (c) the sum of the absolute values of (a) and (b) by adding negative and positive index numbers). This sum shows

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TABLE 60.

Retail Prices of Rationed Foodstuffs and Index Numbers (1938 = 100) in Five Large Italian Cities: 1938, 1945 and 1946

City	Retail prices in lire per kilogram								Index numbers (1938 = 100)						
	1938	1945		1946					1945		1946				
		Sept.	Dec.	Mar.	June	July	Aug.	Sept.	Sept.	Dec.	Mar.	June	July	Aug.	Sept.
Bread: Official prices.															
Milan	2.27	18	18	20	22	22	22	22	793	793	881	969	969	969	969
Genoa	1.99	18	18	18	20	20	22	22	905	905	905	1,005	1,005	1,106	1,106
Rome	2.20	18	19.67	19	19	19	19.50	19.60	818	894	864	864	864	891	891
Naples	1.77	17	17	19	20	20	20	21.30	960	960	1,073	1,130	1,130	1,130	1,203
Palermo	2.06	18.50	21.50	22.50	22.50	22.50	22.50	22.50	898	1,044	1,092	1,092	1,092	1,092	1,092
Bread: Black market prices.															
Milan	2.27	48	55	70	80	50	81	100	2,115	2,423	3,084	3,524	3,524	3,568	4,405
Genoa	1.99	50	81	128	78	148	100	127	2,513	4,221	6,432	3,920	7,037	5,025	6,382
Rome	2.20	100	122	109	139	89	57	71	4,545	5,545	4,955	6,318	4,045	2,591	3,227
Naples	1.77	109	140	143	153	91	87	104	6,158	7,910	8,079	8,644	5,141	4,915	5,876
Palermo	2.06	78	113	110	183	109	103	113	3,786	5,485	5,340	8,883	5,291	5,000	5,485
Pasta: Official prices.															
Milan	2.91	22	—	—	—	27	27	27	756	—	—	—	928	928	928
Genoa	2.91	22.50	22.50	—	—	25	25	25	773	773	—	—	859	859	859
Rome	2.53	24	26	27	—	27	27	27	949	1,028	1,067	—	1,067	1,067	1,067
Naples	2.75	24	24	—	—	27	27	27	873	873	—	—	982	982	982
Palermo	2.41	23	25	25.50	—	25.50	25.50	25.50	951	1,037	1,058	—	1,058	1,058	1,058
Pasta: Black market prices.															
Milan	2.91	75	99	122	139	144	144	170	2,577	3,402	4,192	4,777	4,948	4,948	5,842
Genoa	2.91	118	111	147	151	166	242	283	4,055	3,814	5,052	5,189	5,773	8,316	9,725
Rome	2.53	177	212	163	199	191	160	144	6,996	8,379	6,443	7,866	7,549	6,324	5,692
Naples	2.75	217	262	207	245	247	203	236	7,891	9,527	7,527	8,909	8,982	7,382	8,582
Palermo	2.41	108	127	120	186	114	114	130	4,481	5,270	4,979	7,718	4,730	4,730	5,394
Sugar: Official prices.															
Milan	6.66	75	75	168	168	200	155	200	1,136	1,136	2,545	2,545	3,030	2,348	3,030
Genoa	6.55	87.50	164	—	160	160	160	153	1,336	2,504	—	2,443	2,443	2,443	2,336
Rome	6.51	31.83	58	58	165	165	165	160	489	891	891	2,535	2,535	2,535	2,458
Naples	6.65	31.50	42.75	—	154	155	155	170	474	643	—	2,316	2,331	2,331	2,556
Palermo	7.01	31	53	—	145	145	145	145	442	756	—	2,068	2,068	2,068	2,068
Sugar: Black market prices.															
Milan	6.69	833	931	854	1,201	1,106	965	1,000	12,621	14,105	12,939	18,187	16,758	14,621	15,152
Genoa	6.55	848	918	1,034	1,136	1,078	1,024	997	12,947	14,015	15,786	17,344	16,458	15,634	13,847

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City	Retail prices in lire per kilogram								Index numbers						
	1938	1945		1946					1945		1946				
		Sept.	Dec.	Mar.	June	July	Aug.	Sept.	Sept.	Dec.	Mar.	June	July	Aug.	Sept.
Bread: Official prices.															
Milan	2.27	18	18	20	22	22	22	22	793	793	881	969	969	969	969
Genoa	1.99	18	18	18	20	20	22	22	905	905	905	1,005	1,005	1,106	1,106
Rome	2.20	18	19.67	19	19	19	19.50	19.60	818	894	864	864	864	891	891
Naples	1.77	17	17	19	20	20	20	21.30	960	960	1,073	1,130	1,130	1,130	1,203
Palermo	2.06	18.50	21.50	22.50	22.50	22.50	22.50	22.50	898	1,044	1,092	1,092	1,092	1,092	1,092
Bread: Black market prices.															
Milan	2.27	48	55	70	80	80	81	100	2,115	2,423	3,084	3,524	3,524	3,568	4,405
Genoa	1.99	50	84	128	78	148	109	127	2,513	4,221	6,432	3,920	7,037	5,025	6,382
Rome	2.20	100	122	109	139	89	57	74	4,545	5,545	4,955	6,318	4,045	2,591	3,227
Naples	1.77	109	140	143	153	91	87	104	6,158	7,910	8,079	8,641	5,141	4,915	5,876
Palermo	2.06	78	113	110	183	109	103	113	3,786	5,485	5,340	8,883	5,291	5,000	5,485
Pasta: Official prices.															
Milan	2.91	22	—	—	—	27	27	27	756	—	—	—	928	928	928
Genoa	2.91	22.50	22.50	—	—	25	25	25	773	773	—	—	859	859	859
Rome	2.53	24	26	27	—	27	27	27	949	1,028	1,067	—	1,067	1,067	1,067
Naples	2.75	24	24	—	—	27	27	27	873	873	—	—	982	982	982
Palermo	2.41	23	25	25.50	—	25.50	25.50	25.50	954	1,037	1,058	—	1,058	1,058	1,058
Pasta: Black market prices.															
Milan	2.91	75	99	122	139	141	141	170	2,577	3,402	4,192	4,777	4,948	4,948	5,842
Genoa	2.91	118	111	147	151	168	212	283	4,055	3,814	5,052	5,189	5,773	8,316	9,725
Rome	2.53	177	212	163	199	191	160	114	6,996	8,379	6,443	7,866	7,549	6,324	5,692
Naples	2.75	217	262	207	245	247	203	236	7,891	9,527	7,527	8,909	8,982	7,382	8,582
Palermo	2.41	108	127	120	186	114	114	130	4,481	5,270	4,979	7,718	4,730	4,730	5,394
Sugar: Official prices.															
Milan	6.60	75	75	168	168	200	155	200	1,136	1,136	2,545	2,545	3,030	2,348	3,030
Genoa	6.55	87.50	164	—	160	160	160	153	1,336	2,504	—	2,443	2,443	2,443	2,336
Rome	6.51	31.83	58	58	165	165	165	160	489	891	891	2,535	2,535	2,535	2,458
Naples	6.65	31.50	42.75	—	154	155	155	170	474	643	—	2,316	2,331	2,331	2,556
Palermo	7.01	31	53	—	145	145	145	145	442	756	—	2,068	2,068	2,068	2,068
Sugar: Black market prices.															
Milan	6.60	833	931	854	1,201	1,106	965	1,000	12,621	14,106	12,939	18,187	16,758	14,621	15,152
Genoa	6.55	848	918	1,034	1,136	1,078	1,024	907	12,947	14,015	15,786	17,341	16,458	15,634	13,847
Rome	6.51	859	951	852	1,238	1,003	906	676	13,057	14,608	13,088	19,017	15,407	13,917	10,384
Naples	6.65	717	850	742	1,152	968	962	858	10,782	12,782	11,158	17,323	14,556	14,166	12,902
Palermo	7.01	533	675	667	950	800	622	560	7,603	9,629	9,515	13,552	11,412	8,873	7,989

Source: Central Institute of Statistics.

Note. — The data on black market prices are the mean of data resulting from three surveys made each month by the communal offices of the Central Institute of Statistics. For Rome, the data differ from those collected by the newspaper « Globo » (see table 65) which collects data every day in only one important market.

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(*continued*) TABLE 60.

City	Retail prices in lire per kilogram								Index numbers (1938 = 100)						
	1938	1945		1946					1945		1946				
		Sept.	Dec.	Mar.	June	July	Aug.	Sept.	Sept.	Dec.	Mar.	June	July	Aug.	Sept.
Olive oil: Official prices.															
Milan	7.96	—	247	—	—	—	—	—	—	3,103	—	—	—	—	—
Genoa	7.69	—	—	—	270	—	—	320	—	—	—	3,511	—	—	1,291
Rome	8.00	80	158	235	235	320	320	320	1,000	1,975	2,938	2,938	4,000	4,000	4,000
Naples	7.55	77	78	235	—	300	300	300	1,020	1,033	3,113	—	3,974	3,974	3,974
Palermo	7.35	—	—	—	—		255	255	—	—	—	—	—	3,469	3,469
Olive oil: Black market prices.															
Milan	7.96	733	704	573	565	538	623	750	9,209	8,844	7,198	7,098	6,759	7,827	9,422
Genoa	7.69	601	656	605	540	559	662	749	7,815	8,531	7,867	7,022	7,269	8,609	9,740
Rome	8.00	533	603	484	462	535	583	646	6,663	7,538	6,050	5,775	6,688	7,288	8,075
Naples	7.55	488	558	401	427	474	591	618	6,464	7,391	5,311	5,656	6,278	7,828	8,185
Palermo	7.35	313	400	308	320	385	427	430	4,259	5,442	4,190	4,354	5,238	5,810	5,840
Lard: Official prices.															
Milan	9.88	—	—	—	—	260	260	—	—	—	—	—	2,632	2,632	—
Genoa	9.96	85	68	—	—	145	145	145	853	684	—	—	1,456	1,456	1,456
Rome	10.07	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Naples	10.07	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Palermo	10.60	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Lard: Black market prices.															
Milan	9.88	—	578	302	442	518	572	650	—	5,850	3,968	4,504	5,243	5,639	6,579
Genoa	9.96	623	596	452	446	511	526	602	6,255	5,984	4,538	4,478	5,131	5,281	6,044
Rome	10.07	600	667	450	470	517	580	634	5,958	6,624	4,469	4,667	5,134	5,760	6,296
Naples	10.07	700	650	504	574	591	660	755	6,951	6,455	5,005	5,700	5,869	6,554	7,498
Palermo	10.60	—	—	600	605	650	655	650	—	—	5,660	5,708	6,132	6,179	6,132
Butter: Official prices.															
Milan	15.47	250	250	—	—	—	450	—	1,616	1,616	—	—	—	1,309	—
Genoa	16.02	310	303	—	—	—	—	715	1,935	1,891	—	—	—	—	3,191
Rome	16.54	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Naples	16.76	675	—	—	—	—	—	—	4,027	—	—	—	—	—	—
Palermo	17.75	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Butter: Black market prices.															

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	1938	1939							1940						
		Sept.	Dec.	Mar.	June	July	Aug.	Sept.	Sept.	Dec.	Mar.	June	July	Aug.	Sept.
Olive oil: Official prices.															
Milan	7.90	—	247	—	—	—	—	—	—	3,103	—	—	—	—	—
Genoa	7.69	—	—	—	270	—	—	330	—	—	—	3,511	—	—	1,291
Rome	8.00	80	158	235	235	320	320	320	1.000	1,975	2,938	2,938	4,000	4,000	4,000
Naples	7.55	77	78	235	—	300	300	300	1.020	1,033	3,113	—	3,974	3,974	3,974
Palermo	7.35	—	—	—	—		255	255	—	—	—	—	—	3,469	3,469
Olive oil: Black market prices.															
Milan	7.96	733	704	573	565	538	623	750	9,209	8,841	7,198	7,098	6,759	7,827	9,422
Genoa	7.69	601	656	605	540	559	662	749	7,815	8,531	7,867	7,022	7,269	8,609	9,746
Rome	8.00	533	603	484	462	535	583	646	6,663	7,338	6,050	5,775	6,688	7,288	8,075
Naples	7.55	488	558	401	427	474	591	618	6,464	7,391	5,311	5,656	6,278	7,828	8,185
Palermo	7.35	313	400	308	320	385	427	430	4,250	5,442	4,190	4,354	5,238	5,810	5,840
Lard: Official prices.															
Milan	9.88	—	—	—	—	260	260	—	—	—	—	—	2,632	2,632	—
Genoa	9.96	85	68	—	—	145	145	145	353	684	—	—	1,456	1,456	1,456
Rome	10.07	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Naples	10.07	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Palermo	10.60	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Lard: Black market prices.															
Milan	9.88	—	578	392	442	518	572	650	—	5,850	3,968	4,504	5,243	5,[illegible]	[illegible]
Genoa	9.96	623	596	452	446	511	526	602	6,255	5,984	4,538	4,478	5,131	5,281	6,044
Rome	10.07	600	667	450	470	517	580	634	5,958	6,624	4,469	4,667	5,134	5,760	6,296
Naples	10.07	700	650	504	574	591	660	755	6,951	6,455	5,005	5,700	5,869	6,554	7,498
Palermo	10.60	—	—	600	605	650	655	650	—	—	5,660	5,708	6,132	6,179	6,132
Butter: Official prices.															
Milan	15.47	250	250	—	—	—	450	—	1,616	1,616	—	—	—	1,309	—
Genoa	16.02	310	303	—	—	—	—	715	1,935	1,891	—	—	—	—	3,191
Rome	16.54	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Naples	16.76	675	—	—	—	—	—	—	4,027	—	—	—	—	—	—
Palermo	17.75	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Butter: Black market prices.															
Milan	15.47	747	781	716	633	636	683	800	4,829	5,048	4,628	4,092	4,111	3,015	5,171
Genoa	16.02	755	872	787	712	668	721	858	4,713	5,443	4,913	4,444	4,170	4,501	5,356
Rome	16.54	784	907	774	706	647	684	837	4,740	5,484	4,680	4,268	3,912	4,135	5,060
Naples	16.76	675	675	659	665	682	726	926	4,027	4,027	3,932	3,968	4,069	4,332	5,525
Palermo	17,75	792	1,033	708	767	728	733	980	4,462	5,826	3,989	4,32[illegible]	4,101	4,136	5,521

Source: Monthly Bulletin of Central Institute of Statistics.

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TABLE 61

Retail Prices of Some Non-Rationed Foodstuffs and Index Numbers (1938 = 100) in Five Large Italian Cities: 1938, 1945 and 1946.

City	1938 monthly average	1945	1946				
		Sept.	Dec.	March	May	July	Aug.	Sept.
1. EGGS.							
A) *Prices* (lire per egg).							
Milan	0.56	22	28	16	15	17	20	20
Genoa	0.56	22	29	17	16	18	20	22
Rome	0.52	25	31	18	17	19	20	23
Naples	0.56	26	35	18	17	18	20	23
Palermo	0.57	18	29	15	14	16	18	22
B) *Index Numbers* (1938 = 100).								
Milan	100	3,929	5,000	2,857	2,679	3,036	3,571	3,571
Genoa	100	3,929	5,179	3,036	2,857	3,214	3,571	3,929
Rome	100	4,808	5,962	3,462	3,269	3,654	3,846	4,423
Naples	100	4,643	6,250	3,214	3,036	3,214	3,571	4,107
Palermo	100	3,158	5,088	2,632	2,456	2,807	3,158	3,860
C) *Index Numbers* (Rome = 100).								
Milan	108	88	90	89	88	89	100	87
Genoa	108	88	94	94	94	95	100	96
Rome	100	100	100	100	100	100	100	100
Naples	108	104	113	100	100	95	100	100
Palermo	110	72	94	83	82	84	90	90
2. TOMATO PASTE.								
A) *Prices* (lire per Kg.).								

City	1938 Monthly average	1945	1946				
		Sept.	Dec.	March	May	July	Aug.	Sept.
1. MILK.								
A) *Prices* (lire per liter).								
Milan	1.37	28	35	40	38	33	30	30
Genoa	1.40	38	54	59	37	36	37	37
Rome	1.55	57	70	60	50	40	40	40
Naples	1.60	54	61	54	57	57	60	60
Palermo	1.69	42	65	60	60	60	60	60
B) *Index Numbers* (1938 = 100).								
Milan	100	2,044	2,555	2,920	2,774	2,409	2,190	2,190
Genoa	100	2,714	3,857	4,214	2,643	2,571	2,643	2,643
Rome	100	3,677	4,516	3,871	3,226	2,581	2,581	2,581
Naples	100	3,375	3,813	3,375	3,563	3,563	3,750	3,750
Palermo	100	2,485	3,846	3,550	3,550	3,550	3,550	3,550
C) *Index Numbers* (Rome = 100).								
Milan	88	49	50	67	76	83	75	75
Genoa	90	67	77	98	74	90	93	93
Rome	100	100	100	100	100	100	100	100
Naples	103	95	87	90	114	143	150	150
Palermo	109	74	93	100	120	150	150	150
5. POTATOES.								
A) *Prices* (lire per Kg.).								

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City	1938 monthly average	Sept.	Dec.	March	May	July	Aug.	Sept.	1938 Monthly average	Sept.	Dec.	March	May	July	Aug.	Sept.
	1. Eggs.								4. Milk.							
	A) *Prices* (lire per egg).								A) *Prices* (lire per liter).							
Milan	0.56	22	28	16	15	17	20	20	1.37	28	35	40	38	33	30	30
Genoa	0.56	29	29	17	16	18	20	22	1.40	38	54	59	37	36	37	37
Rome	0.52	35	31	18	17	19	20	23	1.35	57	70	60	50	40	40	40
Naples	0.56	26	35	18	17	18	20	23	1.60	54	61	54	57	57	60	60
Palermo	0.57	18	29	15	14	16	18	22	1.69	42	65	60	60	60	60	60
	B) *Index Numbers* (1938 = 100).								B) *Index Numbers* (1938 = 100).							
Milan	100	3,929	5,000	2,857	2,679	3,036	3,571	3,571	100	2,044	2,555	2,920	2,774	2,409	2,190	2,190
Genoa	100	3,929	5,179	3,036	2,857	3,214	3,571	3,929	100	2,714	3,857	4,214	2,643	2,571	2,643	2,643
Rome	100	4,808	5,962	3,462	3,269	3,654	3,846	4,423	100	3,677	4,316	3,871	3,226	2,581	2,581	2,581
Naples	100	4,643	6,250	3,214	3,036	3,214	3,571	4,107	100	3,375	3,813	3,375	3,563	3,563	3,750	3,750
Palermo	100	3,158	5,088	2,632	2,456	2,807	3,158	3,860	100	2,485	3,846	3,550	3,550	3,550	3,550	3,550
	C) *Index Numbers* (Rome = 100).								C) *Index Numbers* (Rome = 100).							
Milan	108	83	90	89	88	89	100	87	88	49	50	67	76	83	75	75
Genoa	108	83	94	94	94	95	100	96	90	67	77	98	74	90	93	93
Rome	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Naples	108	104	113	100	100	95	100	100	163	95	87	90	114	143	150	150
Palermo	110	72	94	83	82	84	90	90	109	74	93	100	120	150	150	150
	2. Tomato Paste.								5. Potatoes.							
	A) *Prices* (lire per Kg.).								A) *Prices* (lire per Kg.).							
Milan	3.19	259	321	302	258	217	183	—	0.54	29	49	56	38	24	22	20
Genoa	3.23	287	331	389	424	223	214	208	0.49	29	45	46	32	19	21	26
Rome	3.65	266	307	253	187	183	167	180	0.65	34	57	54	45	23	25	34
Naples	3.39	253	303	289	273	246	241	220	0.46	31	43	48	39	20	24	32
Palermo	3.61	239	362	364	384	318	326	300	0.55	43	69	61	47	24	25	34

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(continued) TABLE 61

City	1938 monthly average	1945	1946					1938 monthly average	1945	1946				
		Sept.	Dec.	March	May	July	Aug.	Sept.		Sept.	Dec.	March	May	July	Aug.	Sept.
2. Tomato Paste (Contd.)									**5. Potatoes (Contd.)**							
B) *Index Numbers* (1938 = 100).									B) *Index Numbers* (1938 = 100).							
Milan	100	7,421	9,198	8,625	7,393	6,218	5,387	NA.	100	5,370	9,074	10,370	7,037	4,444	4,074	3,704
Genoa	100	8,885	10,248	12,013	13,127	6,904	6,625	6,146	100	5,918	9,184	9,333	6,531	3,878	4,286	5,306
Rome	100	7,123	8,411	6,932	5,123	5,011	4,575	4,932	100	5,233	8,769	8,308	6,923	3,538	3,846	5,231
Naples	100	7,163	8,938	8,525	8,052	7,257	7,109	6,190	100	6,739	9,348	10,435	8,478	4,348	5,217	6,957
Palermo	100	6,566	9,945	10,406	10,549	8,736	8,956	8,242	100	7,818	12,545	11,691	8,545	4,364	4,545	6,182
C) *Index Numbers* (Rome = 100).									C) *Index Numbers* (Rome = 100).							
Milan	96	100	105	119	138	119	113	NA.	83	85	86	104	84	104	82	59
Genoa	88	116	108	154	227	122	122	116	75	85	79	85	71	83	84	76
Rome	100	100	100	106	100	106	100	100	100	100	100	100	100	100	100	100
Naples	93	97	99	144	146	134	141	122	71	93	75	89	87	87	96	94
Palermo	100	92	118	141	205	174	195	167	85	126	121	113	104	104	100	100
3. Dry beans.									**6. Beef (1).**							
A) *Prices* (lire per Kg.).									A) *Prices* (lire per Kg.).							
Milan	2,01	103	125	148	148	142	141	158	13,87	391	363	398	393	392	412	400
Genoa	1,97	115	158	160	162	161	156	153	12,80	350	337	400	400	400	436	430
Rome	2,33	166	177	180	177	170	166	166	7,92	353	333	353	277	275	277	261
Naples	2,03	171	212	188	202	169	139	163	12,78	380	500	471	454	465	434	507
Palermo	2,15	126	186	179	166	178	172	177	15,21	250	333	350	299	309	358	417
B) *Index Numbers* (1938 = 100).									B) *Index Numbers* (1938 = 100)							
Milan	100	5,124	6,219	7,363	7,363	7,065	7,015	7,463	100	2,819	2,617	2,870	2,833	2,826	2,970	2,884
Genoa	100	5,838	8,020	8,122	8,223	8,122	7,919	8,020	100	2,734	2,633	3,125	3,125	3,125	3,406	3,359
Rome	100	6,867	7,597	7,723	7,597	7,296	6,867	6,867	100	4,457	4,205	4,457	3,497	3,472	3,497	3,295
Naples	100	8,424	10,443	9,261	9,951	8,325	6,847	8,031	100	2,973	3,912	3,685	3,552	3,636	3,787	3,967
Palermo	100	5,780	8,532	8,211	7,615	8,165	7,890	8,119	100	1,644	2,189	2,301	1,907	2,032	2,354	2,742
C) *Index Numbers* (Rome = 100).									C) *Index Numbers* (Rome = 100).							
Milan	86	64	71	82	84	84	88	92	175	111	109	113	142	143	149	153
Genoa	85	72	89	89	92	95	98	99	162	99	101	113	141	145	157	156
Rome	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

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City	1931 Monthly average	Sept.	Dec.	March	May	July	Aug.	Sept.	1938 monthly average	Sept.	Dec.	March	May	July	Aug.	Sept.
2. Tomato Paste (Contd.)									**5. Potatoes (Contd.)**							
B) *Index Numbers* (1938 = 100).									B) *Index Numbers* (1938 = 100).							
Milan	100	7,121	9,198	8,625	7,393	6,218	5,387	NA.	100	5,370	9,074	10,370	7,037	4,444	4,074	3,704
Genoa	100	8,885	10,246	12,043	13,127	6,904	6,025	6,410	100	5,918	9,181	9,388	6,531	3,878	4,286	5,306
Rome	100	7,123	8,411	6,932	5,123	5,011	4,575	4,932	100	5,231	8,769	8,308	6,923	3,538	3,846	5,231
Naples	100	7,463	8,938	8,525	8,053	7,257	7,109	6,490	100	6,738	9,344	10,435	8,478	4,348	5,217	6,957
Palermo	100	6,566	9,945	10,096	10,549	8,736	8,956	8,242	100	7,818	12,545	11,091	3,545	4,364	4,545	6,182
C) *Index Numbers* (Rome = 100).									C) *Index Numbers* (Rome = 100).							
Milan	96	100	105	119	138	119	113	NA.	83	85	86	104	84	104	88	59
Genoa	88	116	108	154	227	122	128	116	75	83	79	85	71	83	84	76
Rome	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Naples	93	97	99	114	146	134	144	122	71	91	75	89	87	87	96	94
Palermo	100	92	118	144	203	174	195	167	85	126	121	113	104	104	106	100
3. Dry beans.									**6. Beef (1).**							
A) *Prices* (lire per Kg.).									A) *Prices* (lire per Kg.).							
Milan	2.01	103	125	148	148	142	141	156	13.87	391	363	398	393	392	412	400
Genoa	1.97	115	158	160	162	161	156	156	12.30	350	337	466	466	466	436	430
Rome	2.33	166	177	189	177	170	166	166	7.92	353	333	333	277	275	277	261
Naples	2.03	171	212	188	202	169	139	162	12.78	386	500	471	454	465	484	507
Palermo	2.18	126	186	179	166	178	172	172	15.21	256	333	350	290	309	358	417
B) *Index Numbers* (1938 = 100).									B) *Index Numbers* (1938 = 100)							
Milan	100	5,124	6,219	7,363	7,363	7,065	7,015	7,463	100	2,819	2,617	2,870	2,833	2,826	2,970	2,884
Genoa	100	5,838	8,020	8,122	8,223	8,122	7,919	8,020	100	2,734	2,633	3,125	3,125	3,125	3,406	3,359
Rome	100	6,867	7,597	7,725	7,597	7,296	6,867	6,867	100	4,457	4,205	4,457	3,497	3,472	3,497	3,295
Naples	100	8,424	10,443	9,261	9,951	8,325	6,847	8,003	100	2,973	3,912	3,685	3,532	3,636	3,787	3,967
Palermo	100	5,780	8,532	8,211	7,615	8,165	7,890	8,119	100	1,644	2,189	2,301	1,907	2,032	2,354	2,742
C) *Index Numbers* (Rome = 100).									C) *Index Numbers* (Rome = 100).							
Milan	86	64	71	82	84	84	88	94	175	111	109	113	142	143	149	153
Genoa	85	72	89	89	92	95	98	99	162	99	101	113	144	145	157	156
Rome	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Naples	87	107	120	104	114	99	87	102	161	108	150	133	164	169	173	194
Palermo	94	79	105	99	94	105	108	111	192	71	100	99	105	112	129	160

(1) Boneless meat, except for Rome where the price relates to meat with 25 % bone.
N. A. = Not available.

Source: Monthly Bulletin of Central Institute of Statistics.

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TABLE 62

Relation between Official and Black Market Retail Prices: 1945-46

(Official prices = 1)

Rationed Foodstuffs		Milan	Genoa	Rome	Naples	Palermo
Bread	September 1945	2.67	2.78	5.56	6.41	4.22
	July 1946	3.64	7.40	4.68	4.55	4.84
	September 1946	4.55	5.77	3.62	4.88	5.02
Pasta	September 1945	3.41	5.24	7.38	9.04	4.70
	July 1946	5.33	6.72	7.07	9.15	4.47
	September 1946	6.30	11.32	5.33	3.74	5.10
Sugar	September 1945	11.11	9.69	26.70	22.76	17.19
	July 1946	5.53	6.74	6.08	6.25	5.52
	September 1946	5.00	5.93	4.23	5.05	3.86
Olive oil	September 1945	—	—	6.66	6.34	—
	July 1946	—	—	1.67	1.58	—
	September 1946	—	2.27	2.02	2.06	1.69

Source: Monthly Bulletin of the Central Institute of Statistics.

TABLE 63

INDEX NUMBERS OF PRICES IN THE ROME OPEN MARKET IN SEPTEMBER 1946 (OFFICIAL PRICES=1)

the range of variation within which the prices of these commodities have fluctuated (compared with Rome in September 1945 and in July and September 1946) and gives evidence of a new disorder in prices from July to September 1946.

350. As regards the 11 food-stuffs under consideration, the last columns of Table 64 show that:

(a) from September 1945 to July 1946 the price deviations show a noticeable decline (except for the prices of meat, milk, and tomato paste) (see also para. 213);

(b) from July to September 1946, owing to the pressure of upward prices, the deviations increase (except for eggs, beans and tomato paste)

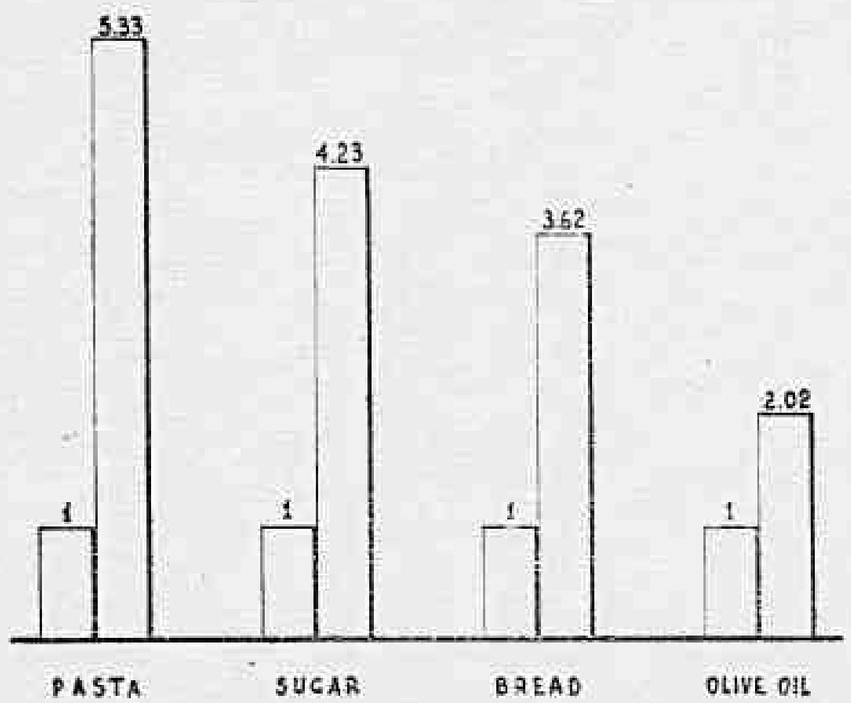
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Rationed Foodstuffs		Milan	Genoa	Rome	Naples	Palermo
Bread	September 1945	2.67	2.78	5.56	6.41	4.22
	July 1946	3.64	7.40	4.68	5.55	4.84
	September 1946	4.55	5.77	3.62	4.88	5.02
Pasta	September 1945	3.41	5.24	7.38	9.04	4.70
	July 1946	5.33	6.72	7.07	9.15	4.47
	September 1946	6.30	11.32	5.33	3.74	5.10
Sugar	September 1945	11.11	9.69	26.70	22.76	17.19
	July 1946	5.53	6.74	6.08	6.25	5.52
	September 1946	5.00	5.93	4.23	5.05	3.86
Olive oil	September 1945	—	—	6.66	6.34	—
	July 1946	—	—	1.67	1.58	—
	September 1946	—	2.27	2.02	2.96	1.69

Source: Monthly Bulletin of the Central Institute of Statistics.

TABLE 68

INDEX NUMBERS OF PRICES IN THE ROME OPEN MARKET IN SEPTEMBER 1946 (OFFICIAL PRICES=1)



the range of variation within which the prices of these commodities have fluctuated (compared with Rome in September 1945 and in July and September 1946) and gives evidence of a new disorder in prices from July to September 1946.

350. As regards the 11 foodstuffs under consideration, the last columns of Table 64 show that:

(a) from September 1945 to July 1946 the price deviations show a noticeable decline (except for the prices of meat, milk, and tomato paste) (see also para. 213);

(b) from July to September 1946, owing to the pressure of upward prices, the deviations increase (except for eggs, beans and tomato paste) and reach a level which, on the whole (6 foodstuffs out of 11), exceeds the September 1945 level. The erratic advance in prices after September 1946 has accentuated the regional price differences (these differences are most marked, as a rule, during the initial period of change in trend). As soon as the prices show a more decided trend, the differences are likely to decrease.

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TABLE 64

Black Market Retail Prices in Milan, Genoa, Naples and Palermo as compared with Rome (= 100): 1945-46

Product.	Difference between Rome and the four other cities as regards: (a) Minimum index (less than 100)			(b) Maximum index (more than 100)			(c) Deviation		
	Sept. 1945	July 1946	Sept. 1946	Sept. 1945	July 1946	Sept. 1946	Sept. 1945	July 1946	Sept. 1946
Bread	— 50	— 10	— 0	+ 9	+ 22	+ 79	59	32	79
Pasta	— 58	— 25	— 0	+ 23	+ 29	+ 97	81	54	97
Sugar	— 37	— 20	— 17	+ 7	+ 4	+ 48	44	24	65
Olive oil	— 41	— 28	— 33	+ 38	+ 4	+ 16	79	32	49
Butter	— 14	— 2	— 8	+ 1	+ 13	+ 17	15	15	21
Eggs	— 28	— 16	— 13	+ 4	+ 0	+ 10	32	16	13
Dry beans	— 36	— 16	— 6	+ 7	+ 5	+ 2	43	12	8
Potatoes	— 15	— 17	— 4	+ 26	+ 4	+ 0	41	21	41
Beef	— 29	— 8	— 0	+ 11	+ 69	+ 94	40	69	94
Milk	— 33	— 17	— 25	— 0	+ 50	+ 50	33	67	75
Tomato paste	— 8	— 0	— 0	+ 10	+ 74	+ 67	78	74	67

(ii) *Daily Quotations for Foodstuffs in Rome up to end October 1946.*

351. The upward trend of the black market prices after August 1946 has a practical significance because the upward tendency occasioned widespread unrest throughout the Republic. The statistics used are those collected and published daily by the "Globo" newspaper. The data on prices and the corresponding index numbers (January 1946=100), for each period of 10 days and for each month, after May 1946 are given in Table 65. The prices of olive oil, rice, and meat were higher in October 1946 than in January 1946, while, for the other foodstuffs given in Table 65 the prices in October 1946 were well below the peak reached in the winter of 1945-46.

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Product.	Difference between Rome and the four other cities as regards:								
	(a) Minimum index (less than 100)			(b) Maximum index (more than 100)			(c) Deviation		
	Sept. 1945	July 1946	Sept. 1946	Sept. 1945	July 1946	Sept. 1946	Sept. 1945	July 1946	Sept. 1946
Bread	— 50	— 10	— 0	+ 9	+ 22	+ 79	59	32	79
Pasta	— 58	— 25	— 0	+ 23	+ 29	+ 97	81	54	97
Sugar	— 37	— 20	— 17	+ 7	+ 4	+ 48	44	24	65
Olive oil	— 41	— 28	— 23	+ 35	+ 4	+ 16	79	32	49
Butter	— 14	— 2	— 4	+ 1	+ 13	+ 17	15	15	21
Eggs	— 28	— 16	— 13	+ 4	+ 0	+ 10	32	16	13
Dry beans	— 36	— 16	— 6	+ 7	+ 5	+ 2	43	12	8
Potatoes	— 15	— 17	— 4	+ 26	+ 4	+ 0	41	21	41
Beef	— 29	— 0	— 0	+ 11	+ 69	+ 94	40	69	94
Milk	— 33	— 17	— 25	+ 0	+ 50	+ 50	33	67	75
Tomato paste	— 8	— 0	— 0	+ 10	+ 74	+ 67	78	74	67

(ii) *Daily Quotations for Foodstuffs in Rome up to end October 1946.*

351. The upward trend of the black market prices after August 1946 has a practical significance because the upward tendency occasioned widespread unrest throughout the Republic. The statistics used are those collected and published daily by the "Globo" newspaper. The data on prices and the corresponding index numbers (January 1946=100), for each period of 10 days and for each month, after May 1946 are given in Table 65. The prices of olive oil, rice, and meat were higher in October 1946 than in January 1946, while, for the other foodstuffs given in Table 65 the prices in October 1946 were well below the peak reached in the winter of 1945-46.

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TABLE 55

Open Market and Black Market Retail Prices in Rome: 1946.

A) *Lire per Kilo*

1946	Household Bread	Grain Flour	Pasta (white)	Oil	Sugar	Raw Coffee	Rice	Beans	Butter	Lentils	Pecorino (cheese)	Boneless Meat	Eggs	Potatoes
Jan. 1	140	130	215	590	950	3,200	132	190	950	200	800	500	29.5	60
Feb. 1	127	117	165	445	800	2,200	132	175	810	190	800	550	19	48
Mar. 1	130	120	170	450	775	2,400	135	165	750	180	750	450	19.5	—
Apr. 1	130	125	160	450	800	1,400	140	130	750	150	700	500	19.5	—
May 1	170	167.5	190	450	975	875	160	130	700	190	650	475	16	45
June 1	155	157.5	210	420	990	775	155	175	650	165	575	495	15.3	33
10	145	135	195	435	1,075	720	157.5	165	545	165	575	375	16.5	30
20	140	140	210	430	1,050	700	150	165	550	170	525	375	16.5	25
July 1	120	117.5	190	430	950	675	130	162.5	550	150	575	375	17.5	21
10	110	105	185	440	975	700	175	160	615	140	575	375	18	21
20	85	95	155	530	940	700	165	150	600	130	575	425	16	24
Aug. 1	75	87.5	147.5	595	850	675	175	130	600	130	550	400	19.5	24
10	90	90	147.5	570	800	675	200	135	615	130	575	415	19.5	23
20	75	87.5	160	575	900	675	185	125	615	130	575	400	19.5	24
Sept. 1	80	85	127	600	670	675	187.5	130	775	140	575	450	21.5	28
10	77.5	82.5	135	625	680	675	202.5	145	825	145	650	500	22	32
20	90	87.5	132.5	640	670	700	210	140	725	160	650	500	22	31
Oct. 1	95	95	150	680	690	700	197.5	160	750	160	650	500	22	34
10	105	100	147.5	730	660	700	225	160	775	160	650	500	22.5	36
20	100	100	150	710	615	700	190	160	845	160	675	545	22.5	35.5

B) *Index Numbers* (January 1946 = 100).

Jan.	1	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Feb.	1	90.7	90	76.7	75.4	84.7	68.7	100	92.1	85.3	95	100	110	64.4	80
Mar.	1	92.9	92.3	79.1	76.3	81.6	75	102.3	86.8	78.9	90	93.8	90	66.1	—
Apr.	1	92.9	96.1	74.4	76.3	84.7	43.7	106.1	68.4	78.9	75	87.5	100	66.1	—
May	1	121.4	128.8	88.4	76.3	102.6	27.3	121.2	94.7	73.7	95	81.2	95	54.2	71.7
June	1	110.7	121.1	99.5	71.2	104.2	24.2	117.4	92.1	68.4	82.5	71.9	81	52.5	55.0
	10	103.6	103.8	90.7	73.7	113.1	22.5	119.5	86.8	57.1	82.5	71.9	75	55.9	50.0
	20	100.0	107.7	97.7	72.9	110.5	21.9	113.6	86.8	57.9	85	71.9	75	55.9	41.7
July	1	85.7	90.4	88.4	72.9	100.0	21.1	136.4	85.5	57.9	75.0	71.9	75	59.3	35.0
	10	78.6	80.8	86.0	74.6	102.6	21.9	132.6	84.2	64.7	70.0	71.9	75	61.0	35.0
	20	60.7	73.1	72.1	89.8	98.9	21.9	125.0	78.9	63.2	65.0	71.9	85	54.2	40.0
Aug.	1	53.6	67.3	68.6	100.8	89.5	21.1	132.6	68.4	63.2	65.0	68.8	80	66.1	40.0
	10	64.3	69.2	68.6	96.6	84.2	21.1	151.5	71.1	64.7	65.0	71.9	83	66.1	38.3
	20	53.6	67.3	74.4	97.5	94.7	21.1	140.2	65.8	64.7	65.0	71.9	80	66.1	40.0
Sept.	1	57.1	65.4	59.1	101.7	70.5	21.1	142.0	68.4	81.6	70.0	71.9	90	72.9	46.7
		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	21.1	153.1	76.3	86.8	72.5	81.2	100	74.6	53.3

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Jan.	1	140	130	215	590	950	3,200	132	190	950	200	800	500	29.5	60
Feb.	1	127	117	165	445	800	2,200	132	175	810	190	800	550	19	48
Mar.	1	130	120	170	450	775	2,400	135	165	750	180	750	450	19.5	—
Apr.	1	130	125	160	450	800	1,400	140	130	750	150	700	500	19.5	—
May	1	170	167.5	190	450	975	875	160	180	700	190	650	475	16	45
June	1	155	157.5	210	420	990	775	155	175	650	165	575	405	15.3	33
	10	145	135	195	435	1,075	720	157.5	165	545	165	575	375	16.5	30
	20	140	140	210	430	1,050	700	150	165	550	170	525	375	16.5	25
July	1	120	117.5	190	430	950	675	130	162.5	550	150	575	375	17.5	21
	10	110	105	185	440	975	700	175	160	615	140	575	375	18	21
	20	85	95	155	530	910	700	165	150	600	130	575	425	16	24
Aug.	1	75	87.5	147.5	595	850	675	175	130	600	130	550	400	19.5	24
	10	90	90	147.5	570	800	675	200	135	615	130	575	415	19.5	23
	20	75	87.5	160	575	900	675	195	125	615	130	575	400	19.5	24
Sept.	1	80	85	127	600	670	675	187.5	130	775	140	575	450	21.5	28
	10	77.5	82.5	135	625	680	675	202.5	145	825	145	650	500	22	32
	20	90	87.5	132.5	640	670	700	210	140	725	160	650	500	22	31
Oct.	1	95	95	150	680	600	700	197.5	160	750	160	650	500	22	34
	10	105	100	147.5	730	660	700	225	160	775	160	650	500	22.5	36
	20	100	100	150	710	615	700	190	160	845	160	675	545	22.5	35.5

B) *Index Numbers* (January 1940 = 100).

Jan.	1	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Feb.	1	90.7	90	76.7	75.4	84.7	68.7	100	92.1	85.3	95	100	110	64.4	80
Mar.	1	92.9	92.3	79.1	76.3	81.6	75	102.3	86.8	78.9	90	93.8	90	66.1	—
Apr.	1	92.9	96.1	74.4	76.3	84.7	43.7	106.1	68.4	78.9	75	87.5	100	66.1	—
May	1	121.4	128.8	88.4	76.3	102.6	27.3	121.2	94.7	73.7	95	81.2	95	54.2	71.7
June	1	110.7	121.1	99.5	71.2	104.2	24.2	117.4	92.1	68.4	82.5	71.9	81	52.5	55.0
	10	103.6	103.8	90.7	73.7	113.1	22.5	119.3	86.8	57.4	82.5	71.9	75	55.9	50.0
	20	100.0	107.7	97.7	72.9	110.5	21.9	113.6	86.8	57.9	85	71.9	75	55.9	41.7
July	1	85.7	90.4	88.4	72.9	100.0	21.1	136.4	85.5	57.9	75.0	71.9	75	59.3	35.0
	10	78.6	80.8	86.0	74.6	102.6	21.9	132.6	84.2	64.7	70.0	71.9	75	61.0	35.0
	20	60.7	73.1	72.1	89.8	98.9	21.9	125.0	78.9	63.2	65.0	71.9	85	54.2	40.0
Aug.	1	53.6	67.3	68.6	100.8	89.5	21.1	132.6	68.4	63.2	65.0	68.8	80	66.1	40.0
	10	64.3	69.2	68.6	96.6	84.2	21.1	151.5	71.1	64.7	65.0	71.9	83	66.1	38.3
	20	53.6	67.3	74.4	97.5	94.7	21.1	140.2	65.8	64.7	65.0	71.9	80	66.1	40.0
Sept.	1	57.1	65.4	59.1	101.7	70.5	21.1	142.0	68.4	81.6	70.0	71.9	90	72.9	46.7
	10	55.4	63.5	62.3	105.9	71.6	21.1	153.1	76.3	86.8	72.5	81.2	100	74.6	53.3
	20	64.3	67.3	61.6	108.5	70.5	21.9	159.1	73.7	76.3	80.0	81.2	100	74.6	51.7
Oct.	1	67.9	73.1	69.8	115.3	63.2	21.9	149.6	84.2	78.9	80.0	81.2	160	74.6	56.7
	10	75.0	76.9	68.6	123.7	69.5	21.9	170.5	84.2	81.6	80.0	81.2	100	76.3	60.0
	20	71.4	76.9	63.8	120.3	64.7	21.9	143.9	84.2	86.3	80.0	84.4	109	76.3	53.2

Source : The " Globo ", Rome.

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Retail Price of Commodities Other than Foodstuffs

352. The quality of fabrics, wearing apparel and footwear differs so greatly from pre-war that comparisons of retail prices are not helpful and may be misleading.

(a) *Footwear.*

353. A special survey of footwear prices was made by the "Confederazione Generale Italiana del Commercio" (Italian General Confederation of Commerce). An average price for all types of footwear was arrived at, by dividing the aggregate receipts from sales of footwear in a number of individually-owned shops in Rome, by the number of pairs sold each month from 1938 to 1946. The data are shown in Table 66. On the assumption that the proportions between men's, women's and boys' shoes sold remained unchanged, Table 66 can be considered as sufficiently representative of the trend of prices of footwear, without taking into account changes in quality.

354. The highest level is recorded in the last four months of 1945, when the average price was 55 times higher than pre-war (1938-39). Subsequently, there was a drop in prices through March 1946 (42.6 times the pre-war level followed by an increase in the later months). Having regard to the changes in quality and type which occurred during and after the war, short period price comparisons are more valuable than long. Tables 67 and 68 (graph) show the prices of haberdashery (including the prices of footwear and footwear repairs) in Rome from December 1945 onwards. From July to September 1946 there was no appreciable change in prices of footwear.

355. The average price of a pair of leather shoes in Rome was in September 1946 about 5,000 lire, i.e. about 29 % of the monthly salary of the lowest paid clerks in Italian Government employ. The comparable price was before the war 62 lire, or 7.4 % of the monthly salary of that category.

(b) *Textiles - Suitings - Socks and Stockings.*

356. Since no comparison with pre-war can be made for textiles, etc., owing to changes in quality and type, Tables 67 and 68 (graph) give 1945 and 1946 prices.

Table 66

Average Index Number of Retail Footwear Prices in Rome from 1938 to 1946

Base: Average 1938-39 = 100

Months	1938	1939	1940	1941	1942	1943	1944	1945	1946
January	97.39	80.57	130.62	192.05	276.33	313.84	699.70	3,810.74	5,106.64
February	80.52	78.72	130.27	134.32	279.60	267.95	688.74	4,128.42	5,088.40
March	92.58	105.83	156.67	201.09	275.16	199.11	1,307.57	1,255.22	4,258.66
April	96.70	96.63	164.64	207.53	263.29	156.75	1,926.66	4,583.17	4,431.50
May	95.71	109.56	161.71	196.87	195.25	232.87	949.82	4,224.15	4,737.38
June	92.81	96.43	147.96	189.28	188.08	242.26	1,145.88	4,293.72	4,684.71
July	88.62	103.64	139.50	184.56	180.30	309.65	2,419.40	4,161.60	—
August	90.94	108.71	132.14	199.85	189.52	419.33	2,053.07	4,423.24	—
September	101.50	117.81	154.12	235.85	227.78	209.53	2,628.80	5,391.05	—
October	101.98	126.33	167.49	342.35	233.99	279.72	2,911.01	5,373.31	—
November	104.52	132.36	182.67	252.12	230.97	419.56	3,058.50	5,479.69	—
December	110.28	138.29	189.49	277.86	234.62	245.17	3,296.19	5,412.45	—

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wear differs so greatly from pre-war that comparisons of retail prices are not helpful and may be misleading.

(a) *Footwear.*

353. A special survey of footwear prices was made by the "Confederazione Generale Italiana del Commercio" (Italian General Confederation of Commerce). An average price for all types of footwear was arrived at, by dividing the aggregate receipts from sales of footwear in a number of individually-owned shops in Rome, by the number of pairs sold each month from 1938 to 1946. The data are shown in Table 66. On the assumption that the proportions between men's, women's and boys' shoes sold remained unchanged, Table 66 can be considered as sufficiently representative of the trend of prices of footwear, without taking into account changes in quality.

354. The highest level is recorded in the last four months of 1945, when the average price was 55 times

type which occurred during and after the war, short period price comparisons are more valuable than long. Tables 67 and 68 (graph) show the prices of haberdashery (including the prices of footwear and footwear repairs) in Rome from December 1945 onwards. From July to September 1946 there was no appreciable change in prices of footwear.

355. The average price of a pair of leather shoes in Rome was in September 1946 about 5,000 lire, i.e. about 29 % of the monthly salary of the lowest paid clerks in Italian Government employ. The comparable price was before the war 62 lire, or 7.4 % of the monthly salary of that category.

(b) *Textiles - Suitings - Socks and Stockings.*

356. Since no comparison with pre-war can be made for textiles, etc., owing to changes in quality and type, Tables 67 and 68 (graph) give 1945 and 1946 prices.

TABLE 66

Average Index Number of Retail Footwear Prices in Rome from 1938 to 1946

Base : Average 1938-39 = 100

Months	1938	1939	1940	1941	1942	1943	1944	1945	1946
January	97.89	80.57	139.62	132.05	276.33	313.84	690.70	3,810.74	5,106.64
February	80.57	73.72	130.27	131.32	279.60	267.95	688.71	4,128.42	5,088.40
March	92.58	105.83	156.67	201.09	275.16	199.11	1,307.57	4,255.22	4,258.66
April	90.76	99.63	164.61	207.53	263.29	156.75	1,926.66	4,583.17	4,431.50
May	95.71	109.50	161.71	196.87	195.25	232.87	949.02	4,224.17	4,737.38
June	92.81	96.43	147.96	189.28	188.08	242.26	1,145.88	4,293.72	4,684.71
July	88.62	103.64	139.50	194.56	189.30	309.63	2,410.40	4,161.60	—
August	90.91	108.71	132.14	199.85	189.52	149.33	2,053.67	4,423.21	—
September	101.50	117.81	151.12	215.85	227.78	209.53	2,628.80	5,594.05	—
October	101.98	126.33	167.49	342.35	233.99	279.72	2,911.01	5,375.31	—
November	104.52	132.36	182.67	252.12	230.97	119.56	3,032.30	5,479.69	—
December	110.28	138.29	189.49	277.86	234.62	245.17	3,206.19	5,412.45	—

Source : "Il Notiziario" (Confederazione Generale Italiana del Commercio).

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TABLE 67

Retail Prices in Rome of Haberdashery and Foot-wear: December 1945 to September 1946

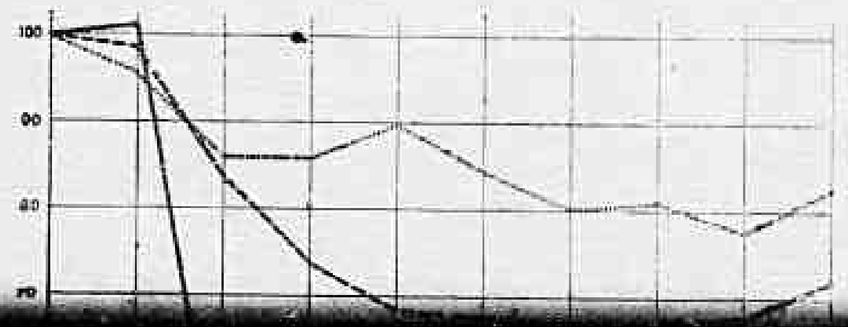
Commodities	Units	Prices (Lire)						Index numbers - December 1945 = 100				
		Dec. 1945	January 1946	March 1946	May 1946	July 1946	Sept. 1946	January 1946	March 1946	May 1946	July 1946	Sept. 1946
Linen piece goods	meter	460	467	219	226	213	239	101.5	47.6	49.1	46.3	52.0
Bed sheeting	»	580	632	346	229	229	239	109.0	59.7	39.5	39.5	41.2
Thread	100 meters	220	220	147	117	116	116	100.0	66.8	53.2	52.7	52.7
Socks (men's)	pairs	432	434	369	238	238	268	100.5	85.4	55.1	55.1	62.0
Stockings	»	697	689	515	474	468	500	98.9	73.9	68.0	67.1	71.7
Socks (boys')	»	140	120	105	80	80	103	85.7	75.0	57.1	57.1	73.6
Men's shoes	»	6,057	5,800	5,214	5,117	4,913	5,006	95.8	86.1	84.5	81.1	82.6
Women's shoes	»	2,826	3,095	2,745	2,066	3,106	3,079	109.5	97.1	73.1	109.9	109.0
Boys' shoe repair (half soles)	»	750	745	710	581	550	550	99.3	94.7	77.5	73.3	73.3
Lining (for men's winter suitings)	meter	6,600	6,200	5,750	5,021	5,017	5,088	93.9	87.1	76.1	76.0	77.1

357. From July to September 1946, the retail prices of textiles have increased more than other items. These increases have been due in part to the reduced availability of textiles in the domestic market, owing to the appreciable revival of the export trade. These increases in price have caused discontent. The wear and tear of clothing during the war and immediate post-war period, have created an urgent need for replacements, which can only be satisfied if prices are low.

TABLE 68

INDICES OF PRICES

Retail price indices (December 1945=100) of haberdashery in Rome



358. To relieve this situation UNRRA has been importing in 1945-46 both used clothing for free distribution, and raw cotton and wool for the manufacture of new clothing-materials. Of the former 5,311,323 garments and 1,064,591 pairs of shoes were distributed between August 1, 1945, and November 15, 1946. Approximately 1,000 tons of raw cotton, imported under the 1945 programme, have already been manufactured into 1,500,000 articles of underwear which are now in the process of distribution free of charge. In accordance with the programme for 1946, the UNRRA Tessile (Textile) Committee arranged for the manufacture of a quantity of cotton textiles from 31,000 tons of UNRRA-imported raw cotton (see note to Table 47). These materials are being manufactured over a period of nine months commencing October, 1946. The schedule of deliveries by the mills forecast an output of 500,000 kilos in October, 1946, increasing to a maximum of 4,000,000 kilos in March and April, 1946. Distribution of approximately one third of the finished materials will be free, while the remaining two thirds will be sold at fixed low prices. The first free distribution will be made to hospitals and institutions only

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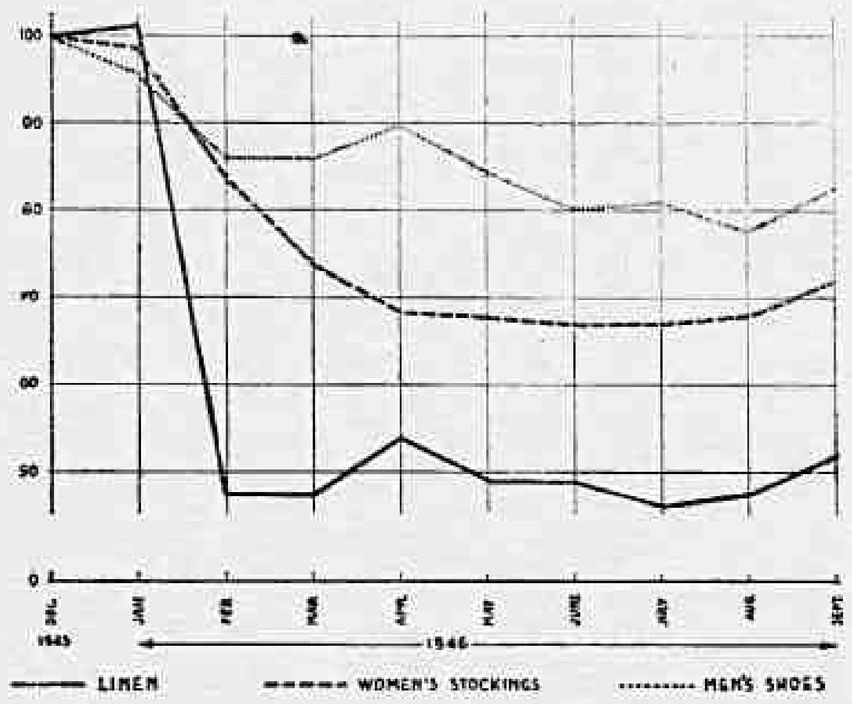
Commodities	Units	Dec. 1945	January 1946	March 1946	May 1946	July 1946	Sept. 1946	January 1946	March 1946	May 1946	July 1946	Sept. 1946
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Bed sheeting	»	580	632	346	229	229	239	109.0	59.7	39.5	39.5	41.2
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Socks (men's)	pairs	432	434	369	238	238	268	100.5	85.4	55.1	55.1	62.0
Stockings	»	697	689	515	474	468	500	98.9	73.9	68.0	67.1	71.7
Socks (boys')	»	140	120	105	80	80	103	85.7	75.0	57.1	57.1	73.6
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Women's shoes	»	2,826	3,095	2,745	2,066	3,106	3,079	109.5	97.1	73.1	109.9	109.0
Boys' shoe repair (half soles)	»	750	745	710	581	550	550	99.3	94.7	77.5	73.3	73.3
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Retail price indices
(December 1945=100) of haberdashery in Rome



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39,000 tons of raw wool and 10,000 tons of wool rags have been imported by UNRRA. Some part of these raw materials will be used for the manufacture of wool clothing-materials, but the quantity and the prices to be charged for its sale are still under discussion.

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State Monopolies

Salt.

359. As a result of war conditions, an acute shortage of salt was experienced throughout Italy after July 1943. The shortage was particularly severe in Northern Italy, because solar salt is mainly produced in Sicily and in Southern Italy. In 1944 and in 1945 when salt was rationed, the black market price of salt—especially north of the Gothic line—reached a very high peak (300 to 500 times the 1938 monopoly price). The black market was supplied by transitory producers along the coast and salt was frequently used in barter transactions. The situation showed an improvement when, in July 1945, controlled rationing (100 grams monthly per head against a pre-war consumption of about 200 grams) was introduced. In May 1946 salt rationing was repealed and salt was thereafter sold without restriction. (The production of edible salt during the first half of 1946 was 63 % that of the first half 1938). Retail salt prices, in September 1946, are below the index of inflation (see Table 69).

Table 69

Price of Salt in Italy: 1938 and 1944 to 1946

Date	Prices			Index numbers 1938 = 100	
				Prices	
	Official	Black Market	Index number (official price=1)	Official	Black market
	Lire per kilogram				
1938	1.50	1.50	1.0	100	100
January, 1944	10	240	24.0	667	16.000
April	10	160	16.0	667	10.667
July, 1945	20	45	2.3	1.333	3.000
August (1)	24	52	2.2	1.600	3.467
December	24	83	3.5	1.600	5.533
January, 1946	24	72	3.0	1.600	4.800
February	24	53	2.2	1.600	3.533
March	24	50	2.1	1.600	3.333
April	24	60	2.5	1.600	4.000
May	24	24	1.0	1.600	1.600
June	24	24	1.0	1.600	1.600

(1) In Central and Northern Italy, the black market price of salt was 150 to 160 lire per kilo.

Drugs.

360. The black market in medical drugs flourished in the following were the official and black market prices of penicillin in Rome:

Date	Official price of UNRRA imported penicillin set in Sept. 1945	Black market price
	Lire per 100,000 units	
1944	—	10,000 to 20,000
1945, June - December	500	5.000 to 8.000
1946, January - May	500	5.000 to 8.000
1946, June	300	5.000 to 8.000
1946, August	—	700 to 800

The UNRRA import of 277,000 vials (of 100,000 units) in June and July 1946 was sufficient to meet requirements temporarily. The method of controlled distribution adopted, including the creation of stocks in the provinces for issue to hospitals and University centres, dealt a severe blow to the black market. The black market is now limited to purchases to meet exceptional cases. Some "stabilized" penicillin (not requiring special refrigerative treatment and not generally available) has recently appeared on the black market.

Tobacco.

361. Tobacco (especially cigarettes) has been, since July 1943 one of the principal products sold on the black market, and one of the most profitable—(American and British cigarettes arrived in large quantities on the black market). Table 70 shows the official and black market prices of cigarettes in Rome in October 1946.

The increase in prices of cigarettes, as compared with pre-war, is higher than the increase in the inflation index.

Public Utilities

362. Tables 71 and 72 (graph) show the trend of the prices of representative public utility and transport services. Here the prices are fixed by the State and there is little possibility of evasion. The increase in public utility rates from 1938 has been much less than the general increase in the retail price level and, except for telephone and telegram charges, is substantially below the increase in the currency circulation. Up to 1943 public utility charges were frozen at their pre-war level; in 1944 they were approximately doubled; in 1945 the rates increased from 4 to 6 times. In 1946 public

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				Prices	
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January, 1944	10	240	24.0	667	16,000
April	10	160	16.0	667	10,667
July, 1945	20	45	2.3	1,333	3,000
August (1)	24	52	2.2	1,600	3,467
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March	24	50	2.1	1,600	3,333
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May	24	24	1.0	1,600	1,600
June	24	24	1.0	1,600	1,600

(1) In Central and Northern Italy, the black market price of salt was 150 to 160 lire per kilo.

Drugs.

360. The black market in medical drugs flourished in Italy from July 1943 till the close of 1945. The operators were mainly well-stocked wholesalers (especially in the North, where German stocks had accumulated), but pharmacists and other retailers and private speculators took part in the drugs black market, where even imported drugs were found. The highest peaks in price were obtained for insulin and penicillin.

Date	Imported penicillin set in Sept. 1945	Black market price
	Lire per 100,000 units	
1944	—	10,000 to 20,000
1945, June - December	500	5,000 to 8,000
1946, January - May	500	5,000 to 8,000
1946, June	300	5,000 to 8,000
1946, August	—	700 to 800

The UNRRA import of 277.000 vials (of 100,000 units) in June and July 1946 was sufficient to meet requirements temporarily. The method of controlled distribution adopted, including the creation of stocks in the provinces for issue to hospitals and University centres, dealt a severe blow to the black market. The black market is now limited to purchases to meet exceptional cases. Some "stabilized" penicillin (not requiring special refrigerative treatment and not generally available) has recently appeared on the black market.

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TABLE 70

Black Market Prices for Cigarettes in lire in Rome: 1938 and October 1946

Brand of cigarettes	Prices per 10 cigarettes				Index numbers (1938 = 100)	
	Official		Black market (Oct.)		Black Marcket Prices	Official Price
	1938	1946	October 1946	Official price = 1		
Italian:						
Nazionali	1.70	30	80	2.67	4,706	1,765
Macedonia	2.00	40	70	1.75	3,500	2,000
Giuba	2.50	50	100	2.00	4,000	2,000
Macedonia extra	3.20	60	110	1.83	3,438	1,875
Serraglio	3.50	75	120	1.60	3,429	2,143
American:						
Morris, Lucky Strike, Chesterfield, Old Gold.	4.00	—	150	—	3,750	—
Pall Mall	—	—	165	—	—	—
English:						
Craven, Capstan and Gold Flake	4.00	—	125	—	3,125	—
Woodbine	—	—	100	—	—	—

TABLE 71

Rates in lire for Some Public Utility and Transport Services in Italy: 1938 to 1946

	Rates						Indices (1938 = 100)					
	Dec. 1938	Dec. 1942	Dec. 1944	Dec. 1945	Feb. 1946	Sept. 1946	Dec. 1938	Dec. 1942	Dec. 1944	Dec. 1945	Feb. 1946	Sept. 1946
1. *Postal rates:*												
Letter	0.50	0.50	1.00	2.00	4.00	4.00	100	100	200	400	800	800
Post-card	0.30	0.30	0.60	1.20	3.00	3.00	100	100	200	400	1,000	1,000
2. *Telegram* (10 words)	2.10	2.10	4.00	30.00	61.25	61.25	100	100	190	1,429	2,917	2,917
3. *Railway fares and rates* (1):												
Passengers 1st class.	63.00	63.00	126.00	252.00	504.00	504.00	100	100	200	400	800	800
" 2nd "	43.00	43.00	86.00	172.00	258.00	258.00	100	100	200	400	600	600
" 3rd "	26.00	26.00	52.00	104.00	156.00	156.00	100	100	200	400	600	600
Goods (2):												
Wheat	28.64	28.64	68.74	137.47	297.81	297.84	100	100	240	480	1,040	1,040
Coal	26.10	26.10	62.64	125.28	261.76	261.76	100	100	240	480	1,003	1,003
Gasoline	56.65	56.65	135.96	271.92	553.04	553.04	100	100	240	480	976	976
Cement	30.59	30.59	73.42	146.83	315.12	315.12	100	100	240	480	1,030	1,030
Non-wrought iron in bar	36.85	36.85	88.44	176.88	366.56	366.56	100	100	240	480	995	995
4. *Yearly charge for use of radio*	81.00	81.00	81.00	162.00	420.00	420.00	100	100	100	200	519	519
5. *Electric power in Rome* (per kwh)	1.941	2.001	4.625	6.251	6.771	8.376	100	103	238	322	349	432
6. *Gas* Rome (per mc.)	0.777	0.817	0.977	4.650	5.650	5.650	100	105	126	598	727	727
Milan (per mc.)	0.676	—	—	7.660	7.660	8.320	100	—	—	1,143	1,143	1,242

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Italian:						
Nazionali	1.70	30	80	2.67	4,706	1,765
Macedonia	2.00	40	70	1.75	3,500	2,000
Giuba	2.50	50	100	2.00	4,000	2,000
Macedonia extra	3.20	60	110	1.83	3,438	1,875
Serraglio	3.50	75	120	1.60	3,429	2,143
American:						
Morris, Lucky Strike, Chesterfield, Old Gold	4.00	—	150	—	3,750	—
Pall Mall	—	—	165	—	—	—
English:						
Craven, Capstan and Gold Flake	4.00	—	125	—	3,125	—
Woodbine	—	—	160	—	—	—

TABLE 71

Rates in lire for Some Public Utility and Transport Services in Italy: 1938 to 1946

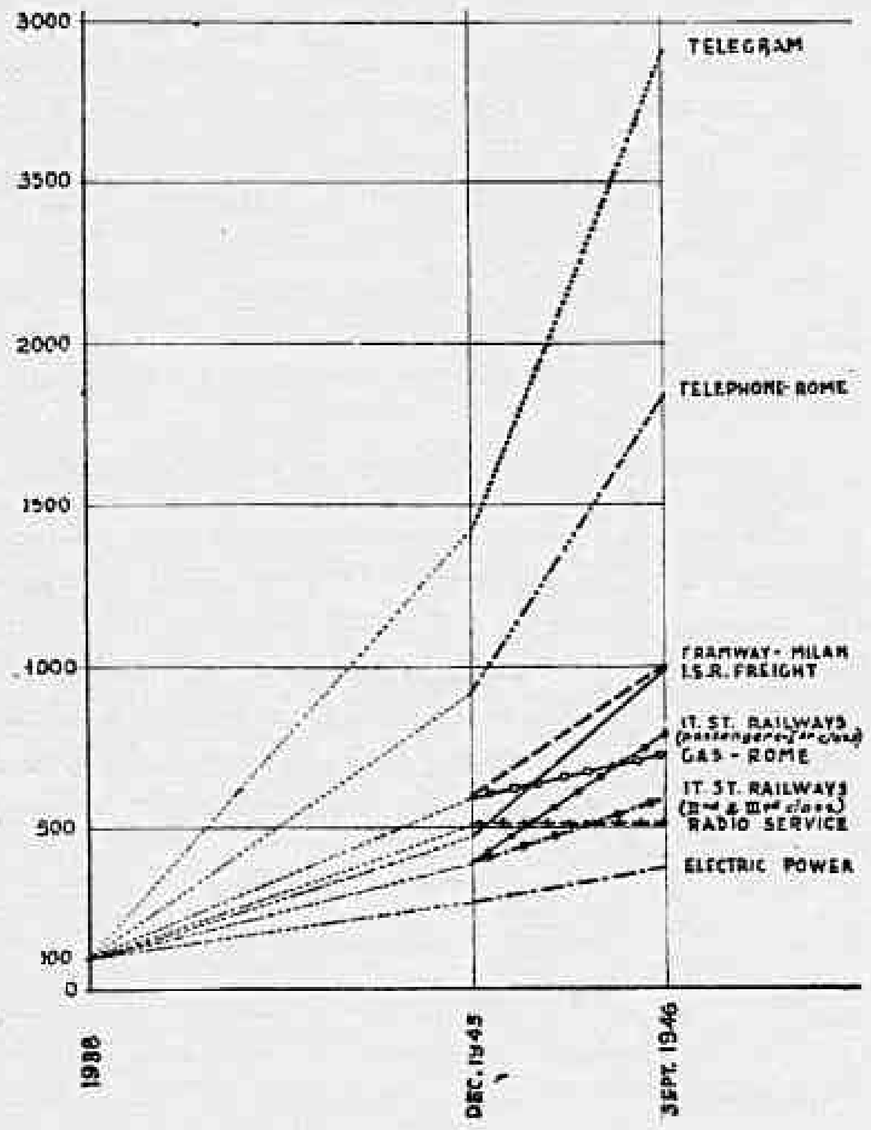
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2. *Telegram* (10 words)	2.16	2.16	4.06	30.06	61.25	61.25	100	100	190	1,429	2,917	2,917
3. *Railway fares and rates* (1):												
Passengers 1st class	63.00	63.00	126.00	252.00	504.00	504.00	100	100	200	400	800	800
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Goods (2):												
Wheat	28.64	28.64	68.74	137.47	297.84	297.84	100	100	240	480	1,040	1,040
Coal	26.16	26.16	62.64	125.28	261.76	261.76	100	100	240	480	1,003	1,003
Gasoline	56.65	56.65	135.96	271.92	553.04	553.04	100	100	240	480	976	976
Cement	30.59	30.59	73.42	146.83	315.12	315.12	100	100	240	480	1,030	1,030
Non-wrought iron in bars	36.85	36.85	88.44	176.88	366.56	366.56	100	100	240	480	995	995
4. *Yearly charge for use of radio*	81.00	81.00	81.00	162.00	420.00	420.00	100	100	100	200	519	519
5. *Electric power in Rome* (per kwh)	1.941	2.001	4.625	6.251	6.771	8.376	100	103	238	322	349	432
6. *Gas* Rome (per mc.)	0.777	0.817	0.977	4.650	5.650	5.650	100	105	126	598	727	727
Milan (per mc.)	0.670	—	—	7.660	7.660	8.320	100	—	—	1,143	1,143	1,242
7. *Street-car fares:*												
Milan	0.50	0.50	1.00	3.00	5.00	5.00	100	100	200	600	1,000	1,000
Rome	0.50	—	—	4.00	5.00	5.00	100	—	—	800	1,000	1,000
8. *Telephone* (Rome) (3)	586.50	586.50	598.00	5,429.00	5,429.00	10,858.00	100	100	102	926	926	1,851
9. *Taxi fares* (Rome) (4)	3.70	—	—	—	—	120.00	100	—	—	—	—	3,243

(1) Fare for 100 km. (2) Rate for one ton for 100 km. — (3) Annual rate on the basis of 10 telephone calls per day for business organizations and 4 for homes. — (4) Two persons for two kilometers.
(See also table 72 (graph.).

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TABLE 72

PRICE INDICES OF SOME PUBLIC UTILITY SERVICES



GENERAL CONCLUSIONS

363. An examination of individual commodity prices and inter-price relationships and comparison with pre-war, throw light on the price distortions during the recent difficult period of Italian history. A most striking feature has been the occurrence, side by side with the official market, of an illegal market and of an open market. A black market exists for goods the prices and distribution of which are under Government con- [illegible] this market became even

be considered as of secondary importance during the war and up to July 1943, owing to the increasing importance of State-controlled distribution. From July 1943 up to the liberation of the North of Italy in April 1945 the black market (i.e. the market for goods for which official prices had been set), except for a few agricultural products and rationed foodstuffs was in Central and Southern Italy—the normal market for all transactions. The immediate after-liberation period saw the resumed intervention of the Government in price policy, but price fixing was confined to a limited number of commodities. With the setting up of the Republic, the Government extended the control over prices and distribution, including (in conjunction with UNRRA) goods imported by UNRRA, and took steps to limit the black market.

365. This situation, and the reduced possibilities of satisfactory statistical analysis owing to less organized collection of data, have made it difficult to follow closely price changes in the official, open and black markets, for individual commodities, groups of commodities or the position of all commodities taken together.

366. On the basis, however, of the data available, incomplete due to absence of records for a sufficient number of commodities and particularly because of the limited areas covered by the surveys made, the following points are of note:

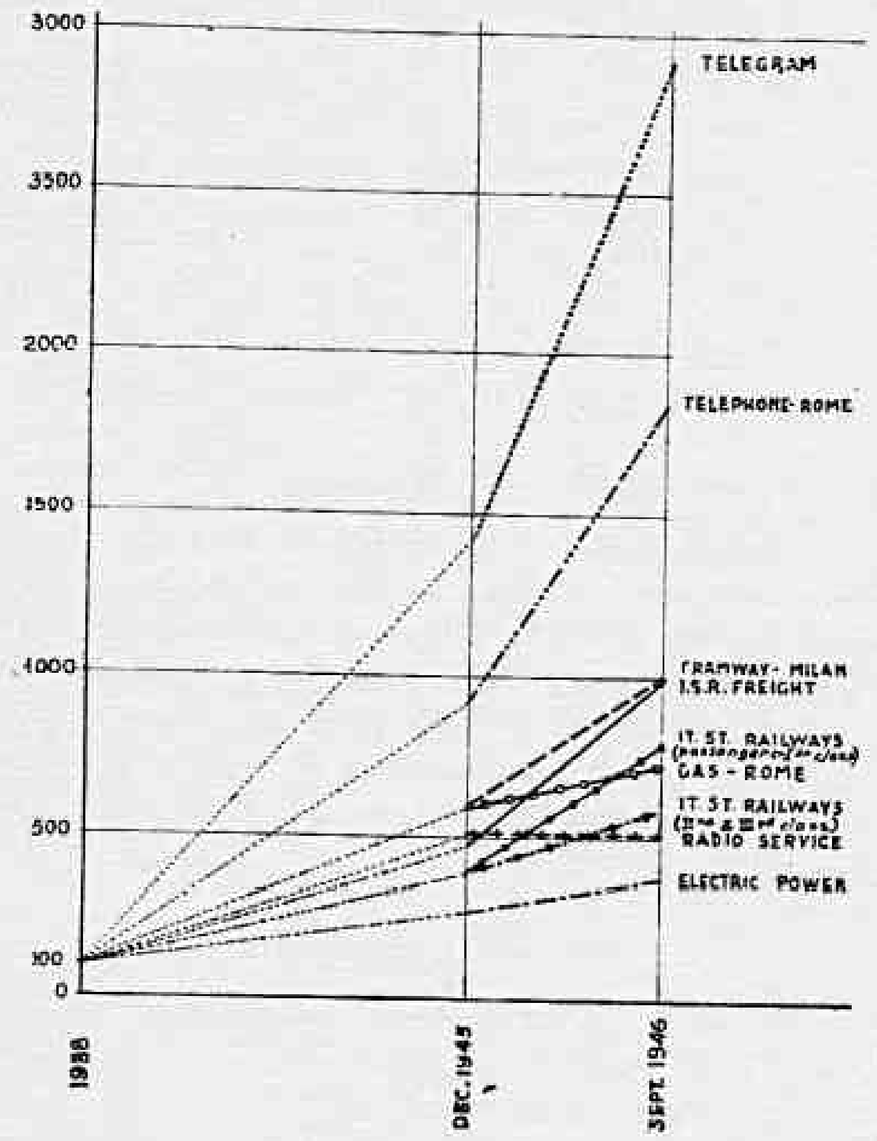
Wholesale Prices.

(a) *For Individual Commodities.*

(i) After December 1945 the margin between official and black market prices has tended to narrow as a result of the increase in official prices and the fall in black market prices. This adjustment, due mainly to larger imports, was clearly visible up to July 1946. Then came a reversal of the trend, which is still under way and is characterized by an upward movement of prices.

(ii) As regards prices of agricultural products and fertilizers—the position is as follows: (a) official prices keep in line, generally, with the level of the currency circulation (about 20 times [illegible] and (b) free prices are at a

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GENERAL CONCLUSIONS

363. An examination of individual commodity prices and inter-price relationships and comparison with pre-war, throw light on the price distortions during the recent difficult period of Italian history. A most striking feature has been the occurrence, side by side with the official market, of an illegal market and of an open market. A black market exists for goods the prices and distribution of which are under Government control—for some commodities this market became even more important than the official market. There is also an open market for commodities not included in the Government's distribution control system.

364. A black market was present in Italy even prior to the war. It became more prominent during the war in that its operations extended to a larger number of commodities. The role of the black market in relation to the total volume of transactions can, however, 1945 the black market (i.e. the market for goods for which official prices had been set), except for a few agricultural products and rationed foodstuffs was in Central and Southern Italy—the normal market for all transactions. The immediate after-liberation period saw the resumed intervention of the Government in price policy, but price fixing was confined to a limited number of commodities. With the setting up of the Republic, the Government extended the control over prices and distribution, including (in conjunction with UNRRA) goods imported by UNRRA, and took steps to limit the black market.

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(ii) As regards prices of agricultural products and fertilizers—the position is as follows: (a) official prices keep in line, generally, with the level of the currency circulation (about 20 times over pre-war): and (b) free prices are at a level of about 40 to 50 times pre-war.

(iii) For prices of raw materials and of industrial products: (a) official prices are at about the level of the currency circulation; and (b) free prices are at 20 to 40 times the pre-war level.

(iv) The costs of building and house repair have increased over pre-war by about 26 times.

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(b) *For Groups of Commodities.*

Comparison of the movement of selling prices and the movement of costs shows that the situation of agricultural producers has improved substantially as compared with pre-war. The indications are that a similar improvement has occurred in industry.

(c) *For all commodities together* (index number of wholesale prices) sold at official and at free prices, it can be estimated roughly that the prices in September 1946 stood at a level of 32 to 38 times pre-war. The general index showed a marked rise in 1945 (in January 1945 it was 30 times over pre-war, while in November it was 37 times), followed by a consistent decline up to July 1946 (to a level of 29.5 times over 1938). This new level was near to January 1945 level and resulted from a readjustment of prices (official, black market and free prices) resulting partly from the import of UNRRA goods and partly from the expected more favourable financial, economic and political outlook for Italy.

(d) UNRRA price policy for UNRRA-imported goods (about two-thirds of the total value of Italian imports up to end October 1946) contributed towards reducing costs of production from imported raw materials. The fall in the level of prices did not result solely from the flow to the Italian market of commodities subject to price control but was also the result of indirect psychological influences favorable to price reduction. When it was generally known that the UNRRA program would be completed within a short time an upward movement of prices commenced which offset the effect of the larger UNRRA arrivals after August, 1946.

(e) The distributive margin between wholesale and retail prices, mainly of imported goods of which distribution is controlled, is higher than before the war. This is due to increase in taxes and in transportation and risk charges. Profits of intermediaries handling controlled commodities have been set officially at percentages not greatly differing from pre-war. Margins on uncontrolled goods sold at free prices on the open market have increased substantially.

Retail Prices.

(a) Foodstuffs

28 times for olive oil. The black market prices had increased from 44 times for bread, 68 for olive oil to 123 times for sugar.

(ii) The average national prices of commodities sold on the open market up to March 1946 increased from 30 to 86 times.

Prices in the Individual Communes in September 1946.

(i) The official prices of rationed foods had increased over pre-war: from 9 times (subsidized price of bread) to 43 times (olive oil).

(ii) The black market prices increased: from 32 times (bread) to 152 times (sugar).

(iii) The regional differences in retail prices declined substantially during 1946 up to July; afterwards they showed a tendency to increase.

(b) Prices of Commodities other than Food

Clothing and footwear in Rome: the price of footwear increased to December 1945 by about 55 times over pre-war and then fell to 47 times in June 1946. For other items of wearing apparel no comparison can be drawn with 1938 owing to changes in quality of the products. From December 1945 to September 1946 a substantial decline occurred in haberdashery, ranging from 20 % to 60 %.

(c) State Monopolies

The price of salt increased 16 times over pre-war. The official prices of cigarettes of indigenous production increased over pre-war: from 18 to 21 times. Black market prices increased from 34 to 47 times for Italian cigarettes and for American and British 31 to 38 times over pre-war.

(d) Public Utilities (Position in September 1946)

Public utilities rates are all official. They have, in general (except taxicab fares, which increased by 32 times over pre-war, and telegram rates, which increased by 22 times), maintained a lower level than the currency circulation. Electric power rates increased 4.3 times, postal tariff 8 to 10 times, railway fares 6 to 8, railway goods rates 9 to 10 times.

The variations in retail prices of all products and services follow the same trend as the wholesale prices but at a higher level.

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Retail Prices.

(a) FOODSTUFFS

National Prices.

(i) The average national prices of rationed foods were published up to March 1946. Since then the prices in Italian cities only are available. Up to March 1946 official prices had increased over pre-war: from 10 times for bread (subsidized price) and 13 times for sugar, up to from 30 to 86 times.

Prices in the Individual Communes in September 1946.

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The variations in retail prices of all products and services follow the same trend as the wholesale prices but at a higher level.

Summary.

367. As a general statement it can be said that the average level of prices for money transactions in all commodities and services from the end of 1945 to August 1946 has moved in harmony with the level of the currency circulation. This is a favorable element in any judgment made on the general situation.

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368. In August 1946 internal and international factors and the announcement of the termination of the UNRRA program caused a reversal of the trend. (In November 1946 the wholesale price index stands at about 35 times over pre-war). This noteworthy increase has probably resulted from a more unfavorable outlook and from the threat of inflation. The movement does not appear, however, to be gathering momentum.

369. The Italian economic situation, as a result of concomitant favorable circumstances, UNRRA assistance in 1946 and Italy's own efforts, is ready for recovery. The position in agricultural and industrial production and international trade suggests that after the signature of the peace treaty and with Italy's re-entry into the international monetary system, danger of a monetary and economic breakdown will have been definitely averted. Prices will, no doubt, increase further in the near future. Assuming reasonably normal conditions, prices should be capable of being adjusted, in 1947, to a level not very different from their level in November 1946.

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NOTE REGARDING THE NINTH SUPPLEMENT IN THE SURVEY OF ITALY'S ECONOMY IN 1946

Section 3 of the Economic Supplements on Labor, Prices, Cost of Living and Wages in Italy, will include part four — Cost of Living and Wages in Italy. The tenth and Eleventh (i. e. the final) Supplements in the 1946 Economic Survey Series will deal with Italy's Foreign Trade.

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December 20, 1946 Vol. I, No. 49

ECONOMIC NOTES

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A Christmas Message from Mr. S. M. Keeny, Chief of the UNRRA Italian Mission

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

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S. M. Keeny

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THE WORK OF UNRRA IN 1946

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

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

90,000 Tons of Coal

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

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

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

January Prospects

Even in December, in spite of all the difficulties, Italy should receive 319,000 tons of [illegible] of that total 179,000

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

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

Programme Difficulties

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

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

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

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

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

UNRRA Grain Supplies

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

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

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

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

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

Liquid Fuel

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

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

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

Cotton Goods for 20,000,000 People

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

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

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

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STATISTICAL SURVEY — OCTOBER, 1946

Description	Unit of Measurement	1945 Jan.	1945 June	1945 Sept.	1945 Oct.	1946 Jan.	1946 June	1946 Sept.	1946 Oct.
CURRENCY. PRICES									
Currency circulation	1938 = 100	1,590	1,815	1,788	1,805	1,837	1,932	2,111	2,136 (1)
Current accounts and deposits	»	—	367	402	424	519	631	675 (2)	—
Fine gold price (open market)	»	3,108	3,527	3,581	3,312	2,981	2,673	3,642	3,604
Dollar:									
Legal rates–Official	»	526	526	526	526	526	526	526	526
–Commercial	»	—	—	—		—	1,184	1,184	1,184
–Export	»	—	—	—	—	—	1,984	3,132	3,158
Black Market	»	1,758	1,532	1,752	1,779	2,011	1,926	2,616	2,647
Share prices (Milan)	»	733	673	508	607	455	574	786	748
Wholesale prices (Florence)	»	—	3,392	3,604	3,698	3,404	2,965	3,209	3,505
COST OF LIVING, WAGES, LABOUR									
Cost of living (Milan) Total	»	1,355	1,798	2,388	2,413	2,431	2,607	2,944	3,280
» » » Food	»	2,018	2,408	2,987	3,164	3,132	3,492	3,328	3,728
Wages in Milan:									
Unskilled workers	»	498	606	1,347	1,375	1,566	1,889	2,101	2,846
Skilled labour	»	423	498	1,033	1,051	1,182	1,410	1,579	2,134
Technical officials	»	298	324	588	588	762	898	974	1,324
Unemployed registered	Thousands	—	—	—	—	1,428	1,531	1,858	1,946
PRODUCTION									
Pig iron (3)	1938 = 100	—	—	—	—	5	32	46	38
Steel (3)	»	—	—	—	—	28	52	65	69
Rolled steel (3)	»	—	—	—	—	32	49	62	73
Cotton thread (3)	»	3	3	5	7	22	88	65	88
Artificial textile fibres	»	2	3	4	6	6	30	51	56
Mechanical - Fiat Co.	»	8	32	43	56	56	57	65	76
Chemical - Montecatini Co.	»	12	10	15	20	24	54	71	66
Electric power (4)	»	97	77	77	102	108	108	112	113
FOREIGN TRADE (5)									
Exports	Dols. ('000)	—	—	—	—	3,339	85,424	167,656	198,948 (8)
Imports (6)	» »	—	—	—	—	33,845	376,302	657,361	753,436 (8)
Wheat imports (6)	Tons ('000)	—	—	—	—	94	943	1,125	1,183
Coal imports (6)	» »	—	—	—	—	459	2,827	4,162	4,720
POL imports (UNRRA) (7)	» »	—	—	—		—	664	1,181	1,333
STATE RAILWAY TRAFFIC									
Passengers	Thousands	—	—	15,268	17,132	17,626	19,138	(9)	(9)
Goods	Tons ('000)	—	—	2,053	2,306	2,389	2,478	2,847 (8)	(9)

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

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

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

[illegible] January. Present statistics on exports and imports are subject to a large but [illegible] not completely recorded

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CURRENCY. PRICES									
Currency circulation	1938 = 100	1,590	1,815	1,788	1,805	1,837	1,932	2,111	2,136 (1)
Current accounts and deposits	»	—	367	402	424	519	631	675 (2)	—
Fine gold price (open market)	»	3,108	3,527	3,581	3,312	2,981	2,673	3,642	3,604
Dollar:									
Legal rates–Official	»	526	526	526	526	526	526	526	526
–Commercial	»	—	—	—		—	1,184	1,184	1,184
–Export	»	—	—	—	—	—	1,984	3,132	3,158
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(4) Calculated on the basis of comparable cumulative figures.

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

(6) Cumulative, including UNRRA. (Wheat crop 1945: 4,206,000 metric tons: 1946: 6,089,000 metric tons).

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

(8) Provisional. (9) Not available.

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

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STATISTICAL SURVEY FOR OCTOBER

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

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

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

Wages and Labour

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

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

In spite of smaller UNRRA coal imports in October due to the two maritime strikes in the United States, the full effects were not felt in that month, and industrial production again level. The index of industrial production is believed to have improved in October.

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

Import Figures

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

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

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

NEW PRICE DECISIONS

New prices for UNRRA-imported petroleum products have been fixed by the Italian Government and the UNRRA Italian Mission,

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tion supplied by the Central Institute of Statistics in Rome, the Bank of Italy, the Italian State Railways and other official and authoritative sources. The survey covers currency and prices, cost of living, wages and labour; production; foreign trade and traffic on the State railways.

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In spite of smaller UNRRA coal imports in October due to the two maritime strikes in the United States, the full effects were not felt in that month, and industrial production again showed an increase. According to calculations by the General Confederation of Industrialists, the general index of national industrial production (including textiles, mining, metals, building materials, chemicals and electric production) was in July 55.5 per cent. of the 1939 page). They appear to indicate that total exports from 1 January to 31 October, 1946, amounted, by value, to slightly more than one-fourth of the imports. In volume, exports amounted to 763,613 metric tons. They increased steadily up to the end of August, when they were stated to be 32,887,000 dollars (£8,221,750 sterling), receded in September (25,469,000 dollars) and improved again in October to 31,292,000 dollars (£7,823,000 sterling). Provisional returns for October indicate that exports were higher than in any other month of the year, excluding August, which was an exceptionally good month. The main exports were textiles (artificial fibres, silk and cotton goods), fruit and wines.

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NEW PRICE DECISIONS

New prices for UNRRA-imported petroleum products have been fixed by the Italian Government and the UNRRA Italian Mission, on recommendations approved by the Price Committee at its meeting on 30 November. Prices have also been approved for soap and several industrial raw materials imported in the UNRRA programme.

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

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

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

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

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

TOILET SOAP:

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

LAUNDRY SOAP:

135 lire per kilogram, on retailer's vehicle, ex-intercommunal

to special classes (including hospitals) and as a special ration to normal consumers in urban areas.

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

XYLOL-NITRATION:

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

SOLVENT NAPHTHA (Aromatic):

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

WOOD ROSIN:

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

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

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

NOVEMBER IMPORTS

Supplies unloaded at Italian ports during November on UNRRA account totalled 514,172 tons, as against 512,724 tons received in October. The second maritime strike which held up shipping in United States ports from October 3 to October 27 seriously affected deliveries in November.

Coal accounted for 320,743 tons of the total received, 200,000 tons of UNRRA coal

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

LAUNDRY SOAP:

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

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

XYLOL-NITRATION:

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

SOLVENT NAPHTHA (Aromatic):

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

WOOD ROSIN:

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

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

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

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

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

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

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

Continued from Page 3

THE WORK OF UNRRA IN 1946

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

"These are some of the ways in which UNRRA has helped to restore Italy during the past year. The benefits of much of what has been brought in have still to be realized. I have spoken of the textiles that will not be spun or woven until next year. The same is true of many other commodities. The fertilizer and seed, for instance, which UNRRA has provided, are for *next season's* crops. The full effect of UNRRA's supplies is by no means immediate.

First Stage

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

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

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

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

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Continued from Page 3

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

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

"ECONOMIC SURVEY" SUPPLEMENT

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

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(6 - 14 DECEMBER INCLUSIVE)

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

NOTE: (1) Also discharged at Crotone

LATEST COAL SHIPMENTS

(7 - 14 DECEMBER INCLUSIVE)

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

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

NOTE: (1) Also discharged at Crotone

LATEST COAL SHIPMENTS

(7 - 14 DECEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
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Gloria C.	Venice	" "	Yugoslavia	Commercial	550
Stad Haarlem	Savona	9 "	Germany	UNRRA	7,222
Robert Watchorn	Genoa	" "	United States	"	8,907
	Leghorn	12 "			
Jerry S. Foley	Civitavecchia	9 "	" "	"	8,878
	Piombino	13 "			
Ogmore Castle	Civitavecchia	9 "	Germany	"	3,377
Dante	Bagnoli	" "	"	"	7,115
John W. Powell	Venice	10 "	United States	"	8,807
Edward J. Berwind	"	12 "	" "	"	9,315
Thomas Nelson	Civitavecchia	13 "	" "	"	9,009
Alexander W. Doniphan	Naples	14 "	" "	"	8,615
Flagstaff Victory	Bari	" "	" "	"	8,741
				Total Tonnage	101,608

NOTE: (1) Also discharged at Messina

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LABOR, PRICES, COST OF LIVING AND WAGES (Section 2)

PART THREE - WHOLESALE AND RETAIL PRICES IN ITALY (2)

(A) *MAIN PRICE CHANGES FROM 1922 TO 1946*

From 1922 to 1943.

194. In Table (graph) 21 the wholesale price trend and monetary circulation are compared. From 1922 to 1938 the general price curve runs close to the monetary circulation curve, and is sensitive to international economic events (in spite of the efforts made to disengage the Italian market from the outside world). The so-called monetary stabilization policy, on which the fascist government embarked in 1926, developed into a deflationary process when the 1929 world depression started. At this juncture the price curve falls substantially below the monetary level (see graph - Table 21). The fascist government endeavoured to disengage the Italian economy from dependence on the international market, and intervened more and more in the country's economic life. Controls were set on retail (3) and wholesale prices, on rates of exchange, on foreign trade, on foreign currencies, on credit, and on wages. Notwithstanding these regulatory measures the Government was forced to adjust the domestic market to the international situation. In October 1936 the lira was aligned to the dollar by setting a new gold parity. The price curve moved substantially upwards.

195. As this pre-war State intervention in the Italian economy became more marked, a black market of goods, gold and foreign currencies appeared. For this reason the index numbers (of the cost of living, of wholesale prices, of foreign exchange rates, etc.) based on official quotations became more and more distant from reality and lost their significance. When Italy entered the war (June 1940) steps were immediately taken for a general freezing of prices (blocco), services, wages and rents.

196. In this period it became more and more difficult to hold these fixed prices. The scarcity of raw material and of finished products (especially for civilian consumption), the increasing spread between the quantities of goods available and the currency in circulation, the urge to increase prices to stimulate production by every means, resulted in an increased difficulty of control. The difference between official prices (which remained below the inflation curve - see Table 21) and real prices on the black market (which move much above the curve) became wider and wider. The collection of data on black market prices was, however, practically impossible at this time.

197. Up to mid 1943 inflation was however kept within relatively modest limits. The index rose to 379 in December 1942 (1938=100) and to 463 in June 1943.

198. With the Allied landings in Italy and the ensuing political and military events, the price control system in Central and Southern Italy was shattered. To a growing inflation was added the break up of a national market into a large number of local, provincial and regional markets. This was facilitated, apart from war operations, by a serious destruction of land and sea transportation facilities and by scarcity of fuel, rubber, spare parts, etc. The black market, outside the few rationed food commodities (available irregularly and in insufficient quantities), ruled the whole economic activity in Central and Southern Italy. There were black market transactions in all available commodities, valuables, and foreign currencies and capital invest-

(2) See Note (1) page 11 for Price Terminology.

(3) Control of retail prices as part of the "campaign against rising prices" was begun in 1927 by the fascist party, through a central committee and a number of provincial organizations. The work was subjected to political coercion. In 1936 the fascist party was forced to admit the failure of its price control policy, which has been confined to the regulation of retail prices and not of distribution. Control was then extended to cover all marketing stages from the production to the consumption point. The task proved to be too vast for the organization created and in the following year (1937), the whole problem was referred to the corporative boards of the Ministry of Corporations which had, in the meantime been set up. Prices of a whole range of goods and services and wages were frozen as at 5 October 1938. These were to remain in force as a whole until 31 December 1940. Changes could be made in individual items after investigation. With the entry of Italy into the war (1940), this freezing arrangement was confirmed

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(A) *MAIN PRICE CHANGES FROM 1922 TO 1946*

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195. As this pre-war State intervention in the Italian economy became more marked, a black market of goods, gold and foreign currencies appeared. For this reason the index numbers (of the cost of living, of wholesale prices, of foreign exchange rates, etc.) based on official quotations became more and more distant from reality and lost their significance. When Italy entered the war (June 1940) steps were immediately taken for a general freezing of prices (blocco), services, wages and rents.

196. In this period it became more and more difficult to hold these fixed prices. The scarcity of raw material and of finished products (especially for civilian consumption), the increasing spread between the quantities of goods available and the currency in circulation, the urge to increase prices to stimulate production by every means, resulted in an increased difficulty of control. The difference between official prices (which remained below the inflation curve - see Table 21) and real prices on the black market (which move much above the curve) became wider and wider. The collection of data on black market prices was, however, practically impossible at this time.

197. Up to mid 1943 inflation was however kept within relatively modest limits. The index rose to 379 in December 1942 (1938=100) and to 463 in June 1943.

198. With the Allied landings in Italy and the ensuing political and military events, the price control system in Central and Southern Italy was shattered. To a growing inflation was added the break up of a national market into a large number of local, provincial and regional markets. This was facilitated, apart from war operations, by a serious destruction of land and sea transportation facilities and by scarcity of fuel, rubber, spare parts, etc. The black market, outside the few rationed food commodities (available irregularly and in insufficient quantities), ruled the whole economic activity in Central and Southern Italy. There were black market transactions in all available commodities, valuables, and foreign currencies and capital investments. The prices of commodities and services got out of hand.

(2) See Note (1) page 11 for Price Terminology.

(3) Control of retail prices as part of the "campaign against rising prices" was begun in 1927 by the fascist party, through a central committee and a number of provincial organizations. The work was subjected to political coercion. In 1933 the fascist party was forced to admit the failure of its price control policy, which has been confined to the regulation of retail prices and not of distribution. Control was then extended to cover all marketing stages from the production to the consumption point. The task proved to be too vast for the organization created and in the following year (1937), the whole problem was referred to the corporative boards of the Ministry of Corporations which had, in the meantime been set up. Prices of a whole range of goods and services and wages were frozen as at 5 October 1938. These were to remain in force as a whole until 31 December 1940. Changes could be made in individual items after investigation. With the entry of Italy into the war (1940), this freezing arrangement was confirmed and extended. Part of the duties of control was transferred from the Ministry of Corporations to the Ministry of Agriculture, while, for military supplies, a number of agencies were given price fixing powers.

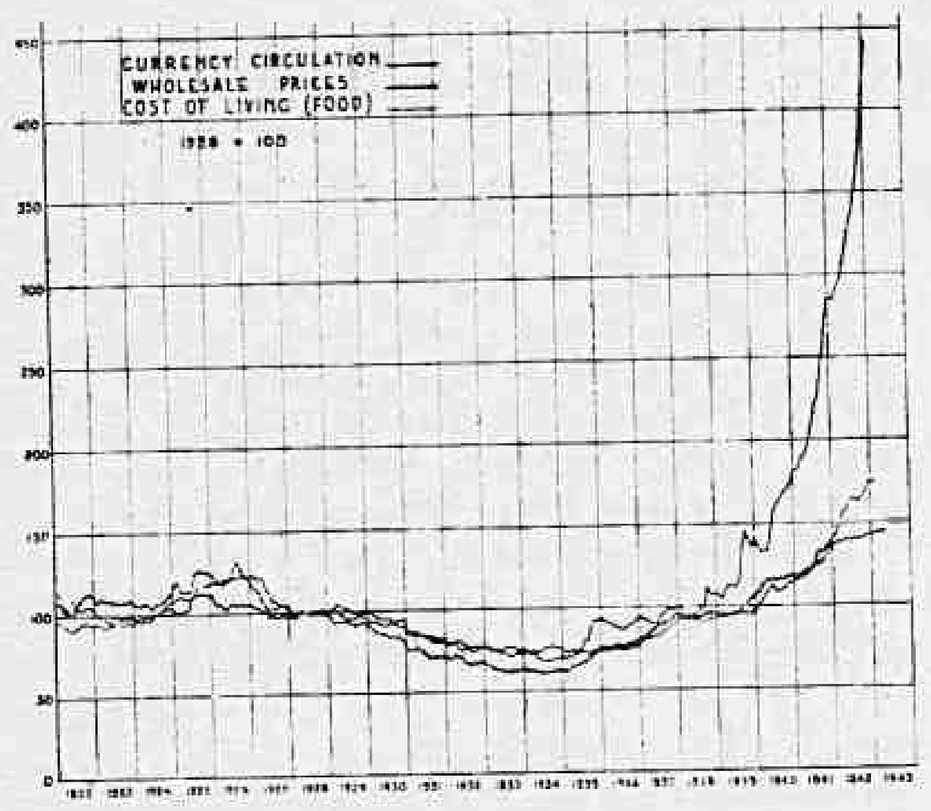
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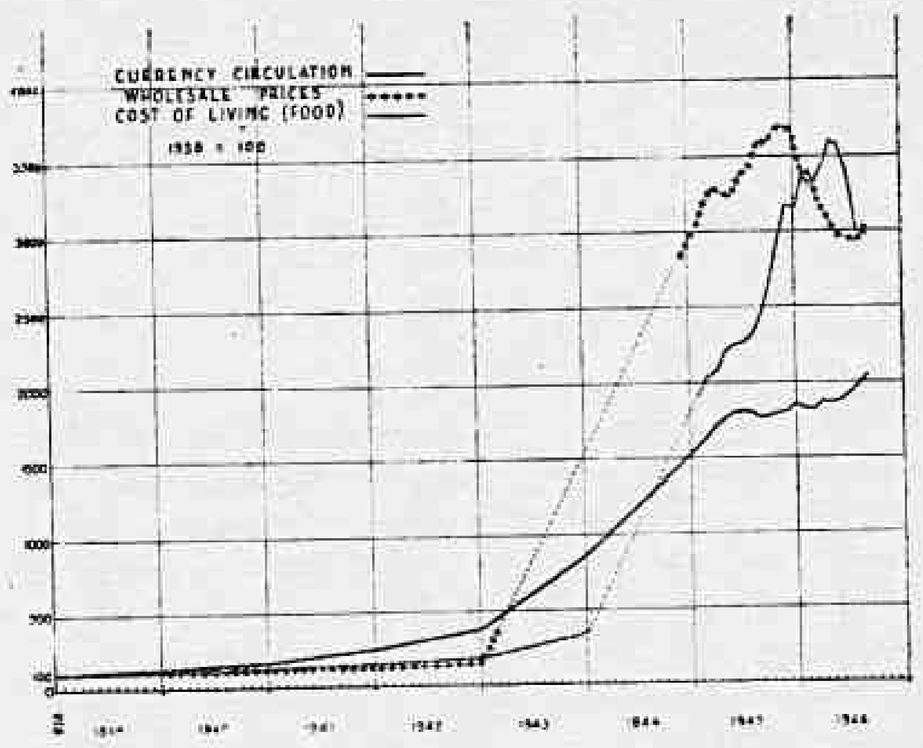
(1) *See Supplement to Vol. 1 No. 27 for Introduction to Survey of Italy's Economy and for Survey of Finance; No. 28 for Survey of Agriculture and Food in Italy; Nos. 30 and 31 for Survey of Italian Industry; No. 32 for Survey of Transportation and Communications; No. 34 for Survey of Health and Welfare in Italy; and No. 37 for Labor. Prices, Cost of Living and Wages in Italy (Section I). Part. one Employment and Labor Problems. Part two Social Insurance and Security). The present Supplement is the eighth in the series.*

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TABLE 21

(a) Wholesale Price Trend (b)





Prices Below and Above the Gothic Line.

199. The investigations by the Allied Commission in August 1944 in Central and Southern Italy confirmed not only the numerous differences in prices from the Gothic Line to Sicily, but differences within one region or one province (Sources: Censuses and Surveys for the National Reconstruction - Allied Commission February 1945). The black market price for bread was 12 lire per kilogram in Perugia, 120 lire in Avellino and 150 lire in Frosinone; the olive oil price was 80 lire per kilogram in Brindisi, 500 lire in Rome and 600 lire in Viterbo and Rieti; the price of sugar was 140 lire in Brindisi, 400 in Rome and 420 in Naples.

200. Within the Lazio region, bread was priced at 20 lire in Rieti and 150 lire in Frosinone. In Sicily the price of bread varied from 42 lire in Agrigento to 114 lire in Messina. Within the Terni province, bread varied from 20 lire in Terni to 50 lire in the smaller towns. In the Frosinone province bread varied from 150 lire in Frosinone to 81 lire in small towns.

A pair of men's winter boots was sold for 4.500 lire in Trapani and 2.000 lire in Pescara. Gasoline was sold for 100 lire per liter in Trapani, 45 lire in Rome and 35 lire in Naples. Truck transportation cost was

201. Official prices in Northern Italy, fixed for a greater number of commodities, were kept much lower than in Central and Southern Italy. The official retail prices of rationed foods in Milan and Rome in October 1944, March and May 1945 were as follows:

Official retail prices of rationed foods in lire per kilogram

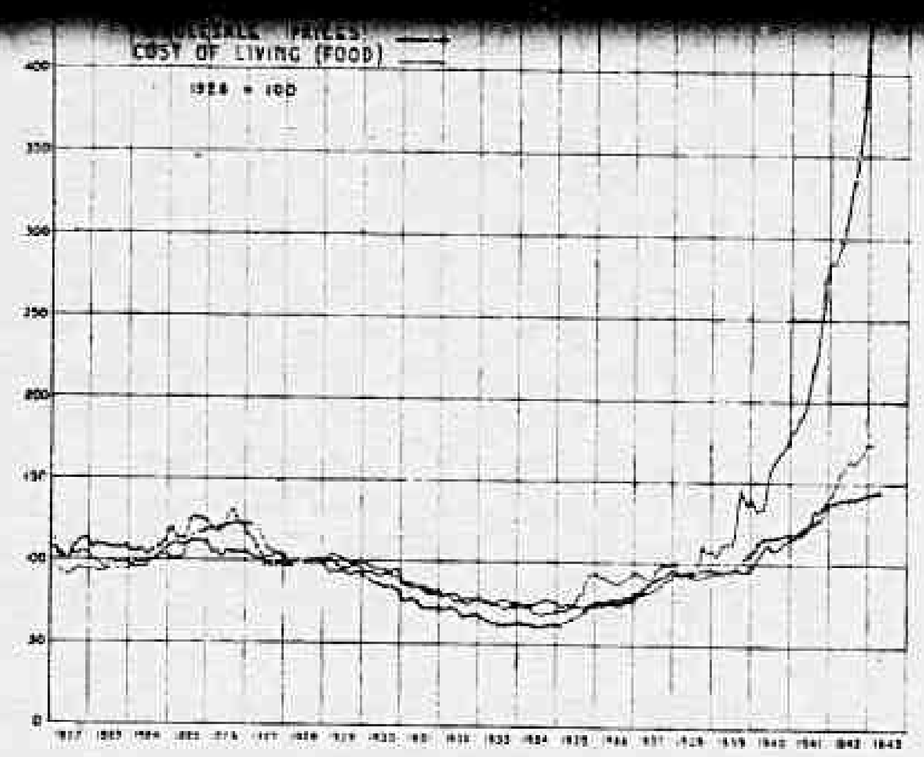
	October 1944		March 1945		May 1945	
	Milan	Rome	Milan	Rome	Milan	Rome
Bread (1)	2.60	5.—	5.—	18.—	5.—	18.—
Pasta (1)	3.80	7.—	3.80	22.50	3.80	22.50
Rice	3.70	25.—	7.20	—	—	—
Sugar	12.50	16.25	27.30	20.	27.30	—
Beef	28.50	160.—	44.—	340.—	44.—	—
Potatoes	10.—	15.—	13.—	—	13.—	—
Dry Beans	6.—	39.—	6.—	95.—	6.	95.
Milk (per liter)	4.—	7.—	6.—	30.—	6.—	30.—

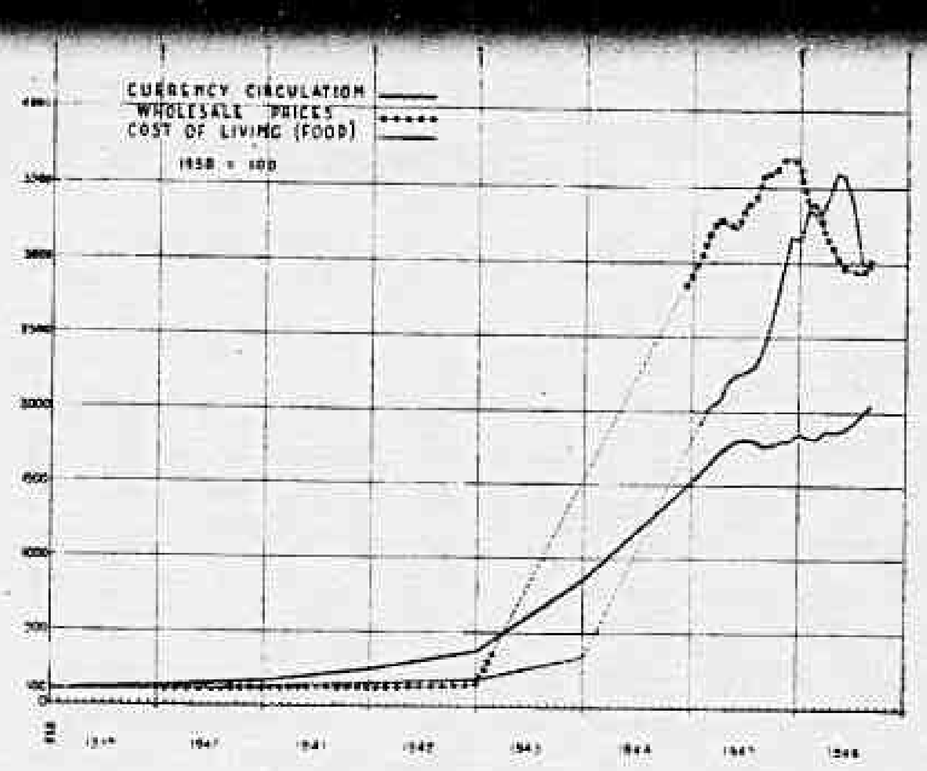
(1) In Milan the subsidized (or «political») price of bread and pasta was retained, while in Central and Southern Italy it was modified in March 1945.

Note: Prices for olive oil not available.

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Prices Below and Above the Gothic Line.

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Within the Lazio region, bread was priced at 20 lire in Rieti and 150 lire in Frosinone. In Sicily the price of bread varied from 12 lire in Agrigento to 114 lire in Messina. Within the Terni province, bread varied from 20 lire in Terni to 50 lire in the smaller towns. In the Frosinone province bread varied from 150 lire in Frosinone to 81 lire in small towns.

A pair of men's winter boots was sold for 4.500 lire in Trapani and 2.000 lire in Pescara. Gasoline was sold for 100 lire per liter in Trapani, 45 lire in Rome and 35 lire in Naples. Truck transportation cost was 5.25 lire per quintal-kilometer in Rome and 11-13 lire in the towns of the Rome province, while in the small towns of the Lecce and Messina provinces it was higher than 14 lire.

200. Above the Gothic Line the machinery of price control and of commodity distribution remained reasonably efficient.

201. Official prices in Northern Italy, fixed for a greater number of commodities, were kept much lower than in Central and Southern Italy. The official retail prices of rationed foods in Milan and Rome in October 1944, March and May 1945 were as follows:

Official retail prices of rationed foods in lire per kilogram

	October 1944		March 1945		May 1945	
	Milan	Rome	Milan	Rome	Milan	Rome
Bread (1) . .	2.60	5.—	5.—	18.—	5.—	18.—
Pasta (1) . .	3.80	7.—	3.80	22.50	3.80	22.50
Rice . . .	3.70	25.—	7.20	—	—	—
Sugar . . .	12.50	16.25	27.30	20.	27.30	—
Beef . . .	28.50	160.—	41.—	340.—	11.—	—
Potatoes . .	10.—	15.—	13.—	—	13.—	—
Dry Beans . .	6.—	39.—	6.—	95.—	6.	95.
Milk (per liter) .	4.—	7.—	6.—	30.—	6.—	30.—

(1) In Milan the subsidized (or « political ») price of bread and pasta was retained, while in Central and Southern Italy it was modified in March 1945.
Note: Prices for olive oil not available.

202. The differences in prices not set officially, became wider between North and South especially for locally produced goods (chiefly for finished products which are mainly manufactured in the North). The official price for soft wheat (for wheat delivered to the amassing points) was 350 lire per quintal in the North and 900 lire in the South. The price of superphosphates

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amounted to 3.40 lire (for one unit of P_2O_5) in the North and 35 lire in the South. The price of ammonium sulphate was 138.20 per quintal in the North and 394.5 in the South. (See paras. 274 and 275 and Tables 38 and 39). In Northern Italy the price level (except for the special products found mainly in Central and Southern Italy) remained substantially lower than below the Gothic line.

203. As the fighting moved North and the end of the war approached, the same phenomenon of high regional black market price differences (although not so marked) occurred also in Northern Italy. The black market price of bread in March 1945 was 10 lire per kilogram in Modena, 18 in Novara, 35 in Turin, 45 in Milan. The price of olive oil was 450 lire per kilogram in Modena, 1.300 lire in Milan, 1.500 in Piacenza. The price of sugar varied from 350 lire in Padua and Piacenza to 550 lire in Milan to 1.000 lire in Vercelli, etc.

Prices after the Liberation of Italy.

204. When the whole of the national territory was liberated, it was intended at first to keep Northern Italy separated economically from the rest (and thus to keep the higher price region separate), but it was clear that this economic barrier could be maintained only for a few months. The lower prices—official and others—in the north moved rapidly upwards to the higher price level prevailing in Central and Southern Italy (see Tables 22 and 23 - graph).

205. Prices in Milan, substantially lower (except for olive oil) than in Rome, rose rapidly, so that after January 1944 the rise is substantially higher in Milan than in Rome (see Table 22, (B)). From July 1944 (immediately after the liberation of Rome) to March 1945 (one month before the liberation of Milan) prices in Rome were much higher than in Milan (except for olive oil), but the price difference diminished substantially after the liberation of Northern Italy (see Table 22, (C)).

206. From this time a disorderly adjustment process began, due largely to the delay in restoration of transport. The restoration of a national market was slow and unplanned. In this newly-forming national market, price control and commodity distribution mechanism generally needed overhauling. (Exception must be

207. Prices were affected in the meantime by increasing inflation, evidenced in the index figures of currency circulation (1,532 in December 1944—(1938=100)—1.815 in June 1945 and 1.871 in December 1945). Lack of confidence in the lira, grave uncertainty concerning the future, the difficult political situation of the Government, the fear that the large profits taken by manufacturers and tradesmen and by farmers (mostly hoarded in currency) might be absorbed by the Government (mainly by currency conversion), caused a rush to commodity or other more stable values. The effect was that prices rose rapidly up to the end of 1945.

208. The position at the end of 1945 was thus:

(a) Open market prices had increased over pre-war, varying in degree from product to product. All prices had increased much more than the increase in circulation.

(b) For the same product the prices were widely divergent between province and province and region and region.

(c) Official prices—set by two separate and independent central price organizations, one in Milan (having authority in the regions north of what was known as the "Gothic Line") and the other in Rome—above and below the Gothic Line, were markedly different, and adjustment was a slow process.

All these factors contributed to a confused situation and a slowing up in the improvement of price control measures. Contributing to this situation were also uncertainties of Government policy and the inefficiency of the central and local controlling agencies (official amassing prices for soft wheat were about six times as high as pre-war, for wool twelve times as high, hemp 14 times, olive oil and sugar beet 20 times, cocoons 32 times).

209. The existence of an official market side by side with an increasingly operating black market, added to the economic disorder. Some of the official prices were only nominal, since no transactions took place at the quoted prices: official prices of commodities, for which the official distributing agencies were responsible, were effective for large consumer transactions (e.g. railways and large industrial companies).

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the special products found mainly in Central and Southern Italy) remained substantially lower than below the Gothic line.

203. As the fighting moved North and the end of the war approached, the same phenomenon of high regional black market price differences (although not so marked) occurred also in Northern Italy. The black market price of bread in March 1945 was 10 lire per kilogram in Modena, 18 in Novara, 35 in Turin, 45 in Milan. The price of olive oil was 450 lire per kilogram in Modena, 1,300 lire in Milan, 1,500 in Piacenza. The price of sugar varied from 350 lire in Padua and Piacenza to 550 lire in Milan to 1,000 lire in Vercelli, etc.

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206. From this time a disorderly adjustment process began, due largely to the delay in restoration of transport. The restoration of a national market was slow and unplanned. In this newly-forming national market, price control and commodity distribution mechanism generally needed overhauling. (Exception must be made as regards the early arrival of relief goods imported and efficiently distributed by the Allied armies). In the North, the organizations set up by the Committees of National Liberation had been retained by the Allies—and there the control of prices and distribution was better than in the Center and the South and black market transactions less prevalent.

the future, the difficult political situation of the Government, the fear that the large profits taken by manufacturers and tradesmen and by farmers (mostly hoarded in currency) might be absorbed by the Government (mainly by currency conversion), caused a rush to commodity or other more stable values. The effect was that prices rose rapidly up to the end of 1945.

208. The position at the end of 1945 was thus:

(a) Open market prices had increased over pre-war, varying in degree from product to product. All prices had increased much more than the increase in circulation.

(b) For the same product the prices were widely divergent between province and province and region and region.

(c) Official prices—set by two separate and independent central price organizations, one in Milan (having authority in the regions north of what was known as the "Gothic Line") and the other in Rome—above and below the Gothic Line, were markedly different, and adjustment was a slow process.

All these factors contributed to a confused situation and a slowing up in the improvement of price control measures. Contributing to this situation were also uncertainties of Government policy and the inefficiency of the central and local controlling agencies (official amassing prices for soft wheat were about six times as high as pre-war, for wool twelve times as high, hemp 14 times, olive oil and sugar beet 20 times, cocoons 32 times).

209. The existence of an official market side by side with an increasingly operating black market, added to the economic disorder. Some of the official prices were only nominal, since no transactions took place at the quoted prices; official prices of commodities, for which the official distributing agencies were responsible, were effective for large consumer transactions (e.g. railways and large industrial companies).

210. Rent and public utility charges (transportation, electric power and gas) were still determined by price control regulations and remained practically unchanged. These prices were thus not affected by the general upward movement.

211. Wages lost 60 to 70 % of their purchasing power.

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TABLE 23

Black market retail prices in Milan and in Rome

		1944			1945		
		January	July	December	March	July	December
A) RETAIL PRICES							
Bread (per kilogram)	Milan	20	20	25	45	45	60
	Rome	30	90	80	90	78	120
Pasta (per kilogram)	Milan	25	25	40	60	90	120
	Rome	60	190	183	165	116	155
Rice (per kilogram)	Milan	20	22	22	45	50	60
	Rome	80	250	—	300	165	144
Beef (per kilogram)	Milan	80	180	230	480	400	350
	Rome	152	352	420	700	362	550
Butter (per kilogram)	Milan	180	370	600	650	700	800
	Rome	375	718	825	875	780	938
Olive Oil (per liter)	Milan	400	600	900	1,200	700	700
	Rome	310	562	337	447	477	605
Eggs (each)	Milan	8	9	16	14.5	21	27
	Rome	13	40	34	27	23	30
Sugar (per kilogram)	Milan	80	130	400	350	350	1,000
	Rome	195	450	812	1,212	745	975
B) INDEX NUMBERS (January 1944 = 100)							
Bread	Milan	100.0	100.0	125.0	225.0	225.0	300.0
	Rome	100.0	300.0	266.7	300.0	260.0	400.0
Pasta	Milan	100.0	100.0	160.0	240.0	360.0	480.0
	Rome	100.0	316.7	305.0	275.0	193.3	258.3
Rice	Milan	100.0	110.0	110.0	225.0	250.0	300.0
	Rome	100.0	312.5	—	625.0	206.3	180.0
Beef	Milan	100.0	225.0	287.5	600.0	500.0	437.5
	Rome	100.0	231.6	276.3	460.5	238.2	361.8
Butter	Milan	100.0	205.6	333.3	361.1	388.9	444.4
	Rome	100.0	191.5	220.0	233.3	208.0	250.1
Olive Oil	Milan	100.0	150.0	225.0	325.0	175.0	175.0
	Rome	100.0	181.6	108.7	144.2	153.9	195.2
Eggs	Milan	100.0	112.5	200.0	181.3	262.5	337.5
	Rome	100.0	307.7	261.5	207.7	176.9	230.8
Sugar	Milan	100.0	162.5	500.0	687.5	687.5	1,250.0
	Rome	100.0	230.8	416.4	621.5	382.1	500.0
C) ROME PRICES (Milan prices = 100)							
Bread		150	450	320	200	173	200
Pasta		240	760	458	275	129	129
Rice		400	1,136	—	1,111	330	257
Beef		190	196	183	146	91	157

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		1944			1945		
		January	July	December	March	July	December
A) RETAIL PRICES							
Bread (per kilogram)	Milan	20	20	25	45	45	60
	Rome	30	90	80	90	78	120
Pasta (per kilogram)	Milan	25	25	40	60	96	120
	Rome	60	190	181	163	116	155
Rice (per kilogram)	Milan	20	22	22	45	50	60
	Rome	80	250	—	500	165	144
Beef (per kilogram)	Milan	80	180	230	480	400	550
	Rome	132	352	420	700	362	550
Butter (per kilogram)	Milan	180	370	600	650	700	800
	Rome	375	718	825	875	780	938
Olive Oil (per liter)	Milan	400	600	900	1,300	700	700
	Rome	310	563	537	447	477	605
Eggs (each)	Milan	8	9	16	14.5	21	27
	Rome	13	40	34	27	23	30
Sugar (per kilogram)	Milan	80	130	400	550	550	1,000
	Rome	195	450	812	1,212	745	975
B) INDEX NUMBERS (January 1944 = 100)							
Bread	Milan	100.0	100.0	125.0	225.0	225.0	300.0
	Rome	100.0	300.0	266.7	300.0	260.0	400.0
Pasta	Milan	100.0	100.0	160.0	240.0	360.0	480.0
	Rome	100.0	316.7	305.0	275.0	193.3	258.3
Rice	Milan	100.0	110.0	110.0	225.0	250.0	300.0
	Rome	100.0	312.5	—	625.0	206.3	180.0
Beef	Milan	100.0	225.0	287.5	600.0	500.0	437.5
	Rome	100.0	231.6	276.3	460.5	238.2	361.8
Butter	Milan	100.0	205.6	333.3	361.1	388.9	444.4
	Rome	100.0	191.5	220.0	233.3	208.0	250.1
Olive Oil	Milan	100.0	150.0	225.0	325.0	175.0	175.0
	Rome	100.0	181.6	108.7	144.2	153.9	195.2
Eggs	Milan	100.0	112.5	200.0	181.3	262.5	337.5
	Rome	100.0	307.7	261.5	207.7	176.9	230.8
Sugar	Milan	100.0	162.5	500.0	687.5	687.5	1,250.0
	Rome	100.0	203.8	416.4	621.5	382.1	500.0
C) ROME PRICES (Milan prices = 100)							
Bread		150	450	320	200	173	200
Pasta		240	760	458	275	129	129
Rice		400	1,136	—	1,111	330	257
Beef		190	196	183	146	91	157
Butter		208	194	138	135	111	117
Olive Oil		78	94	87	34	68	84
Eggs		163	444	213	186	110	111
Sugar		244	346	202	220	135	98

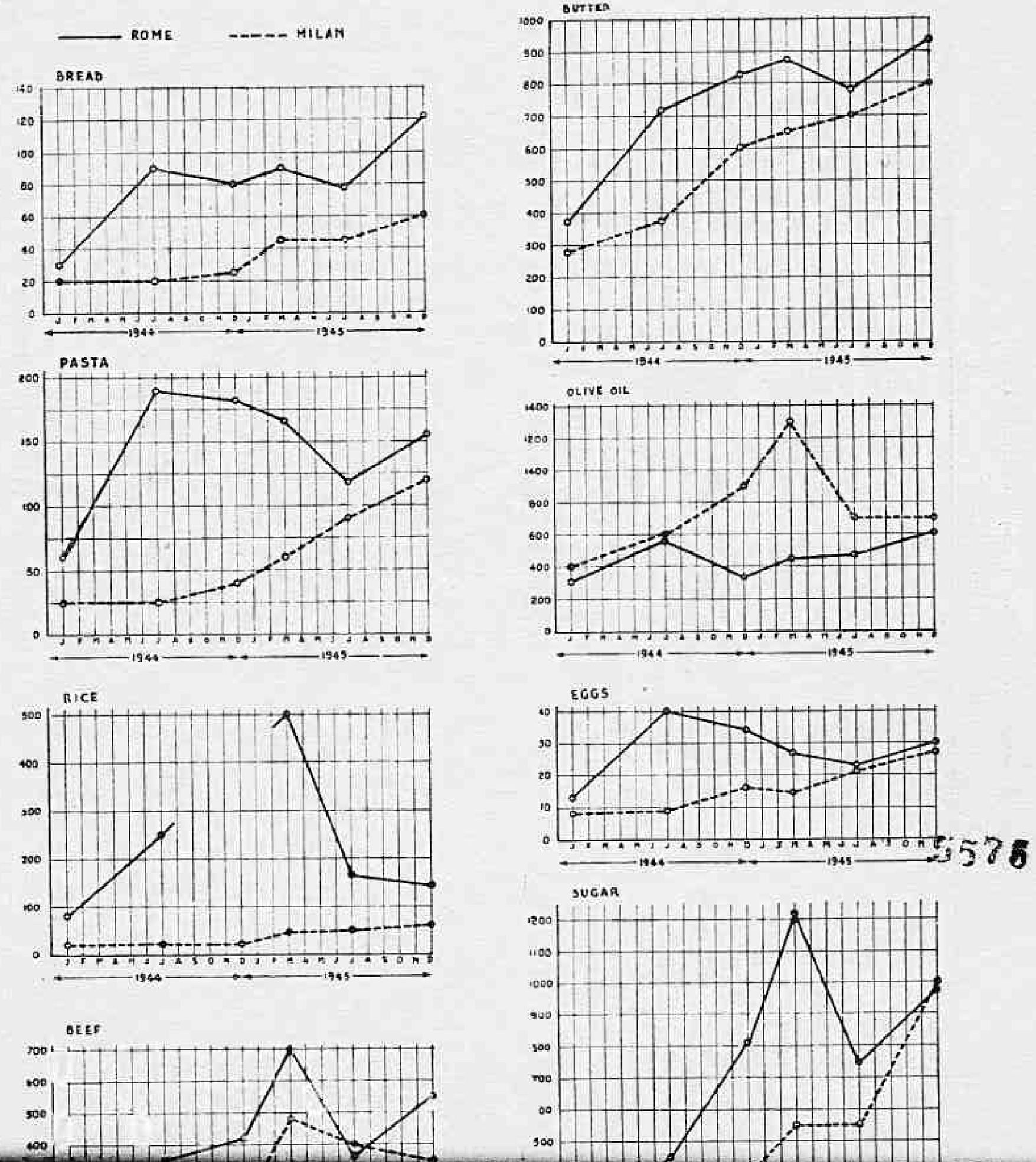
Source: Ministero per la Costituente (Reports of Economic Commission Part III Monetary Problems)

(See also Table 23 graph)

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TABLE 23

OPEN MARKET RETAIL PRICES IN LIRE IN ROME & MILAN IN 1944 - 1945



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OPEN MARKET RETAIL PRICES IN EIRE IN ROME & MILAN IN 1944 - 1945

0444

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Some Indices of Inflation in Italy: 1938 to 1946

(Index numbers: 1938=100)

End of Year or Month	Currency Circulation (1)	Public Debt		State Budget		Bank Deposits			Open Market Gold Prices (6)	Open Market Dollars Rates (7)	Open Market Wholesale Prices (8)	Retail Prices (9)	Cost of Food (10)	Cost of living (10)	Industrial Shares (11)	House Rents	Public Services			
		Total Consolidated & Floating (2)	Floating (2)	Revenue (3)	Expenditure (3)	Current Account & Deposits (4)	Time Deposits	Correspondents (5)									Railway Rates (12)	Post & Telegraph Fee	Gas Rates (12)	Electr. Power Rates (12)
1938	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1940	164	136	175	118	156	124	106	151	131		122		123		149	108				
1942	379	250	374	150	307	200	151	285	542		153		174		213	110				
1943: June	463	290	468	178	350	—	—	—	1,385				214		348	110				
Dec.	869	292	480	—	—	213	169	232	2,116						425	110				
1944: June	—	312	559	151	593	—	—	—	3,769						736	110				
Dec.	1,532	350	716	—	—	294	203	375	2,827	1,321					904	110	240	—	—	—
1945: Jan.	1,590	—	—	—	—	—	—	—	3,408	1,758	3,047				733	110	—	—	—	—
Feb.	1,651	—	—	—	—	—	—	—	3,962	2,200	3,204	—	—		747	110	—	—	—	—
Mar.	1,719	—	—	—	—				1,154	2,158	3,303				736	110	480			
Apr.	1,768	—	—						4,185	2,083	3,260				769	110	480			
May	1,805	601	1,607						3,192	1,489	3,240					110	480			
June	1,815	605	1,616	177	859	367	223	416	3,327	1,532	3,392				673	110	480			
July	1,808	624	1,609			376	223	443	3,985	1,632	3,430	5,099	2,387		519	110	480			
Aug.	1,770	648	1,590			383	214	426	3,663	1,563	3,607	5,176	2,579		518	110	480			
Sept.	1,788	655	1,608			402	211	485	3,581	1,752	3,604	5,264	2,792		508	110	480			
Oct.	1,805	660	1,628			424	218	515	3,312	1,779	3,698	5,685	2,901		607	110	480			
Nov.	1,816	665	1,647			447	221	551	3,462	1,942	3,718	6,077	3,413		584	110	480			
Dec.	1,871	670	1,664			478	229	618	3,165	2,026	3,666	6,235	3,288		517	110	480	400	649	3
1946: Jan.	1,837	682	1,714			519	238	583	2,981	2,011	3,404	5,983	3,557		415	110	480	400	649	3
Feb.	1,825	697	1,774			543	246	587	2,438	1,812	3,101	5,338	3,015	2,195	441	201	840	800	788	3
Mar.	1,881	706	1,833			569	255	605	2,469	1,600	3,184	5,419	3,217	2,308	345	201	840	800	788	3
Apr.	1,876	725	1,883			591	261	672	2,019	1,479	3,087	5,491	3,256	2,295	337	201	840	800	788	3
May	1,688	743	1,952			611	271	713	2,500	1,753	2,985	5,603	3,406	2,318	487	201	840	800	788	3
June	1,932	761	2,023	473*	1,319*	631	276	804	2,673	1,926	2,965	4,975	3,337	2,326	586	201	840	800	788	3
July	1,993	774	2,072	—	—	675	280	976	2,738	2,111	2,949	4,707	2,883	2,097	635	201	840	800	788	3
Aug.	2,042	—	—	—	—	—	—	—	3,254	2,495	3,016	4,381	2,566	1,929	781	201	840	800	788	3
Sept.	2,111	—	—	—	—	—	—	—	3,642	2,616	3,209	4,741	2,579	1,988	786	201	840	800	788	3

* Provisional.

(1) Bank-notes, State currency, Am-Lire.
(2) Consolidated, redeemable debt, State notes and floating debt (ordinary Treasury Bonds - Advances by Bank of Italy - Current account at interest: interest account: *a*) Cassa Depositi e Prestiti, *b*) Institutes of Social Insurance administered by the "Cassa Depositi e Prestiti", *c*) Bank of Naples).
(3) Revenue and expenditure (excluding movement of capital) as of end of fiscal year (bilancio di competenza).
(4) Private saving deposits (bank and correspondent deposits excluded) with Banks and Saving Banks and Postal Saving Banks.
(5) Correspondent accounts of the main banks.
(6) Open market gold price in Rome (1938 basis = 26 lire per gram open market price).
(7) Open market dollar price in Rome (1938 basis: 19 lire per dollar).
(8) National official indices up to June 1943; open market price indices of the Centro Aziendale of Florence for 1945 and 1946.
(9) Retail prices in Rome.
(10) In Rome.
(11) Industrial share quotations (see also Table 28 and 29 (graphs) in Milan (as calculated by Edison Combine).
(12) For railway: fare indices for passenger and cargo transportation. Gas and electric power: prices of 1 cubic meter and of 1 kwh, respectively, in Rome.
(13) Wages and salaries in a large industrial company of Milan for a semi-skilled worker and for a clerical worker.

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Some Indices of Inflation in Italy: 1938 to 1946

(Index numbers: 1938=100)

	Currency Circulation (1)	Public Debt		State Budget		Bank Deposits			Open Market Gold Prices (6)	Open Market Dollars Rates (7)	Open Market Wholesale Prices (8)	Retail Prices (9)	Cost of Food (10)	Cost of living (10)	Industrial Shares (11)	House Rents	Public Services				Wages and salaries (13)	
		Total Consolidated & Floating (2)	Floating (2)	Revenue (3)	Expenditure (3)	Current Account & Deposits (4)	Time Deposits	Correspondents (5)									Railway Rates (12)	Post & Telegraph Fee	Gas Rates (12)	Electr. Power Rates (12)	Manual Workers	Clerical Workers
	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	164	136	175	118	156	124	106	151	131		122		123		149	108				100	131	127
	379	250	374	150	307	200	151	285	542		153		174		213	110				103	168	143
	463	290	468	178	350	—	—	—	1,385				214		348	110				103	312	205
	869	292	480	—	—	213	169	232	2,116						425	110				103		
	—	312	559	151	593	—	—	—	3,769						738	110				161		
						294	203	375	2,327	1,821					904	110	210	—	—	238	465	242
	1,532	350	716	—	—				3,108	1,758	3,047				733	110	—	—	—	238	498	327
	1,590	—	—	—	—	—	—	—	3,962	2,200	3,204	—	—		747	110	—	—	—	238	498	327
	1,651								4,154	2,158	3,383				736	110	480			303	498	327
	1,719								4,185	2,093	3,260				769	110	480			303	498	327
	1,768								3,192	1,889	3,240					110	480			303	498	327
	1,805	601	1,607												673	110	480			303	606	364
	1,845	605	1,616	175	859	367	223	416	3,327	1,532	3,392				519	110	480			322	1,140	546
	1,808	624	1,669			376	223	443	3,985	1,632	3,430	5,009	2,387		518	110	480			322	1,210	575
	1,770	648	1,590			383	214	426	3,663	1,563	3,607	5,176	2,579		508	110	480			322	1,317	734
	1,786	653	1,608			402	214	485	3,581	1,752	3,664	5,264	2,792		607	110	480			322	1,375	734
	1,805	660	1,626			424	218	515	3,312	1,779	3,698	5,685	2,901			110	480			322	1,439	748
	1,816	665	1,647			447	221	551	3,462	1,942	3,718	6,077	3,413		584	110	480	400	649	322	1,505	810
	1,871	670	1,661			478	229	618	3,165	2,086	3,666	6,235	3,286		517	110	480	400	649	349	1,566	831
	1,837	682	1,711			519	238	583	2,981	2,011	3,464	5,983	3,557		445	110	480	400	649	349	1,566	831
	1,825	697	1,774			543	246	587	2,438	1,842	3,401	5,338	3,015	2,195	441	201	840	800	788	384	1,566	831
	1,981	706	1,853			569	255	605	2,169	1,600	3,184	5,119	3,247	2,308	345	201	840	800	788	384	1,603	949
	1,876	725	1,883			591	261	672	2,019	1,479	3,087	5,194	3,256	2,295	337	201	840	800	788	424	1,869	1,040
	1,888	743	1,952			611	271	713	2,500	1,758	2,985	5,603	3,406	2,318	487	201	840	800	788	424	1,880	1,047
	1,932	761	2,023	473*	1,319*	651	276	804	2,673	1,926	2,965	4,975	3,337	2,326	586	201	840	800	788	450	1,907	1,056
	1,993	774	2,072			675	280	976	2,738	2,111	2,949	4,707	2,883	2,097	635	201	840	800	788	450	2,011	1,091
	2,042	—	—	—	—	—	—	—	3,254	2,495	3,016	4,381	2,566	1,929	781	201	840	800	788	432	—	—
	2,111								3,642	2,616	3,209	4,741	2,579	1,988	786	201	840	800	788			

State currency, Am-Lire.
d, redeemable debt, State notes and floating debt (ordinary Treasury Bonds - Advances by Bank of Italy - Current account at interest; interest-bearing current
a) Cassa Depositi e Prestiti, b) Institutes of Social Insurance administered by the "Cassa Depositi e Prestiti", c) Bank of Naples).
d expenditure (excluding movement of capital) as of end of fiscal year (bilancio di competenza).
ng deposits (bank and correspondent deposits excluded) with Banks and Saving Banks and Postal Saving Banks.
nt accounts of the main banks.
et gold price in Rome (1938 basis= 26 lire per gram open market price).
et dollar price in Rome (1938 basis: 19 lire per dollar).
ficial indices up to June 1943; open market price indices of the Centro Aziendale of Florence for 1945 and 1946.
in Rome.

share quotations (see also Table 28 and 29 (graphs) in Milan (as calculated by Edison Combine).
: fare indices for passenger and cargo transportation, Gas and electric power; prices of 1 cubic meter and of 1 kwh, respectively, in Rome.
salaries in a large industrial company of Milan for a semi-skilled worker and for a clerical worker.

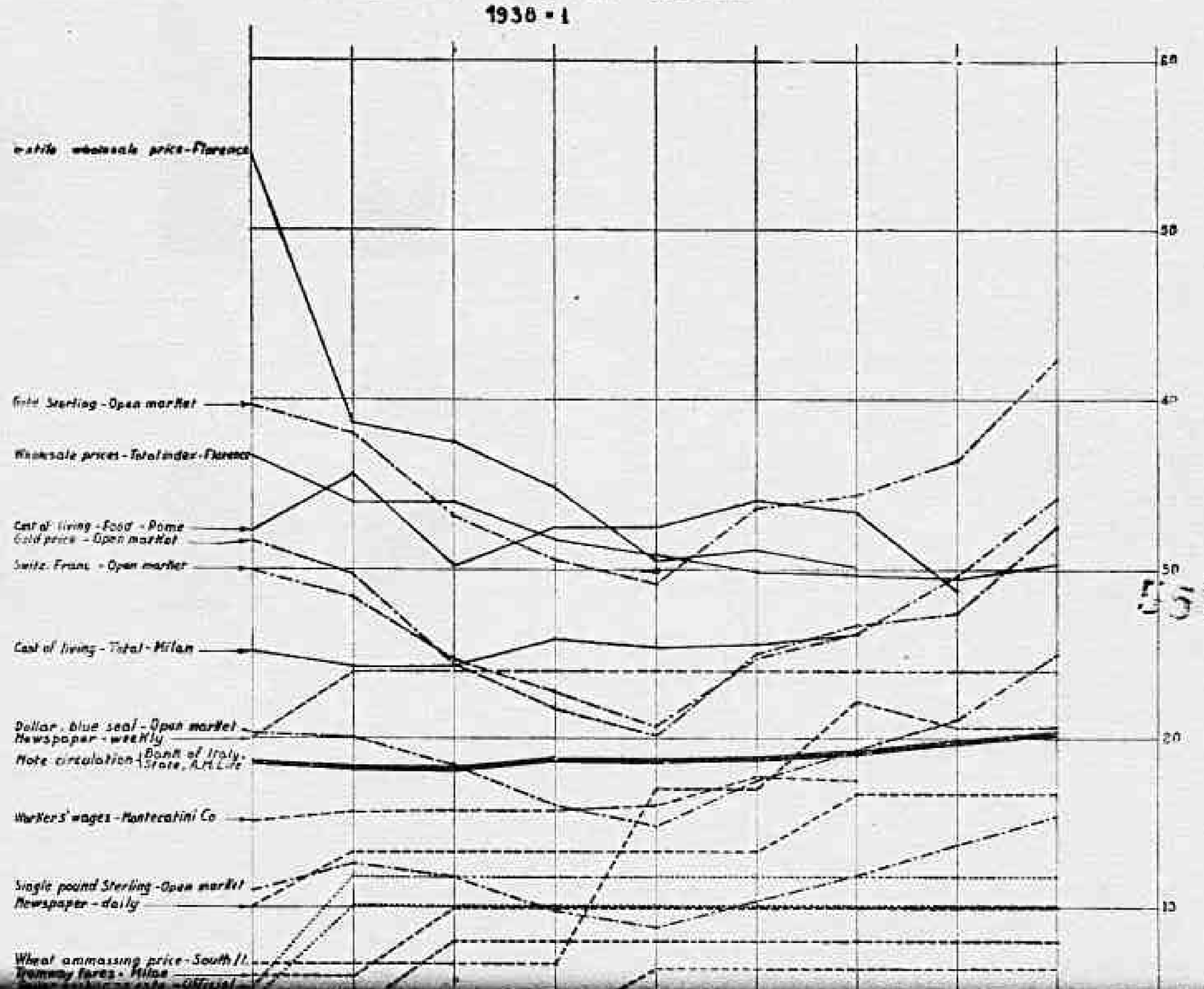
Price Movements in 1946.

212. In 1946, with the carrying into effect of the UNRRA importation plan, the gradual improvement of transportation facilities, the astute anti-inflationary monetary policy and the postponement of currency conversion, a movement towards some stability began. This resulted in a marked flattening out of the high points of the black market prices. Tables 24 and 25 (graph) show that in the first half of 1946 the price trend moves towards the monetary circulation level.

213. The price adjustment process caused a reduction of the high price differences existing from region to region in the same commodities. This is illustrated in Tables 26 and 27 (graph) showing the retail prices on the open market of bread, pasta, and dry beans in Milan, Rome, Naples, in 1938, 1945 and 1946. Much progress was thus made in 1946 along the road towards the unification of the national market. But much ground has yet to be covered before the pre-war situation of uniform prices is reached.

TABLE 25

PRICE AND MONETARY INDICES
1938 = 1



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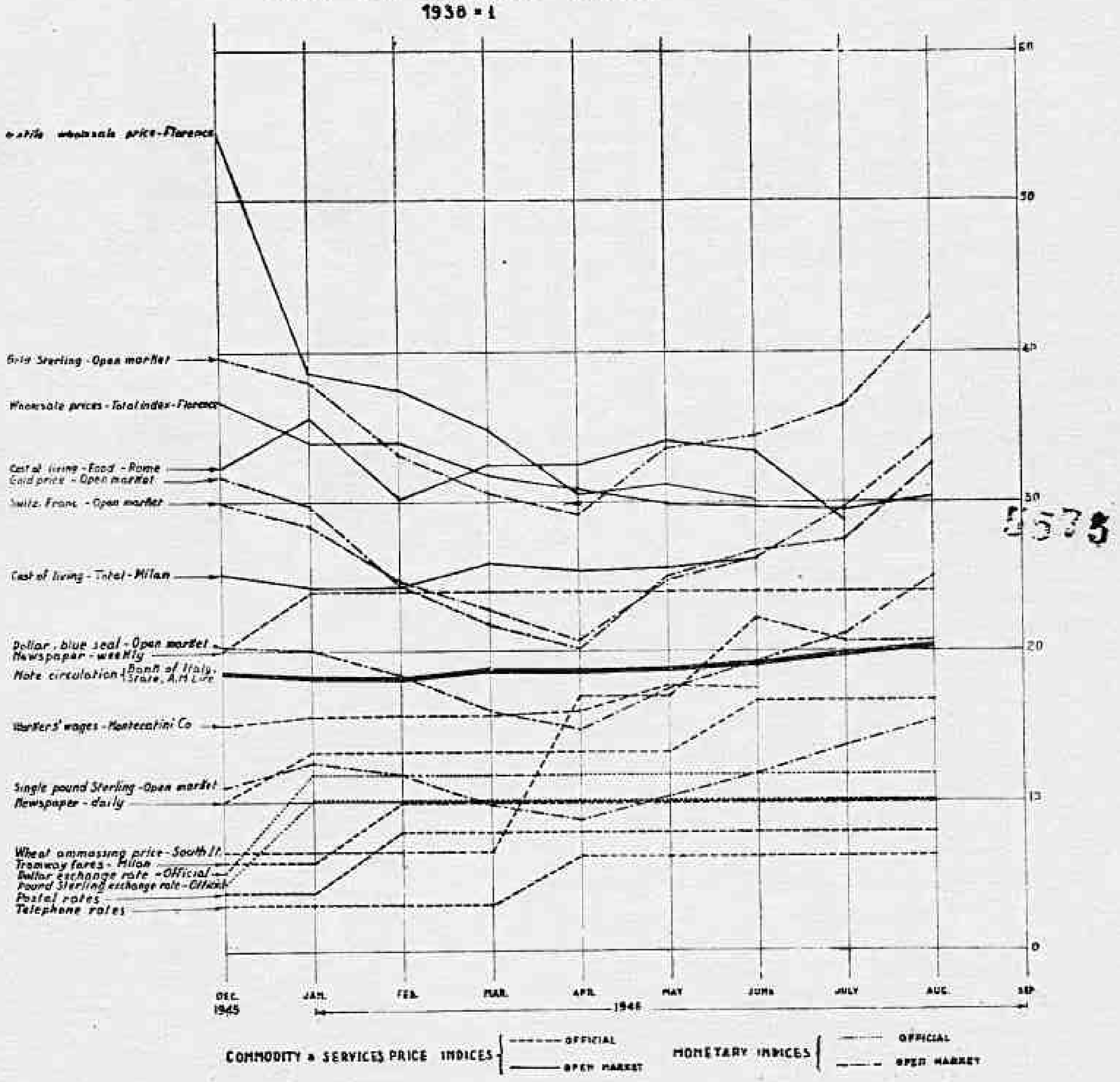
monetary policy and the postponement of currency conversion, a movement towards some stability began. This resulted in a marked flattening out of the high points of the black market prices. Tables 24 and 25 (graph) show that in the first half of 1946 the price trend moves towards the monetary circulation level.

Milan, Rome, Naples, in 1938, 1945 and 1946. Much progress was thus made in 1946 along the road towards the unification of the national market. But much ground has yet to be covered before the pre-war situation of uniform prices is reached.

TABLE 25

PRICE AND MONETARY INDICES

1938 = 1



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TABLE 26

Regional differences in Free Market retail prices

(Prices in Milan = 100)

Date	Milan		Rome		Naples	
	Lire per kg.	Index Num.	Lire per kg.	Index Num.	Lire per kg.	Index Num.
Bread						
1938	2.27	100	2.20	97	1.77	78
1945, Sept. . .	48.00	100	100.00	208	109.00	227
1946, June . .	81.00	100	127.00	157	112.00	138
1946, August .	81.00	100	57.00	70	87.00	107
Pasta						
1938	2.91	100	2.53	87	2.75	95
1945, Sept. . .	75.00	100	177.00	236	217.00	289
1946, June . .	134.00	100	216.00	161	254.00	190
1946, August .	144.00	100	177.00	123	203.00	141
Dry beans						
1938	2.01	100	2.33	116	2.03	101
1945, Sept. . .	103.00	100	160.00	155	171.00	166
1946, June . .	151.00	100	170.00	113	212.00	140
1946, August .	141.00	100	160.00	113	139.00	99

(See also Table 27 graph)

214. In this first check to the long upward price rush, official prices, particularly public utility charges (transportation, communications, gas, etc.), were gradually increased and the wide margin between these prices and the economic level reduced. This price adjustment—begun by UNRRA through the working out in conjunction with the Government of an objective price policy (see para. 291)—appeared to have been the starting point towards a more normal economic and financial situation.

215. Political, monetary and economic causes, internal and external, after July 1946 tended, however, to reverse this trend.

Summary of Main Price Changes.

216. Disturbed monetary, financial and economic structure, price disequilibrium and distortion from prewar in inter-price relationship, are shown, in broad lines, in Tables 24, 28 (graph), 29 (graph) and 30 (graph).

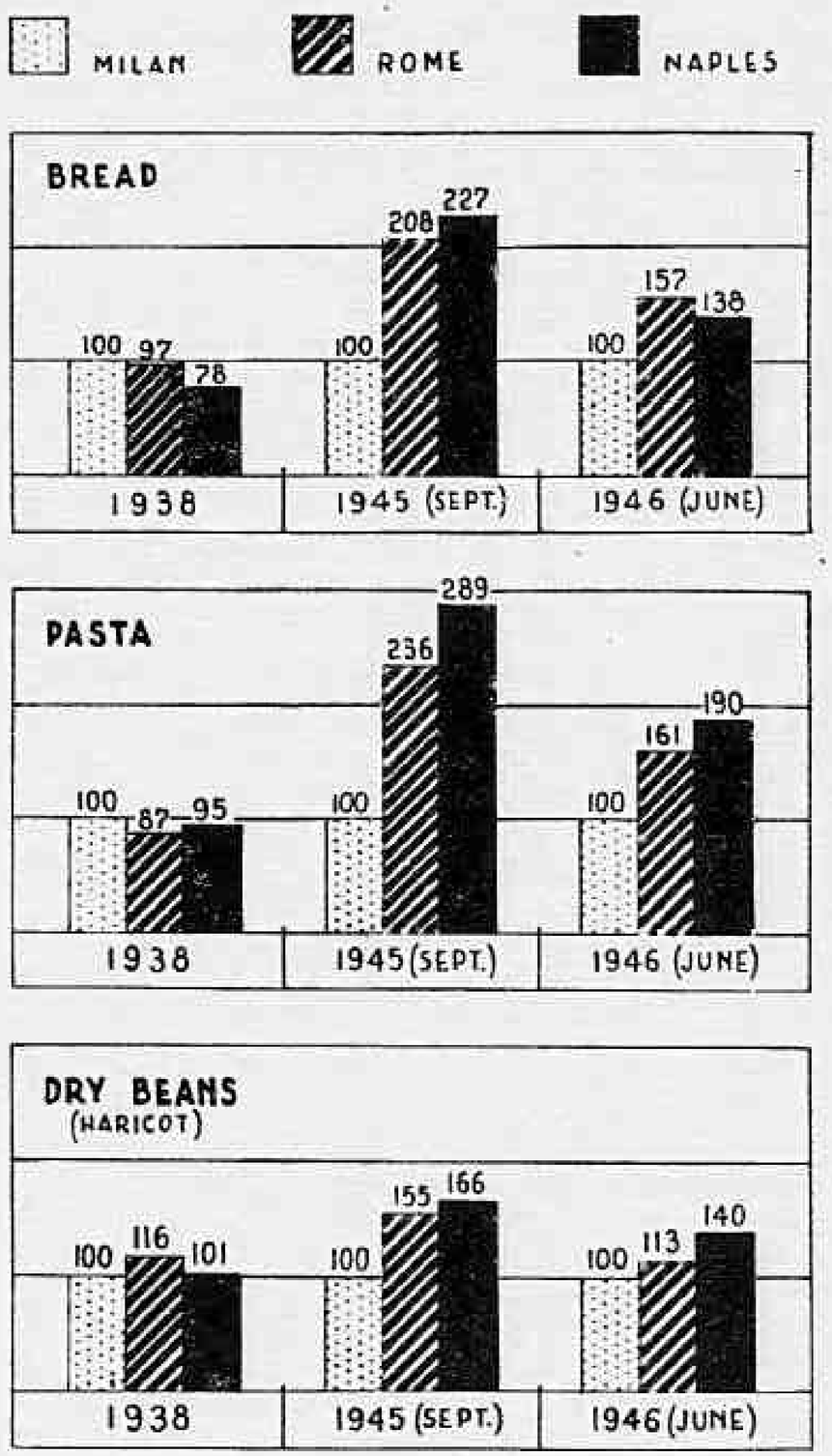
217. The following is a summary of the main considerations prompted by the examination of these data (up to June 1946):

(a) *Monetary and financial system* (which largely affects price movements):

TABLE 27

REGIONAL DIFFERENCES IN FREE MARKET PRICES

PRICE INDICES (*PRICES IN MILAN = 100*)



(ii) bank deposits have increased only 6 to 8 times: this mainly results from: (a) the considerable decrease in the flow of savings from workers and fixed income categories (real wages and salaries have fallen, on the average, to about 50 % of 1938); (b) hoarding of the lira has been a noteworthy development, especially by

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Date	Milan		Rome		Naples	
	Lire per kg.	Index Num.	Lire per kg.	Index Num.	Lire per kg.	Index Num.
Bread						
1938	2.27	100	2.20	97	1.77	78
1945, Sept.	48.00	100	100.00	208	109.00	227
1946, June	81.00	100	127.00	157	112.00	138
1946, August	81.00	100	57.00	70	87.00	107
Pasta						
1938	2.91	100	2.53	87	2.75	95
1945, Sept.	75.00	100	177.00	236	217.00	289
1946, June	134.00	100	216.00	161	254.00	190
1946, August	144.00	100	177.00	123	203.00	141
Dry beans						
1938	2.01	100	2.33	116	2.03	101
1945, Sept.	103.00	100	160.00	155	171.00	166
1946, June	151.00	100	170.00	113	212.00	140
1946, August	141.00	100	160.00	113	139.00	99

(See also Table 27 graph)

214. In this first check to the long upward price rush, official prices, particularly public utility charges (transportation, communications, gas, etc.), were gradually increased and the wide margin between these prices and the economic level reduced. This price adjustment—begun by UNRRA through the working out in conjunction with the Government of an objective price policy (see para. 291)—appeared to have been the starting point towards a more normal economic and financial situation.

215. Political, monetary and economic causes, internal and external, after July 1946 tended, however, to reverse this trend.

Summary of Main Price Changes.

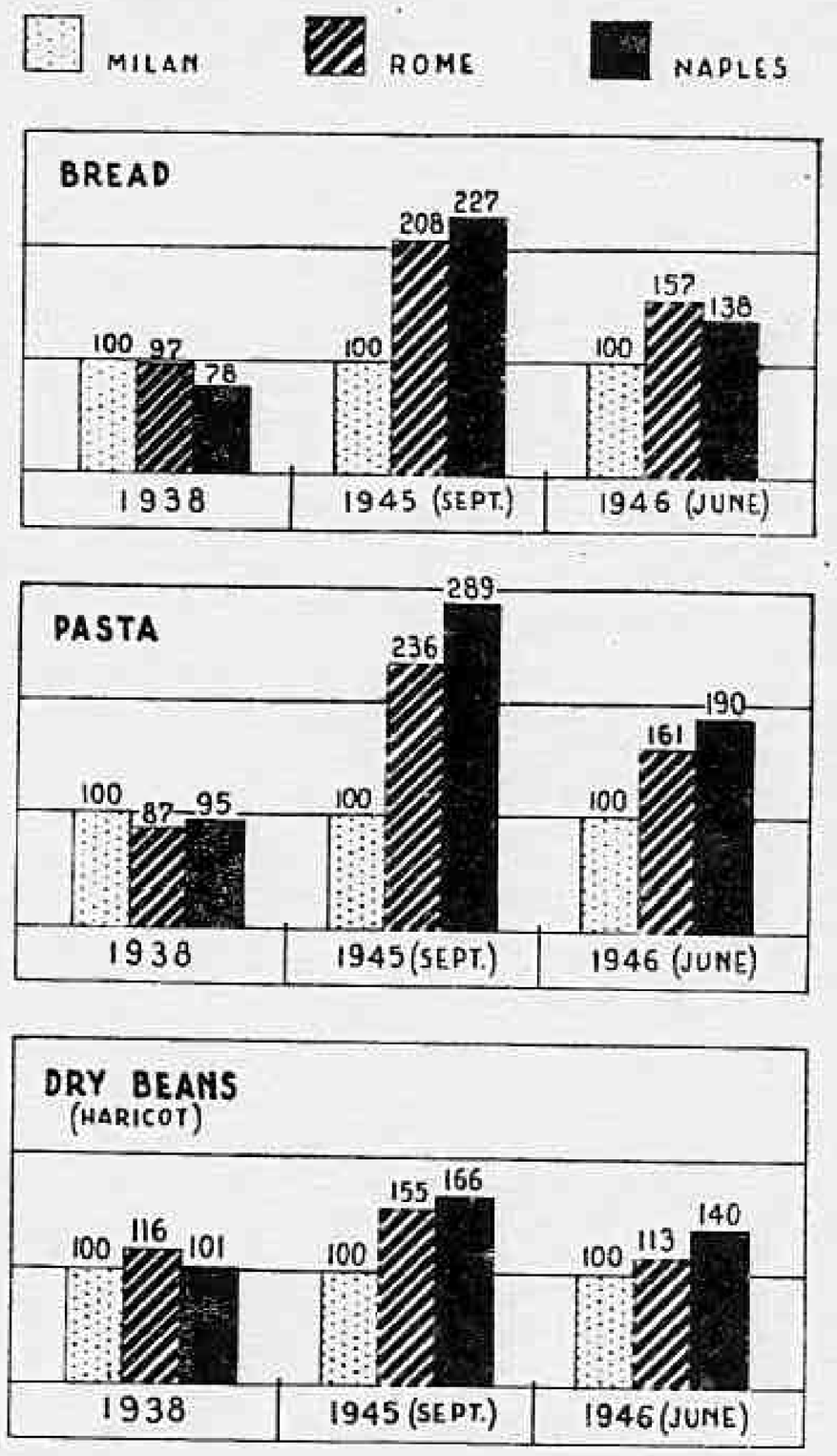
216. Disturbed monetary, financial and economic structure, price disequilibrium and distortion from pre-war in inter-price relationship, are shown, in broad lines, in Tables 24, 28 (graph), 29 (graph) and 30 (graph).

217. The following is a summary of the main considerations prompted by the examination of these data (up to June 1946):

(a) *Monetary and financial system* (which largely affects price movements):

(i) while the monetary circulation in Italy has increased 19.3 times since 1938, ordinary State revenue has increased only five times and expenditure about 13 times (thus causing a heavy financial deficit): public debt has increased 7.5 times (the floating debt alone has increased about 20 times).

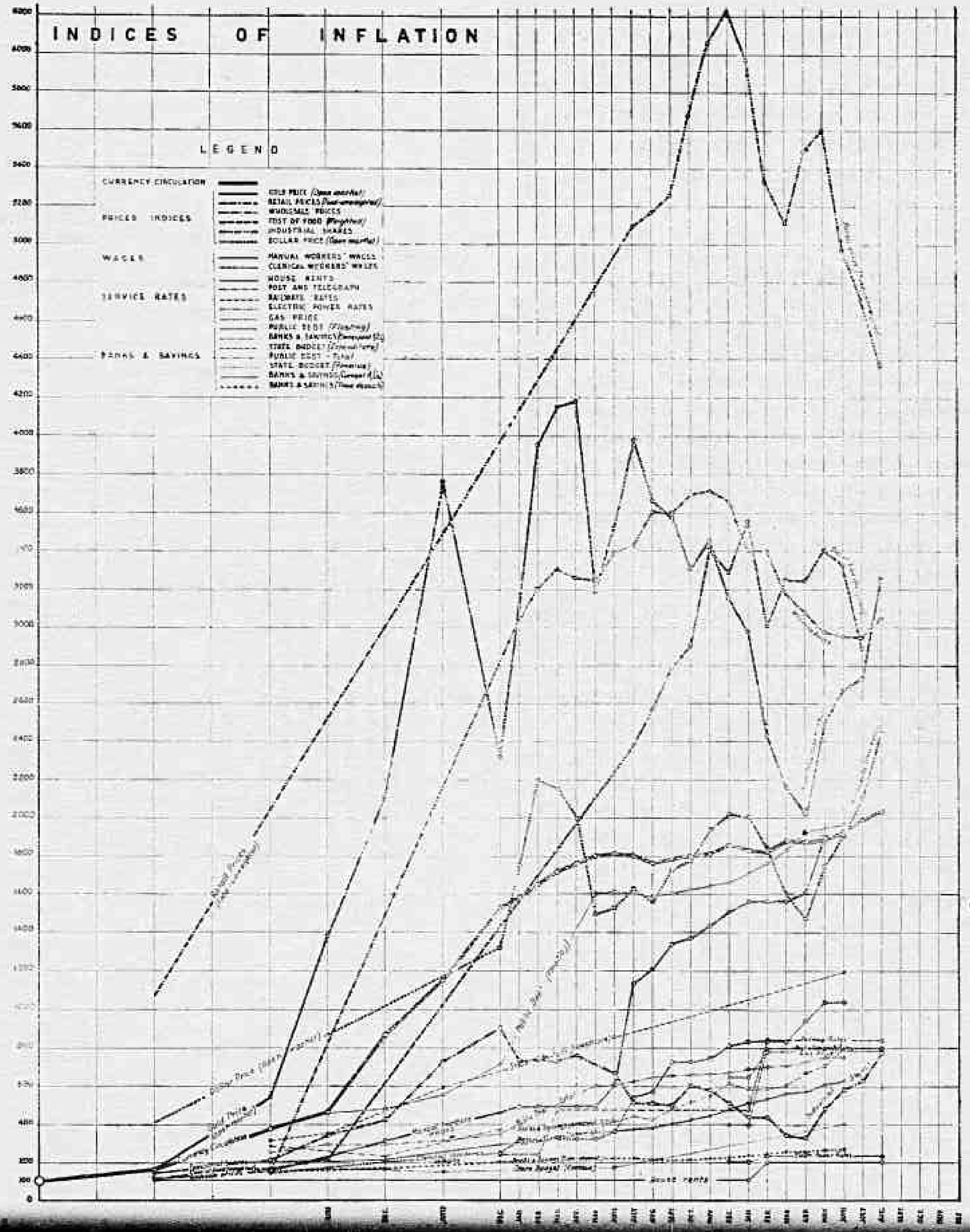
PRICE INDICES (PRICES IN MILAN = 100)



(ii) bank deposits have increased only 6 to 8 times: this mainly results from: (a) the considerable decrease in the flow of savings from workers and fixed income categories (real wages and salaries have fallen, on the average, to about 50 % of 1938); (b) hoarding of the lira has been a noteworthy development, especially by farmers; (c) many transactions (especially black market transactions) have taken place outside the banks; (d) the disparity between the level of the currency circulation and the price level makes it necessary to use, for the same volume of transactions, a proportionately greater amount of currency;

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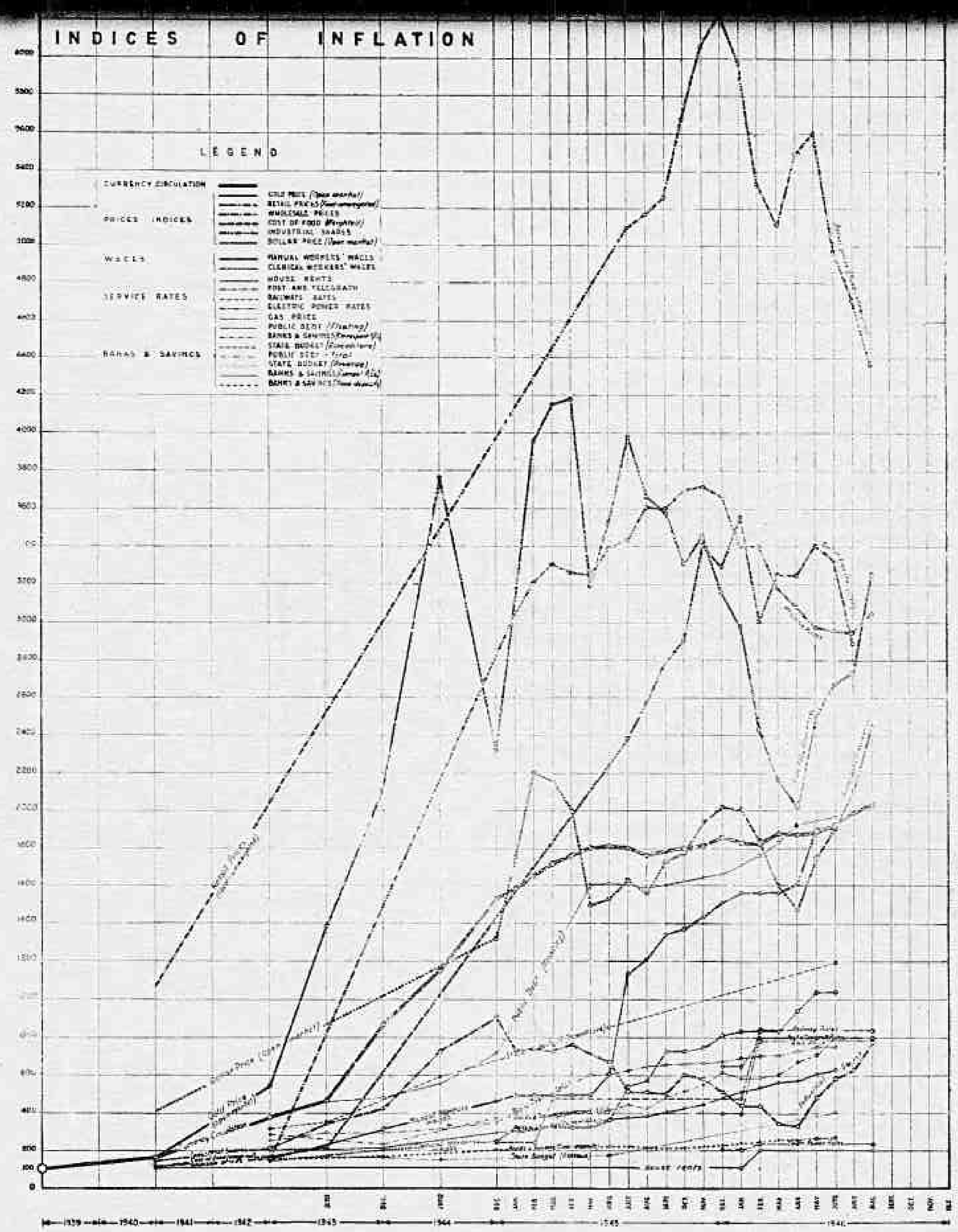
TABLE 28



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(Note: Electric Power Index Revised since Graph Prepared See Table 24).

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(iii) prices of gold and of foreign currencies have remained at a higher level than the currency circulation; the variations in these prices reflect, in a certain degree, the greater or lesser confidence in the lira, although these prices are influenced also by merely speculative activities or by commercial considerations which involve the holding of foreign currencies (e.g. for imports received without disbursement of foreign currencies - franco valuta).

(b) *Prices*:

(i) retail price indices (1938 = 1) show in June 1946 the highest increase (about 50 times). This can be explained by (a) the scarcity of food (in 1945 crop production was at the lowest point) and the low level of official rations, against which should be set, on the one hand, a high daily demand by an undernourished population and, on the other, a less effective price and consumption control; (b) higher road transportation costs (as a result of the exploitation by truck owners of the risk involved e.g., in carrying food illegally);

(ii) wholesale prices increased to June 1946 about 30 times. The slower rise of wholesale prices as compared with the rise in the retail price index can be explained by the greater elasticity of the demand for industrial products;

(iii) cost of living (food only) increased to June 1946 33 times, which is less than the rise in open market retail prices. Of Italy's food consumption more than one-half is made up of official food rations (i.e., bread, pasta, fats, sugar), sold at official prices (in the case of bread at subsidized prices), which have increased much less than open market prices. Total cost of living (including food, clothing, heat, light and miscellaneous items) shows in June 1946 a lesser increase (23 times) because family expenditures for non-food items (and in particular for rent) have increased less than those for food.

In July and August 1946 the increased official rations (bread, pasta and sugar) have resulted in a reduction of expenditure on black market

are for houses occupied by the same tenants since 1940. For leases, there is a very effective black market, particularly in large cities, where a severe housing shortage exists.

TABLE 29

INDICES OF INFLATION
IN AUGUST 1946 (1938 = 100)

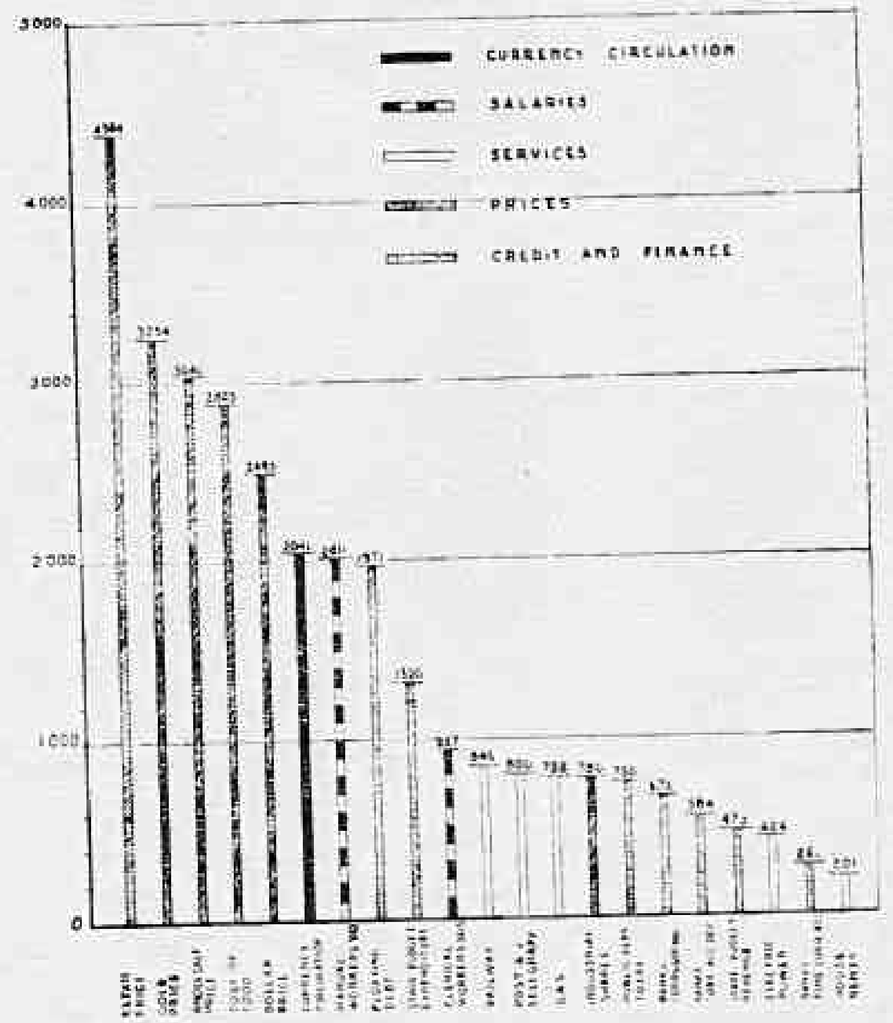


TABLE 30

SHARE PRICE INDICES IN THE MILAN STOCK EXCHANGE
DECEMBER 1938 = 100



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In July and August 1946 the increased official rations (bread, pasta and sugar) have resulted in a reduction of expenditure on black market purchases made at high prices. This explains the substantial fall in the cost of living index in those two months;

(iv) rents and services charges, easily controllable, show a smaller increase: rents twice, electric power 2.4, gas 7.9, transportation fares 8.4 times those in 1938. The index numbers for rents

TABLE 29

INDICES OF INFLATION
IN AUGUST 1946 (1938 = 100)

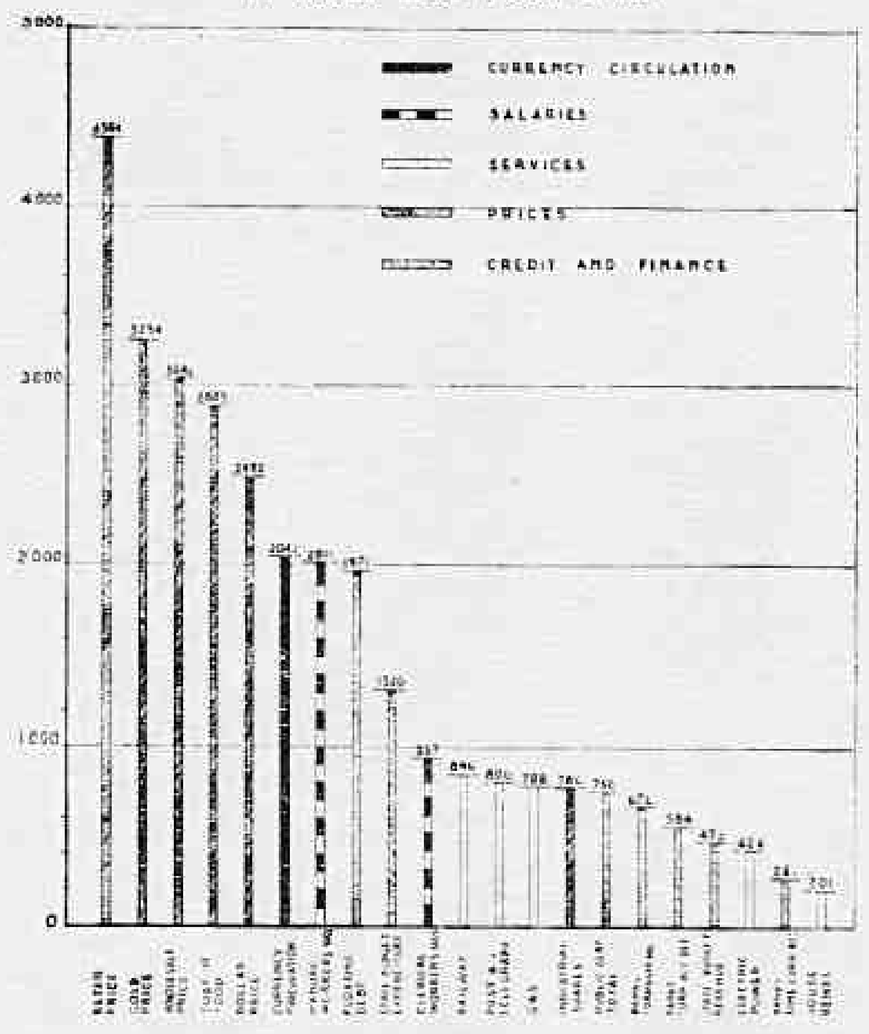
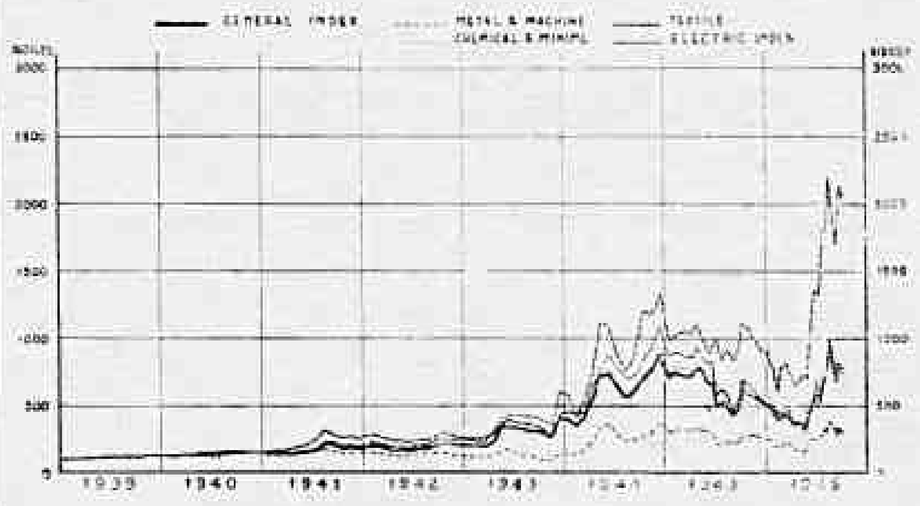


TABLE 30

SHARE PRICE INDICES IN THE MILAN STOCK EXCHANGE
DECEMBER 1938 = 100



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PRICE POLICY (1)

Determination and Control of Official Wholesale Prices.

218. The problem of the establishment and control of prices is in the foreground of the program of the Government and related to this problem is the fixing of prices by UNRRA in conjunction with the Government for the important quantities of foodstuffs, raw materials and goods brought to Italy by UNRRA in 1946. The history of price control in Italy is of interest as showing the results at the time, having regard to the current economic and political circumstances, and as providing a record of experience for future guidance. Price control has been accepted, in war-time or in times of economic instability, by all advanced countries and especially when potential or actual inflation threatens to disturb the national economy and social equilibrium. In such periods price control policy has the following aims:

(a) to deal equitably as between different income categories in the consumption of essential needs:

(b) to keep down prices to a low level, to avoid sharp rises in the cost of living and wages (2).

(c) to check inflation (in a time of scarcity of goods, this means preventing supply and demand having their effect on prices).

219. Price policy will be one of the Government's principal tasks until the economies of the various countries and international economic relations have returned to something like normal. In countries with a "directed" or "planned" economy, such a policy of control is a permanent instrument of Governmental action even in normal times.

(1) Throughout this survey, to avoid misinterpretation the following terminology has been consistently applied:

(a) *Official Prices*
Prices fixed and controlled by Government agencies (both when these agencies distribute or control the distribution of the goods involved, and when the agencies establish ceiling prices).

(b) *Black Market Prices*
Prices operating in violation of official prices.

(c) *Open Market Prices*
Prices for commodities for which there is no official price and distribution control as in (a)

(d) *Legal Prices*: These include both official and open market prices.

(e) *Free Prices*: These include black market prices and open market prices.

(i) *Establishing of Prices during the War.*

220. During the war, as a result of recurrent changes in cost of production owing to the inflation, to shortages in a number of products, and to economic and financial conditions arising from the war, it became necessary in Italy to vary more and more frequently, the official wholesale prices, which had been frozen in 1940 (see para. 195). Any departure from the frozen prices (limited at the outset to a small number of products) made changes necessary in many other prices. Since the rise of prices continued to be affected by monetary and economic influences, more and more official prices were set. Thus the interests concerned concluded that official prices should be subject to frequent revision. They were also aware that there was (and is at present) a considerable time-lag in the adjustments of official prices to actual cost variations.

221. There was thus an increasing incentive to multiply the number of transactions made at prices (i.e., black market prices) higher than those set officially and to engage in fraudulent transactions which the Departments were ill-equipped to check or stop.

222. During the war the establishment of official prices at the producer stage was the task of the Ministries concerned (Agriculture, Corporations, War Ministries, and the Ministry of Finance and their agencies). Their action was based on:

(a) official surveys of actual costs of production and of raw material processing (for a limited number of commodities);

(b) studies of variations, occurring from time to time, in the main elements of cost (raw materials, labor, transportation).

No account was taken of the increase in black market prices which was due to the natural play of demand and supply. In 1942 an Interministerial Committee on the coordination of supplies, distribution and prices was set up and entrusted with the task of framing broadly a general policy on prices, and a system of procurement and distribution of commodities. The Committee also had the task of reducing to a minimum disequilibria and maladjustments arising from a multiplicity of military and civilian agencies, all charged with the establishment of official prices.

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of prices is in the foreground of the program of the Government and related to this problem is the fixing of prices by UNRRA in conjunction with the Government for the important quantities of foodstuffs, raw materials and goods brought to Italy by UNRRA in 1946. The history of price control in Italy is of interest as showing the results at the time, having regard to the current economic and political circumstances, and as providing a record of experience for future guidance. Price control has been accepted, in war-time or in times of economic instability, by all advanced countries and especially when potential or actual inflation threatens to disturb the national economy and social equilibrium. In such periods price control policy has the following aims:

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(2) "The control of consumption is a necessary condition . . . also of the enforcement of price control, some form or degree of which all belligerent governments have in fact introduced for the purpose of checking or preventing rises in the cost of production and the cost of living. No price controls can withstand, unaided, the pressure of an increasing demand on dwindling supplies. Such controls, indeed, by holding prices at an artificially low level, tend to stimulate demand; the stricter the price control, therefore, the more rigorous must be the restrictions on demand." ("Wartime rationing and consumption," Economic Intelligence Service, League of Nations, Geneva, 1942.)

necessary in Italy to vary more and more frequently, the official wholesale prices, which had been frozen in 1940 (see para. 195). Any departure from the frozen prices (limited at the outset to a small number of products) made changes necessary in many other prices. Since the rise of prices continued to be affected by monetary and economic influences, more and more official prices were set. Thus the interests concerned concluded that official prices should be subject to frequent revision. They were also aware that there was (and is at present) a considerable time-lag in the adjustments of official prices to actual cost variations.

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223. The prices established by central agencies were, usually, either national prices applying to the whole national territory, or prices effective over large zones. Local and provincial prices were set by a percentage addition to the regional or national price. To avoid the creation of a multiplicity of local prices, especially for important foodstuffs, which would have made control

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difficult the State, in 1942 and in 1943, went so far as to lay down in detail conditions of sale. In some cases, the same price of goods was established for all provinces or for groups of provinces within a wide area (as was done, for example, for flour, pasta and bread).

(ii) *State Control of Distribution up to 1943.*

224. In periods of economic emergency, however, the policy of establishing prices (and of ensuring maximum observance and application) for essential products, involves a parallel control of distribution, which can only be carried out by the State or by Government-controlled agencies. This involves the regulation and control of distribution from raw material to finished product through the chain of production and distribution (1).

225. These measures were taken in Italy before the war and the control was strengthened during the war. State intervention was in some cases extended to include the disciplining of production (e.g., standardization and unification in textile production, utility standard products, amalgamation of industrial companies etc.) (2).

226. To exercise control over distribution the State usually decreed that all agricultural and industrial stocks and imported supplies in the hands of producers or distributors, should be held at the disposal of the State (or of the appropriate agencies), and their sale considered unlawful except when permitted under Ministerial order (3).

227. For the distribution of *domestically produced goods* (internally and, sometimes, goods allocated for export) two systems were in force; i.e.:

(a) In the collection (*amassing*) of wheat and cereals, olives, oil, cattle (4), cocoons, metallic ore etc. the producer had to transport and deliver his products to the State amassing warehouses (or to warehouses of agencies especially appointed by the State). The products were then allocated, at the established prices, to the processing or consuming industries, according to Ministerial order or the order of the appointed agencies.

(b) Commodities in the hands of producers or distributors were blocked and made subject to a declaration of quality and quantity. The blocked goods were then released under an "allocation" (assegnazioni) order by the Government or appropriate agencies and were free for sale at the set price.

The amassing system applied mainly to agricultural produce, while the "block" and the allocation systems applied to industrial products and to some agricultural raw materials.

228. The State-controlled allocation system governed all main *commodities imported from abroad* (the State having a monopoly of foreign trade and control of currencies). For the import trade and even the export trade before the war some special "central agencies" ("Enti accentratori") were set up, charged with the task of allocating imported goods to manufacturers or consumers under regulations issued by the appropriate ministerial agencies.

229. These agencies screened the requirements put forward by individual firms or appointed committees (central and local committees) or by representatives of the various branches of industry and commerce (or by representatives of purchasing firms) to draw up quota ("contingente") plans showing the allocations to each branch of industry.

230. At the beginning of 1942 about thirty "Enti accentratori" (governmental or quasi-governmental agencies, companies, consortia, associations etc.) had a monopoly of imports (and frequently a monopoly of the export of the same goods). These organizations in some cases also controlled internal distribution of the

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(1) "But while price controls are not likely to prove effective for long if unaccompanied by quantitative controls over demand and supply, they continue to be required even after the imposition of such quantitative controls." ("Wartime rationing and consumption" c.f.)

(2) "The most drastic measure . . . is the total prohibition of the manufacture of certain consumers' goods. Other measures commonly enforced include the compulsory restriction of the range of types and varieties produced, the limitation of output to a given percentage of pre-war output (as under the Limitation of Supply Order in the United Kingdom), the prohibition of the use of certain raw materials and the restriction of the quantities released for the manufacture of consumers' goods. The scale of such manufacture is also directly influenced by the withdrawal of labour from the consumers' goods industries." ("Wartime Rationing and

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(3) To ensure continuous control in agricultural production a special organization was created (and still exists) in all communes in all provinces, as well as central agencies (e.g., Ufficio Nazionale Statistico Economico dell'agricoltura - UNSEA - National Statistical and Economic Office for Agriculture), for the purpose of receiving from farmers, and checking, schedules of agricultural production. The organization was financed through fees (aliquota di maggiorazione) collected on each quintal of cereals entering the "people's granaries" (amassing centres).

(4) For livestock, compulsory "raduni" (livestock assembly centers) were organized and held weekly or periodically. Cattle breeders and feeders were compelled to take to the livestock assembly centers a specified percentage of their livestock. The highest percentage was set at 35 per cent. The percentages varied from province to province (from 15 to 35 %) according to local conditions and the type of cattle (milk and meat), with exemptions and limitations for small breeders. The livestock assembly system came to an end in Central and Southern Italy after liberation but continued, north of the Gothic line, until April 1945.

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commodities under their charge (1). Whenever the import price (with the addition of distribution expenses) was higher than the official price, as set by the appropriate agencies, the State, after a check had been made by inspectors of actual costs, reimbursed the difference to the importers. This expenditure was borne on the State budget.

(iii) *State Control of Distribution after July 1943.*

231. South of the Gothic line, most of these agencies had by July 1943 ceased to function, while north of the line, they continued to operate until the early months of 1945. In 1946, with the return of State-control in foreign trade, a number of agencies (which had not been legally dissolved) have resumed or are resuming their former functions (Italian State Railways, Federation of Agricultural Consortia, A.M.M.I., etc.)

232. When the Allies landed in Italy, official prices governed the sale of all agricultural products (according to quality grades) and of a substantial number of industrial products (both home produced or imported), including raw materials, and finished and semi-finished products.

233. When Southern and Central Italy were liberated, the only control system in operation in 1944, and that not efficient, was for the amassing of wheat and other main cereals in granai del popolo (the people's granaries). Reorganization of grain collection was put in hand in Central and Southern Italy in October 1944, with the setting up—as a result of the pressure brought by the Allied Commission—of the "Interministerial Price Committee" (2) and, in the provinces, of the associated "Provincial Price Committees."

234. North of the Gothic line the price control and the distribution system continued to be operative (in December 1943, a "General Commissariat of Prices" and subsidiary "Provincial Committees" were set up). These bodies which were supervised, after the liberation, by the "Committee of Liberation for Northern Italy" (representative of the underground struggle against nazis and fascists), carried on the work of control. The Committee of Liberation created a "Comitato Prezzi Alta Italia" (C.P.A.I. - Northern Italy Price Committee) with headquarters in Milan, for the periodical publication of official prices. The C.P.A.I. remained in operation until early in 1946.

235. Thus from April 1945 onwards, there have been in existence two different systems of price control (and various schemes of distribution): one system in Northern Italy and the other in Central and Southern Italy. The inefficiency of the latter and the wavering price control policy of the Government were responsible in Central and Southern Italy for a comparatively larger extension of black market activities which were less concealed than in Northern Italy. The black market was not slow to take advantage of the presence of the Allied Armies stationed in Italy. Failures to comply with the regulations were in most cases tolerated.

236. It was not until the beginning of the second quarter of 1946 that the price controls were unified and restored to a national basis. This led, in May 1946, to the revision of the items of reference and duties of the "Interministerial Price Committee." Its jurisdiction now covers the whole of Italy (including Sicily and Sardinia) (3). For UNRRA imported commodities, the UNRRA Mission, in conjunction with the Italian Government, set up a Price Committee (see paras. 292 to 302).

237. There is still much to be done to improve the efficiency of the price control system and there has been a lack of clear direction from the authorities. The Government has, on the one hand, been actuated by a desire to remove all war-time hindrances and to grant gradually freedom of production and trade, in a large number of products (a policy which would imply the removal of the existing control offices and agencies), while, on the other hand, there has been an appreciation of the need to maintain at least during the

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(1) Thus the "Ufficio Monopolio Carboni" (Office for the Coal Monopoly), which also had a monopoly on tin, nickel and copper, was, for instance, put under the administration of the State Railways. The "Ente Distribuzione Rottami" (ENDIROT - Agency for the distribution of iron and steel scrap) imported scrap iron and steel, pig-iron and rags, and was responsible for internal distribution of imported scrap metals and nationally produced scrap. The "Azienda Mineraria Metalli Italiana" (AMMI - Italian Agency for ores and metals) was concerned with the importation and distribution of metal ore, iron alloys etc. The "Società Approvvigionamento Industrie Saponi" (S.A.I.S. - Society for Supplies for [illegible] and the "Società Appenina Im-

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(2) This committee was charged with the establishment of prices for all kinds of goods, at all stages of distribution (acting on the basis of "proposals" already screened by the Ministries concerned). The committee could make recommendation for the regulation of procurement and distribution of the more important commodities. A central board, responsible to the committee, was charged with the preliminary screening work.

These bodies which were supervised, after the liberation, by the "Committee of Liberation for Northern Italy" (representative of the underground struggle against nazis and fascists), carried on the work of control. The Committee of Liberation created a "Comitato Prezzi Alta Italia" (C.P.A.I. - Northern Italy Price Committee) with headquarters in Milan, for the periodical publication of official prices. The C.P.A.I. remained in operation until early in 1946.

235. Thus from April 1945 onwards, there have been in existence two different systems of price control (and various schemes of distribution): one system in Northern Italy and the other in Central and Southern Italy. The inefficiency of the latter and the wavering price control policy of the Government were responsible in Central and Southern Italy for a comparatively larger extension of black market activities which were less concealed than in Northern Italy. The black market was not slow to take advantage of the presence of the Allied Armies stationed in Italy. Failures to comply with the regulations were in most cases tolerated.

236. It was not until the beginning of the second quarter of 1946 that the price controls were unified and restored to a national basis. This led, in May 1946, to the revision of the items of reference and duties of the "Interministerial Price Committee." Its jurisdiction now covers the whole of Italy (including Sicily and Sardinia) (3). For UNRRA imported commodities, the UNRRA Mission, in conjunction with the Italian Government, set up a Price Committee (see paras. 292 to 302).

237. There is still much to be done to improve the efficiency of the price control system and there has been a lack of clear direction from the authorities. The Government has, on the one hand, been actuated by a desire to remove all war-time hindrances and to grant gradually freedom of production and trade, in a large number of products (a policy which would imply the removal of the existing control offices and agencies), while, on the other hand, there has been an appreciation of the need to maintain at least during the long emergency period a control on prices and distribu-

(3) The new committee, which is presided over by the President of the Council of Ministers, is considering the possibility of creating separate Sub-commissions—central or local commissions—for various branches of production and for foreign trade.

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tion for essential products and services (1). A real difficulty is a lack of officials of the right experience and quality equipped to carry on efficiently the price control offices.

238. For these reasons the disorder in price and distribution control increased. There was an expansion of black market activities and a gradual weakening of the authority of central and local offices charged with the control of prices and production. The UNRRA price policy was not assisted in this environment.

239. UNRRA's policy, limited to the fixing of prices of UNRRA-imported goods, was designed to favor within reasonable limits, the natural downward tendency of the price level (shortage of goods had caused all prices to rise to abnormal levels). In Italy's situation in 1946, any plan for setting prices at a lower level than those ruling on the domestic market, would almost inevitably result in an advantage for the first buyer of the imported goods (with some exceptions such as fuel sold to the State Railways). In the absence of proper control the first buyer could continue to charge the old prices for finished products and thus would be the only one to profit from the price difference. There would be therefore no benefit for the consumer and no influence on the price level.

240. Since the end of August, in the face of nation-wide labor unrest and discontent, the Government has need of a clearly thought-out and consistent policy of price control and distribution.

Efficacy of Price Control.

241. Past experience in some European countries has shown that the intervention of the State in the control of prices—especially in times of inflation and of shortage—leads (as a result of a not easily-avoidable process) to the gradual spreading of governmental action to all sectors of the national economy. This in turn, to be efficient, entails a direct control on distribution (sometimes on production) for an increasing number of products. State control has been more effectively exercised in those cases where production of controlled commodities is highly concentrated, e.g., the steel, textile, leather and glass industries.

242. The experience of the past also suggests that disadvantages resulting from State intervention can be minimized only (a) by the preparation of well-defined plans and (b) by the appointment of skilled, experienced and incorruptible personnel working in the central and local agencies charged with price control and distribution. Only thus can the organization have the necessary authority and respect to carry through the responsible and delicate operations involved.

243. Whatever may be the judgment on the price control policy adopted in Italy in the past, it can be said that the organization of price control and of price regulation, despite some serious shortcomings, succeeded in checking a rise of the general price level, of the cost of living and of wages, up to the moment when the Italian economy was entirely disrupted by rising inflation and by actual fighting in Italy itself. The State also ensured the rationed distribution of a barely adequate physiological food intake to the population, and of raw materials and products to industry (coal, fuel, ores, metals, etc.), at prices which were reason-

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(1) Many raw materials and many finished products, formerly "frozen," were gradually released. They could thus be sold freely and at free prices. The price control on agricultural products is now confined to cereals, for bread and pasta, and to sugar, and, to a limited extent, also to olive oil.

For industrial products the "block" applies to the following list of products (September 1946):

A. *Blocked products at the disposal of the Ministry of Industry and Commerce:*
   1. Thin metal sheets (up to 4 mm.): tin plates, magnetic thin metal sheets.
   2. Olive oil with a percentage of acid higher than 30 %.
   3. Oleine and vegetable oils, pasta, dregs and grounds of oil (produced before the date of the decree coming into force).
   4. Calcium carbide.

B. *Blocked products at the disposal of the Ministry of Agriculture and Forests:*
   1. Chemical fertilizers (simple and compound) (except superphosphates).
   2. Cryptogram antidotes and insecticides used for agriculture (except sulphur, copper sulphate, arseniates, arsenites, oxichloride and copper cryptogram's antidotes with a small content of copper).

C. *Controlled products with a specified control:*
   1. Solid fossil fuel (national and imported coal; lignites; gas and metallurgic coke).
   2. Products obtained from the distillation of coal (gas for industrial consumption - raw tar - light oils obtained from tar and from gas - heavy, semi-heavy and anthracene oils - pitch - naphthalene - anthracene).
   3. Petrol products, solid and liquid fuel; lubricants and solvents.
   4. Raw hemp and hemp semi-finished products.
   5. White newsprint in rolls.
   6. Automobile and motorcycle tires.
   7. Leather - leather soles and upper-parts of shoes. (Only for stocks with the producers, frozen and kept at the [illegible] Ministry of Industry and Commerce.)

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control offices.

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239. UNRRA's policy, limited to the fixing of prices of UNRRA-imported goods, was designed to favor within reasonable limits, the natural downward tendency of the price level (shortage of goods had caused all prices to rise to abnormal levels). In Italy's situation in 1946, any plan for setting prices at a lower level than those ruling on the domestic market, would almost inevitably result in an advantage for the first buyer of the imported goods (with some exceptions such as fuel sold to profit from the price difference. There would be therefore no benefit for the consumer and no influence on the price level.

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243. Whatever may be the judgment on the price control policy adopted in Italy in the past, it can be said that the organization of price control and of price regulation, despite some serious shortcomings, succeeded in checking a rise of the general price level, of the cost of living and of wages, up to the moment when the Italian economy was entirely disrupted by rising inflation and by actual fighting in Italy itself. The State also ensured the rationed distribution of a barely adequate physiological food intake to the population, and of raw materials and products to industry (coal, fuel, ores, metals, etc.), at prices which were reasonably stable or, at least, not widely divergent from the normal costs of production and distribution. Thus it has been possible to curb psychological inflation, which, in times of emergency, is a main factor in stimulating actual inflation.

244. Since price control and commodity allocation were adopted before and during the war, by many countries, the views of the Bank of International Settlements

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   1. Chemical fertilizers (simple and compound) (except superphosphates).
   2. Cryptogram antidotes and insecticides used for agriculture (except sulphur, copper sulphate, arseniates, arsenites, oxichloride and copper cryptogram's antidotes with a small content of copper).

C. *Controlled products with a specified control:*
   1. Solid fossil fuel (national and imported coal; lignites; gas and metallurgic coke).
   2. Products obtained from the distillation of coal (gas for industrial consumption - raw tar - light oils obtained from tar and from gas - heavy, semi-heavy and anthracene oils - pitch - naphthalene - anthracene).
   3. Petrol products, solid and liquid fuel; lubricants and solvents.
   4. Raw hemp and hemp semi-finished products.
   5. White newsprint in rolls.
   6. Automobile and motorcycle tires.
   7. Leather - leather soles and upper-parts of shoes. (Only for stocks with the producers, frozen and kept at the disposal of the Ministry of Industry and Commerce.)
   8. Cement, steel blooms, steel ingots, billets, sectioned steel of all sizes; steel rods; metal sheets (more than 4 mm. thick); pigs of lead of all sizes, just smelted: only for the production quota needed to meet essential needs of the Administration and of the agencies, which deal specifically with reconstruction, in accordance with the plans approved by the Ministry of Industry and Commerce.

The industrial products (foodstuffs excluded) not included in the list shown above, may however be "blocked" by the Ministry of Industry and Commerce (even for particular lots), when their allocation within a rationing system becomes necessary on account of their shortage.

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(B.I.S.), as stated in its 16th report (1 April 1945 to 31 March 1946), are of interest:

"Countries which for administrative or other reasons have not applied effective control measures and in some cases, had to cope with exceptionally heavy spending within their borders have experienced considerable price increase, with the result that their price levels have sometimes been raised to, or even beyond, the high points reached during the first world war. That has been the case in, for instance, Portugal, Egypt, Palestine, Syria and British India—all countries which made large sales to foreign troops stationed in their territories or had large export surpluses, thus being able to accumulate substantial additions to their monetary reserves of gold and foreign exchange. Finally, it should be mentioned that in some countries, and most disastrously in China, Greece and, recently, Hungary, a full-blown inflation got the upper hand, prices soaring to astronomical figures. But these were exceptions; from a general point of view, the verdict must be that the price control reinforced by rationing and government subsidies introduced during the second world war proved successful in preventing wild price rises and did so in spite of huge spending by the governments.

"It is, however, important that the efficacy of a system of price control should not be overrated, in forgetfulness of the conditions which have to be fulfilled for its satisfactory functioning.

"In *the first place*, a high standard of administrative ability is required if the system is to be adequately run. It is not only a question of finding officials who are reliable and otherwise qualified to handle the problems arising but also of seeing that the administration as such commands sufficient authority to ensure among the public at large respect for the regulations in force. There are signs that in peacetime the behaviour of the public is going to differ from what it was during the war. While a nation is engaged in a deadly struggle for its very existence, individual citizens can be counted upon to lend their aid willingly to the authorities, it being a point of honour to fall into line as regards both civilian and military tasks.

"But, when the national emergency has passed and everyday life begins again, the attitude often changes into one sharp criticism whenever mistakes are committed, together with a distinct inclination to safeguard private interests; the task of the officials then becomes more difficult. Another reason is that with a return to peace there is no longer any definite objective (like the winning of the war) which has a clear priority over other considerations. From a psychological point of view the danger is that regulations may be broken without any condemnation by public opinion, the reaction of the public providing by purchasing outside the official system of distribution and to do that even when very high prices had to be paid.

"In *the third place*, account must be taken of certain important international aspects of the price control problem. If there is a fair measure of stability in the general level of prices on world markets, it may not be too difficult for an individual country to maintain stable prices. Thus after 1933 Germany benefited from the relatively stable level of prices within the wide sterling area; and, although the individual countries did not realise it, the generalised effort of 1942 to introduce an effective price control was, no doubt, a prerequisite for the success which they achieved in checking sharp rises during the latter stages of the war.

"*Fourthly*, it is well to remember that a freezing of prices, such as happened in Germany during the war, eliminates some valuable forces making for economic adaptation and thus hinders rather than helps economic progress. An elastic price system has received more vindication during the second world war than is generally realised.

"*Fifthly*, more should not be claimed for the price control than it has really achieved."

Political (subsidized) Prices.

245. Before, during and after the war, the State intervened by granting subsidies of various kinds and their cost was registered in the Italian State budget (1). In times of moderate inflation, or when inflation is only in its first stages, and in times of high psychological sensitivity of the public, the political prices have been designed, on the one hand, to curb a rise in the cost of living and to stabilize wages (and thus avert the beginning, or the intensification, of a process

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(1) Many countries have adopted political prices, before and after the war. The "Bank of International Settlements" published, in its 1942/43 report, the following figures:

Subsidies of the State for price integration announced for the year 1942-43:

Countries	Millions of currency national units		Millions of Swiss francs
Argentina . .	Pesos	240	230
Canada . . .	Canadian dol.	70	260
Croatia . . .	Kune	2,000	170
Eire . . .	Irish pound	3.6	60

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heavy spending within their borders have experienced considerable price increase, with the result that their price levels have sometimes been raised to, or even beyond, the high points reached during the first world war. That has been the case in, for instance, Portugal, Egypt, Palestine, Syria and British India—all countries which made large sales to foreign troops stationed in their territories or had large export surpluses, thus being able to accumulate substantial additions to their monetary reserves of gold and foreign exchange. Finally, it should be mentioned that in some countries, and most disastrously in China, Greece and, recently, Hungary, a full-blown inflation got the upper hand, prices soaring to astronomical figures. But these were exceptions; from a general point of view, the verdict must be that the price control reinforced by rationing and government subsidies introduced during the second world war proved successful in preventing wild price rises and did so in spite of huge spending by the governments.

"It is, however, important that the efficacy of a system of price control should not be overrated, in forgetfulness of the conditions which have to be fulfilled for its satisfactory functioning.

"In *the first place*, a high standard of administrative ability is required if the system is to be adequately run. It is not only a question of finding officials who are reliable and otherwise qualified to handle the problems arising but also of seeing that the administration as such commands sufficient authority to ensure among the public at large respect for the regulations in force. There are signs that in peacetime the behaviour of the public is going to differ from what it was during the war. While a nation is engaged in a deadly struggle for its very existence, individual citizens can be counted upon to lend their aid willingly to the authorities, it being a point of honour to fall into line as regards both civilian and military tasks.

"But, when the national emergency has passed and everyday life begins again, the attitude often changes into one sharp criticism whenever mistakes are committed, together with a distinct inclination to safeguard private interests; the task of the officials then becomes more difficult. Another reason is that with a return to peace there is no longer any definite objective (like the winning of the war) which has a clear priority over other considerations. From a psychological point of view the danger is that regulations may be broken without any condemnation by public opinion, the reaction of the public providing a test of general sentiment and a deterrent often more effective than sanctions of the law.

"In *the second place*, it must be underlined that no country has been able to maintain an orderly distribution and stable prices without having at its disposal a sufficient supply of commodities to meet the vital needs of the population in regard of food, clothing and other utility goods. Wherever there was an acute shortage in the supply of necessary commodities, it proved impossible to prevent the population from trying to satisfy its imperative needs

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Countries	Millions of currency national units		Millions of Swiss francs
Argentina	Pesos	240	230
Canada	Canadian dol.	70	260
Croatia	Kune	2,000	170
Eire	Irish pound	3.6	60
Finland	Finnish marks	1,600	140
France	French francs	3,000	300
Germany	Reichsmarks	1,000	1,730
Japan	Yens	400	400
Great Britain	Pounds sterling	180	3,100
Italy	*Lire*	*12.000*	*2,760*
Slovakia	Slovakian Crowns	300	50
Sweden	Swedish Crowns	220	230

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of inflation, which is always aggravated by psychological reactions of the public) and, on the other, to keep sale prices at a stable level.

246. Political prices have been applied, in different forms, to agricultural products, and also to essential industrial products (1). In some cases the State, in granting a subsidy, is prompted by the desire of maintaining efficiency in a domestic production which would not otherwise be economic, owing to the lower cost of imported goods. Such has been recently the case with Italian coal (one fifteenth to one tenth of the total Italian consumption) since its cost of production is higher than the price established by UNRRA for UNRRA-imported coal. (The difference of price is paid out of the lira fund.) (2)

247. The expenditure involved in the political price of bread has recently so increased that the State is not able to bear the burden. For the wheat produced in Italy (and excluding UNRRA-imported wheat or the quantities of wheat imported from abroad by the Government to meet Italy's wheat requirements) the political subsidy in a year amounted to 50,000 million lire (3).

248. Should the establishment of a political price cause, in its turn, an inflation, its purpose would be clearly defeated. The Bank of International Settlement has the following to say on this point:

"To make such a policy successful, however, it was necessary for the amount paid out in subsidies to be raised *without inflationary effects*, since such effects, if they had occurred, could easily have cancelled out the advantages accruing from the relatively low prices charged for food. It was, indeed, a necessary condition for the success of a policy of subsidies that financial stability should not be profoundly shaken and that, in particular, government credit should remain intact. When that was not the case, when, for instance, the price rise had already gone so far that current prices had lost all contact with pre-war levels (having risen not forty or fifty per cent, but four or five times), when, in fact, the depreciation in the real value of the currency made it impossible to place large loans among the public, then the device of large-scale subsidising would no longer arrest but only accelerate the inflationary movement.

"Another condition for success in the application of subsidies as well as in the application of price control was that sufficient supplies should be available to the public under the rationing system; otherwise the public would be driven to black markets and the workers, by demanding increased wages to enable them to buy on such markets, would upset the wage policy. In many countries, however, conditions were present for an effective working of a system of subsidies and, so long as the emergency lasted, the governments were anxious to use the subsidies in order to keep the increase in wages as moderate as possible, well knowing that a wage rise would be followed by a price rise and necessitate greater and greater additions to the public debt. Only when the true nature of the wartime achievements is realised does it become clear what a difficult problem faces the authorities at present.

"The remaining large subsidies constitute a heavy burden on the budget, limiting the amount available for fiscal relief or social reform. Subsidies are a most uneconomic way of helping the needy, for they give low prices also to groups of citizens for whom the basic cost of food is of no substantial consequence and who could therefore afford to defray the full cost directly instead of being subjected to the complication of paying via the tax system (including turnover and sales taxes, which fall on all classes).

"A sudden rise in the cost of living as a result of a cut in the subsidies may, however, have political and other consequences not easily overcome.

"After the last war there was an abrupt fall in agricultural prices and this brought with it a fall in the cost of living from the high levels reached in the first world war. Whether a similar fall in the prices of agricultural products will occur this time is open to doubt. The agricultural sector in many countries has been promised price support and it is likely that almost everywhere great political [illegible] directed against a price decline.

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(1) The Italian Government, for instance, for the agricultural year 1942-3, paid premiums and integrative quotas to farmers for [illegible] and hard wheat), maize, husked rice, oats, barley, rye, [illegible]. The State also paid the difference between the prices (which were frozen in 1938) and the actual cost of imported, [illegible] of nationally-produced raw-materials (e.g. lead or tin). The State, also, set political prices through the granting of subsidies on production.

(2) For a description of the Lira Fund, see Supplement to "Economic Notes" Vol. 1 No. 31, pages 59 to 61.

(3) Such a high burden results from:

(a) the difference between the average price of wheat paid for the year 1946-47 by the State to the producer (about 2,500 lire per quintal) and the price of wheat sold by the State to the mills (average price=900 lire). The difference, of about 1,700 lire per quintal, for a total of 22 to 23 million quintals of amassed wheat, represents from 38,000 to 39,000 million lire.

(b) higher additional expenses averaging 390 lire per quintal (the transportation cost averaged 400 lire per quintal as against 110 lire in the previous agricultural year; cost of amassing averaged 240 lire as against 60; taxes averaged [illegible]

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(3) Such a high burden results from:

(a) the difference between the average price of wheat paid for the year 1946-47 by the State to the producer (about 2,300 lire per quintal) and the price of wheat sold by the State to the mills (average price=900 lire). The difference, of about 1,700 lire per quintal, for a total of 22 to 23 million quintals of amassed wheat, represents from 38,000 to 39,000 million lire.

(b) higher additional expenses averaging 590 lire per quintal (the transportation cost averaged 400 lire per quintal as against 110 lire in the previous agricultural year; cost of amassing averaged 240 lire as against 60; taxes averaged 175 as against 25).

(c) premiums for quality improvement (specific weight) of the amassed wheat (78 lire per quintal). The subsidy on home produced wheat per quintal is estimated at 2,370 lire, representing on the total deliveries about 50,000 million lire. For wheat which before the 1947 crop is harvested, should be imported from abroad outside the UNRRA program (price 2,250 lire per quintal C.I.F.) on 30 million quintals, represents an expenditure of about 67,000 million of lire. The total burden of the political price therefore amounts to 70,000 to 80,000 million lire, i.e., more than 20 % of total State-revenues in 1946-47 budget.

of subsidies that financial stability should not be profoundly shaken and that, in particular, government credit should remain intact. When that was not the case, when, for instance, the price rise had already gone so far that current prices had lost all contact with pre-war levels (having risen not forty or fifty per cent, but four or five times), when, in fact, the depreciation in the real value of the currency made it impossible to place large loans among the public, then the device of large-scale subsidising would no longer arrest but only accelerate the inflationary movement.

"Another condition for success in the application of subsidies as well as in the application of price control was that sufficient supplies should be available to the public under the rationing system; otherwise the public would be driven to black markets and the workers, by demanding increased wages to enable them to buy on such markets, would upset the wage policy. In many countries, however, conditions were present for an effective working of a system of subsidies and, so long as the emergency lasted, the governments were anxious to use the subsidies in order to keep the increase in wages as moderate as possible, well knowing that a wage rise would be followed by a price rise and necessitate greater and greater additions to the public debt. Only when the true nature of the wartime achievements is realised does it become clear what a difficult problem faces the authorities at present.

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"A sudden rise in the cost of living as a result of a cut in the subsidies may, however, have political and other consequences not easily overcome.

"After the last war there was an abrupt fall in agricultural prices and this brought with it a fall in the cost of living from the high levels reached in the first world war. Whether a similar fall in the prices of agricultural products will occur this time is open to doubt. The agricultural sector in many countries has been promised price support and it is likely that almost everywhere great political resistance would be directed against a price decline, were it to come as a result of changes in supply and demand on the markets for farm products. But the question whether it will prove possible to continue for any length of time a more pronounced increase of prices within the agricultural sector than in other sectors is not easy to answer. In this as in some other respects there are distinct elements of uncertainty pertaining to future price developments."

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(B) *WHOLESALE PRICES*

(a) *Collection of Data on Prices.*

249. For the collection of wholesale price data for commodities not under State control, the main sources are quotations from the markets which are dispersed over the whole of Italy and have a centuries-old tradition. Quotations ruling in the chief towns of the communes (i.e. the smallest territorial division) are taken as representative of the price ruling in the whole province. Prior to the war the data on prices in important markets were collected and published in "price-lists" (listini) by Chambers of Commerce, municipalities and the commercial press.

250. For commodities sold on food and agricultural markets under the control of municipalities (fruit and vegetable and livestock markets), the price lists were compiled by municipalities or by Chambers of Commerce, assisted by especially-appointed boards of experts. For commodities (chiefly industrial commodities) not sold on these markets, the principal Chambers of Commerce collected price data from producers and distributors.

251. In some cases and for the main products, both agricultural and industrial, the data were collected as often as twice a week and covered prices at all stages in the marketing chain from producer to wholesaler and semi-wholesaler and jobber, down to the price charged to the retailer. (The published returns indicated the marketing stage at which transactions took place.) Most prices were published in official monthly bulletins, issued by the Provincial Economic Councils. Some of the more important provinces published the prices in weekly bulletins.

252. The Central Institute of Statistics (1) in 1930 in the interest of uniformity, established rules for the collection in all provincial capitals by the Consigli Provinciali dell'Economia (Provincial Economic Councils) of wholesale prices for the more important commodities. The more important prices on the various markets were later published in a "Bulletin of Prices" (at first, a fortnightly and then a monthly publication) issued by the Central Institute of Statistics, which also published a yearly summary of prices.

253. Collection of price data became more difficult para. 194 note (3)) and the fixing of national prices centralized for foodstuffs and for industrial products. It was at this time that illegal (black market) prices began to circulate.

254. At the outbreak of war, prices were fixed for some commodities without any steps being taken to control distribution. The results were (a) the creation of a more extended black market and (b) a level of prices quite out of line with official prices published in the official Gazette and in Bulletins. It should of course be appreciated that for some other commodities i.e., wheat and other cereals, flour, coal, metals, ore and iron and steel products, the control was rigid. There was one price, the official price. A black market price existed only for small quantities of those products for which it had been possible to evade the regulations regarding distribution.

255. The collection of official data on wholesale prices and their publication came to an end in July 1943. It was not resumed until 1946 and then only by a few "Consigli Provinciali dell'Industria e Commercio" (Provincial Councils for Industry and Trade) which publish official prices together with a few black market prices.

256. Any systematic collection of data on black market prices by these Government agencies is in fact very difficult, since these agencies are often entrusted with the task of ensuring observance of the official prices. A comprehensive collection of black market prices for a wide range of products can be carried out periodically and with exactitude only by large industrial and commercial companies (which make purchases on the black market) and by banks. This explains why the first attempts made in 1946 to calculate index numbers of wholesale prices, were made mostly by private organizations and agencies (see para. 260).

(b) *Index Numbers of Wholesale Prices.*

(i) *Pre-War Period.*

257. Three different series of index numbers of wholesale prices were calculated monthly in Italy before the war. One series was calculated privately by a well-known professor, R. Bachi,—the series ended in 1939.

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are quotations from the markets which are dispersed over the whole of Italy and have a centuries-old tradition. Quotations ruling in the chief towns of the communes (i.e. the smallest territorial division) are taken as representative of the price ruling in the whole province. Prior to the war the data on prices in important markets were collected and published in "price-lists" (listini) by Chambers of Commerce, municipalities and the commercial press.

250. For commodities sold on food and agricultural markets under the control of municipalities (fruit and vegetable and livestock markets), the price lists were compiled by municipalities or by Chambers of Commerce, assisted by especially-appointed boards of experts. For commodities (chiefly industrial commodities) not sold on these markets, the principal Chambers of Commerce collected price data from producers and distributors.

251. In some cases and for the main products, both agricultural and industrial, the data were collected as often as twice a week and covered prices at all stages in the marketing chain from producer to wholesaler and semi-wholesaler and jobber, down to the price charged to the retailer. (The published returns indicated the marketing stage at which transactions took place.) Most prices were published in official monthly bulletins, issued by the Provincial Economic Councils. Some of the more important provinces published the prices in weekly bulletins.

252. The Central Institute of Statistics (1) in 1930 in the interest of uniformity, established rules for the collection in all provincial capitals by the Consigli Provinciali dell'Economia (Provincial Economic Councils) of wholesale prices for the more important commodities. The more important prices on the various markets were later published in a "Bulletin of Prices" (at first, a fortnightly and then a monthly publication) issued by the Central Institute of Statistics, which also published a yearly summary of prices.

253. Collection of price data became more difficult when the central governmental agencies were charged with price control and price regulation (1936) (see

(1) See note to Table 54

254. At the outbreak of war, prices were fixed for some commodities without any steps being taken to control distribution. The results were (a) the creation of a more extended black market and (b) a level of prices quite out of line with official prices published in the official Gazette and in Bulletins. It should of course be appreciated that for some other commodities i.e., wheat and other cereals, flour, coal, metals, ore and iron and steel products, the control was rigid. There was one price, the official price. A black market price existed only for small quantities of those products for which it had been possible to evade the regulations regarding distribution.

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256. Any systematic collection of data on black market prices by these Government agencies is in fact very difficult, since these agencies are often entrusted with the task of ensuring observance of the official prices. A comprehensive collection of black market prices for a wide range of products can be carried out periodically and with exactitude only by large industrial and commercial companies (which make purchases on the black market) and by banks. This explains why the first attempts made in 1946 to calculate index numbers of wholesale prices, were made mostly by private organizations and agencies (see para. 260).

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(b) *Index Numbers of Wholesale Prices.*

(i) *Pre-War Period.*

257. Three different series of index numbers of wholesale prices were calculated monthly in Italy before the war. One series was calculated privately by a well-known professor, R. Bachi,—the series ended in 1939. A second series was calculated by the "Camera di Commercio e Industria di Milano" (the Milan Chamber of Commerce and Industry). Prof. G. Taglincarne was responsible for these calculations which were suspended in February 1942. The third series was undertaken by the Central Institute of Statistics, Rome, and ended in

June 1943. The base year, for the first two series was 1913 and for the third, 1928 (1).

258. The calculations of the Central Institute of Statistics were considered as official and preferred by commercial and academic users because of their nation-wide application, their comprehensiveness and the precision with which the data were collected and the care with which their accuracy was checked. Scientific statistical methods were used in elaborating and weighting the data. The calculation of this series ended in 1943 and has not yet been resumed.

(ii) *Existing index-numbers.*

259. The lack of satisfactory index-numbers of wholesale prices greatly reduces the possibility of analyzing accurately economic and monetary movements, and this when, at a time such as the present, reliable data are more imperative than ever to the consideration and national solution of many of the economic problems with which Italy is faced. This explains why, at present, economists and statisticians, in the absence of governmental agencies charged with the work, are themselves doing what they can to fill the gap. There have, in fact, been five generally-known series of index-numbers of wholesale prices calculated in this way. Each is based on different technical and methodological criteria, but broadly interpreted, together they afford a sufficiently clear picture of the changes in the price level and, consequently, in the purchasing power of the lira.

260. The index numbers of wholesale prices being calculated in November 1946 are the following:

(a) The first index-numbers of wholesale prices to be calculated in the post-war period, were the index-numbers (base year, 1938) of the "Centro Aziendale di Firenze" (Prof. Livi). This index which is named "indice d'avanguardia" (vanguard index) covers only open market prices (thoroughly checked) for Florence, of 16 commodities (of which only two are foodstuffs) selected from among those most representative and sensitive. (The indices for 1938 thus calculated had a trend only slightly divergent from the comparable trend of the official indices, made on a national scale, by the Rome Central Institute of Statistics.) The Livi index-number is calculated by finding the geometric mean (unweighted) of the index-numbers calculated for each of the 16 commodities under consideration. The series started in January 1945.

(b) The second index-number, having 1938 as base year, was calculated for internal use (not published) by the Milan Chamber of Commerce. from September 1945 onwards, on the basis of actual prices and with criteria similar to those of the past (see para. 257 note (1)). 41 commodities were taken into consideration (22 foodstuffs and 19 industrial products). For commodities, for which there is an official price, the price considered is the weighted mean of the official and black market prices. The weight applied to the black market price is determined from appropriate surveys designed to ascertain the importance of black market transactions in the total volume of transactions.

(c) The third index, much more complete and elaborated, with 1938 as base year, has been calculated by the Edison Company of Milan (Giunta Tecnica) and reflected the official and open market prices in Milan. The method used in the calculation is briefly:

(i) The calculation is confined to 51 commodities (13 raw materials, 19 semi-finished products and 19 finished products) and follows the method used, before the war, for the national indices by the Rome Central Institute of Statistics. The data on prices are painstakingly collected and screened. The actual purchase prices of commodities are supplied by the Edison Company and by other important companies (Montecatini, Istituto Cotoniero etc.) The general index is calculated by ascertaining the arithmetic weighted mean and using the same "weights," as those adopted by the Rome Central Institute of Statistics for 1938.

(ii) Three distinct indices are calculated:

One series ("official prices") covers the official prices of all controlled commodities (for which an official price exists) and the open market prices for commodities for which the State does not set a price.

A second series is calculated under the name of "actual prices" series (prezzi effettivi). This series covers black market prices for com-

(1) Prof. Bachi's series, beginning in 1918 (base 1913=100), covered 113 commodities with 150 quotations collected in Genoa, Milan, Turin and Rome. The index resulted from the calculation of an arithmetic mean (unweighted). The calculation of the Milan Chamber of Commerce series was started in 1925, with 1913 taken as base year. It covered 98 commodities and 125 quotations collected only for Milan. The index number resulted from the calculation of a geometric mean (unweighted). The index calculated

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commercial and academic users because of their nation-wide application, their comprehensiveness and the precision with which the data were collected and the care with which their accuracy was checked. Scientific statistical methods were used in elaborating and weighting the data. The calculation of this series ended in 1943 and has not yet been resumed.

(ii) *Existing index-numbers.*

259. The lack of satisfactory index-numbers of wholesale prices greatly reduces the possibility of analyzing accurately economic and monetary movements, and this when, at a time such as the present, reliable data are more imperative than ever to the consideration and national solution of many of the economic problems with which Italy is faced. This explains why, at present, economists and statisticians, in the absence of governmental agencies charged with the work, are themselves doing what they can to fill the gap. There have, in fact, been five generally-known series of index-numbers of wholesale prices calculated in this way. Each is based on different technical and methodological criteria, but broadly interpreted, together they afford a sufficiently clear picture of the changes in the price level and, consequently, in the purchasing power of the lira.

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(a) The first index-numbers of wholesale prices to be calculated in the post-war period, were the index-numbers (base year, 1938) of the "Centro Azendale di Firenze" (Prof. Livi). This index which is named "indice d'avanguardia" (vanguard index) covers only open market prices (thoroughly checked) for Florence, of 16 commodities (of which only two are foodstuffs) selected from among those most representative is calculated by finding the geometric mean (unweighted) of the index-numbers calculated for each of the 16 commodities under consideration. The series started in January 1945.

(b) The second index-number, having 1938 as base year, was calculated for internal use (not published) by the Milan Chamber of Commerce. from September 1945 onwards, on the basis of actual prices and with criteria similar to those of the past (see para. 257 note (1)). 41 commodities were taken into consideration (22 foodstuffs and 19 industrial products). For commodities, for which there is an official price, the price considered is the weighted mean of the official and black market prices. The weight applied to the black market price is determined from appropriate surveys designed to ascertain the importance of black market transactions in the total volume of transactions.

(c) The third index, much more complete and elaborated, with 1938 as base year, has been calculated by the Edison Company of Milan (Giunta Tecnica) and reflected the official and open market prices in Milan. The method used in the calculation is briefly:

(i) The calculation is confined to 51 commodities (13 raw materials, 19 semi-finished products and 19 finished products) and follows the method used, before the war, for the national indices by the Rome Central Institute of Statistics. The data on prices are painstakingly collected and screened. The actual purchase prices of commodities are supplied by the Edison Company and by other important companies (Montecatini, Istituto Cotoniero etc.) The general index is calculated by ascertaining the arithmetic weighted mean and using the same "weights," as those adopted by the Rome Central Institute of Statistics for 1938.

(ii) Three distinct indices are calculated:

One series ("official prices") covers the official prices of all controlled commodities (for which an official price exists) and the open market prices for commodities for which the State does not set a price.

A second series is calculated under the name of "actual prices" series (prezzi effettivi). This series covers black market prices for commodities with an official price and the open market prices for all other commodities.

A synthetic index is obtained by calculating the unweighted arithmetic mean of the indices of the two series. The assumption is therefore made that the commodities, which are sold at an official price and which can at the same time be purchased from the black market, are actu-

(1) Prof. Bachi's series, beginning in 1916 (base 1913=100), covered 113 commodities with 150 quotations collected in Genoa, Milan, Turin and Rome. The index resulted from the calculation of an arithmetic mean (unweighted). The calculation of the Milan Chamber of Commerce series was started in 1925, with 1913 taken as base year. It covered 98 commodities and 125 quotations collected only for Milan. The index number resulted from the calculation of a geometric mean (unweighted). The index calculated by the Central Institute of Statistics of Rome which began, as a series, in 1934, had 1928 as its base year. It was computed on the basis of 1616 quotations, relating to 125 commodities, collected by official agencies (Consigli Provinciali dell'Economia - Provincial Economic Councils) at 73 different points, spread over the whole of Italy. The Central Institute's index was a weighted index made on the basis of geometric means (the "weights" were ascertained by adding home production to the quantity imported. For products passing through various stages of production the weighting of the calculation is made once only).

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ally bought half from the black market and half from the open market (1).

(d) A further index has recently been calculated and published by the "Istituto Statistica degli Affari" (I.S.A. - Institute of Business Statistics) in Milan, and published in the review "Negotia." This index is based on prices ruling in Northern Italy, and the data refer to prices collected for 225 commodities (raw materials, semi-finished and manufactured products) for 10 sectors of industry and commerce. The index does not include agricultural products, e.g. cereals, cattle and cocoons. The data for the index are supplied by large and middle-sized enterprises. Although the base year adopted is 1916, the I.S.A. index is also calculated with 1938 as base year. Two different series are made: (a) legal prices (controlled or free prices), (b) free prices (black market or open market prices). The two series are not synthetized in one series.

The indices for each of the 10 sectors are calculated by ascertaining the unweighted geometric mean of the individual indices of the various prices in each sector.

(e) The Genoa Chamber of Commerce has provided, as from April 1946, another index of wholesale prices of 155 commodities by combining three separately calculated indices of (a) official prices; (b) black market prices; (c) open market prices. The series (a) covers commodities for which there are official quotations (in July 1946, for instance, 72 commodities). The series (b) covers the same commodities as series (a) when there are official and black market prices (in July 1946 for example, for 61 commodities). The series (c) covers commodities sold on the open market (in July 1946, for instance, 83 commodities). The average index of each of the three series is made from the geometric mean (unweighted) of the indices of prices included in each series. The general index is the geometric mean of the indices of the three series.

(1) The distribution of a certain number of commodities is fairly effectively controlled by the Government (appreciable quantities of such commodities cannot therefore be purchased on the [illegible] and their official prices are also the actual prices

(iii) *Movement of Index Numbers of Wholesale Prices.*

261. The multiplicity of the indices calculated, their limitation to individual towns or areas and the disparity in methods of calculation, reflect the present abnormal internal situation in Italy.

262. The difficulties are: (a) the absence of a unified national market, with no possibility of carrying out reliable and continued collection of data at established market centres throughout the country: (b) Italy's present price structure is a mixed one, and official prices exist side by side with free prices and black market prices; (c) a noticeable irregularity in the procurement of commodities, in domestic and foreign trade, in demand and supply.

263. As statistics of actual transactions are not available, it is difficult:

(a) to determine the "weights" (which should be ascertained according to the importance of the commodities in the actual transactions and which are subject to substantial changes over a period of time). The "weights" are needed for the calculation of the index-numbers of prices for the various classes of commodities. The "weights" used in 1938 are, on the other hand, out of line with to-day's experience and their use would give rise to error (2).

(b) to select, for any one commodity, the weights to be given to black market prices and to official prices;

(c) to account for the deterioration in quality, which occurred, for some commodities after 1938.

264. To realize more clearly the nature and movement of wholesale prices in Italy it is advisable to make a separate survey of:

(a) the index-numbers of free prices (open market and black market) (Table 31);

(b) the index-numbers of legal prices (official and open market prices) (para. 267);

(c) the general index (Table 33). In some cases there is no difference between the general index and (a). (This is so for the indices calculated in Florence.) In other cases, the general index is the mean of indices of the three existing types of prices (official, black market and open market prices). Examples are the two Milan indices calculated by the Edison Combine and [illegible] Chamber of Commerce and the index

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tia." This index is based on prices ruling in Northern Italy, and the data refer to prices collected for 225 commodities (raw materials, semi-finished and manufactured products) for 10 sectors of industry and commerce. The index does not include agricultural products, e.g. cereals, cattle and cocoons. The data for the index are supplied by large and middle-sized enterprises. Although the base year adopted is 1946, the I.S.A. index is also calculated with 1938 as base year. Two different series are made: (a) legal prices (controlled or free prices), (b) free prices (black market or open market prices). The two series are not synthetized in one series.

The indices for each of the 10 sectors are calculated by ascertaining the unweighted geometric mean of the individual indices of the various prices in each sector.

(e) The Genoa Chamber of Commerce has provided, as from April 1946, another index of wholesale prices of 155 commodities by combining three separately calculated indices of (a) official prices; (b) black market prices; (c) open market prices. The series (a) covers commodities for which there are official quotations (in July 1946, for instance, 72 commodities). The series (b) covers the same commodities as series (a) when there are official and black market prices (in July 1946 for example, for 61 commodities). The series (c) covers commodities sold on the open market (in July 1946, for instance, 83 commodities). The average index of each of the three series is made from the geometric mean (unweighted) of the indices of prices included in each series. The general index is the geometric mean of the indices of the three series.

(1) The distribution of a certain number of commodities is fairly effectively controlled by the Government (appreciable quantities of such commodities cannot therefore be purchased on the black market) and their official prices are also the actual prices (e.g., coal). Black market quotations and their weights are in this case, of negligible importance. The quantity purchased on the black market consists, for some other commodities (while controlled distribution exists), only of a minor proportion of the total (e.g., 10 to 20 % for wheat and derivative products).

The effect of these considerations is that neither of the two mentioned series mirrors the real situation; the first gives a picture of a lower theoretical limit (closer to reality) and the second of a higher theoretical limit.

262. The difficulties are: (a) the absence of a unified national market, with no possibility of carrying out reliable and continued collection of data at established market centres throughout the country; (b) Italy's present price structure is a mixed one, and official prices exist side by side with free prices and black market prices; (c) a noticeable irregularity in the procurement of commodities, in domestic and foreign trade, in demand and supply.

263. As statistics of actual transactions are not available, it is difficult:

(a) to determine the "weights" (which should be ascertained according to the importance of the commodities in the actual transactions and which are subject to substantial changes over a period of time). The "weights" are needed for the calculation of the index-numbers of prices for the various classes of commodities. The "weights" used in 1938 are, on the other hand, out of line with to-day's experience and their use would give rise to error (2).

(b) to select, for any one commodity, the weights to be given to black market prices and to official prices;

(c) to account for the deterioration in quality, which occurred, for some commodities after 1938.

264. To realize more clearly the nature and movement of wholesale prices in Italy it is advisable to make a separate survey of:

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(c) the general index (Table 33). In some cases there is no difference between the general index and (a). (This is so for the indices calculated in Florence.) In other cases, the general index is the mean of indices of the three existing types of prices (official, black market and open market prices). Examples are the two Milan indices calculated by the Edison Combine and the Milan Chamber of Commerce and the index calculated by the Genoa Chamber of Commerce.

(2) S. Golzio after a survey of the course of wholesale prices in Turin, from 1938 until 1945, arrived for 1945, at an index number of 3,920 (1938=100) assuming as weights the quantities exchanged in 1938, and at an index number of 4,170, assuming as weights the quantities exchanged in 1945 (Rivista Bancaria - 1946 Nos. 7 and 8).

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265. The following Tables 31 and (graph) 32 illustrate the trend of the four index-numbers of wholesale *free* prices:

TABLE 31

Index Numbers of wholesale Free Prices (1); 1945-46

(1938=100)

Date	Florence (Centro Aziendale di Firenze)	Genoa Chamber of Commerce	Milan Edison Combine	North Italy (I.S.A.)
1945				
September	3,604	—	—	2,654
October	3,698	—	—	2,562
November	3,718	—	—	2,579
December	3,666	—	—	2,540
1946				
January	3,404	—	—	2,439
February	3,401	—	4,633	2,408
March	3,184	—	5,262	2,302
April	3,087	3,908	4,872	2,242
May	2,985	3,874	4,583	2,139
June	2,965	3,954	4,429	2,179
July	2,949	3,992	4,430	2,231
August	3,016	4,063	4,683	2,361 (2)
September	3,209	4,136	4,858	2,476 (2)

(See also Table 32 graph)

(1) Black market prices and open market prices.
(2) Provisional.

266. The considerable differences existing in the series shown above (see graph, Table 32) result from the difficulties inherent in their calculation, and show the need, in the use and interpretation of all indices at present calculated in Italy, for exercising care and making proper qualifications. The Florence series of the "Centro Aziendale di Firenze", because it is an intermediate series, appears to give, notwithstanding its simplicity, a clear picture of the level and of the movement of wholesale prices.

267. The three following series (1938=100) give a comparison of indices of legal prices (official prices and open market prices):

Date	Genoa Chamber of Commerce	Milan (1)	Northern Italy (2)
1945			
July	—	—	1,401
August	—	—	1,507
September	—	—	1,541
October	—	—	1,618
November	—	—	1,654
December	—	—	1,715
1946			
January	—	—	1,739
February	—	2,305	1,802
March	—	2,246	1,793
April	1,583	2,147	1,755
May	1,583	2,287	1,687
June	1,584	2,315	1,724
July	1,609	2,351	1,770
August	1,681	2,573	1,855
September	1,706	2,665	1,941

(1) Source: "Giunta Tecnica" of the Edison Combine, Milan.
(2) Source: Review "Negotin" Institute of Business Statistics, Milan.

TABLE 32

WHOLESALE PRICE INDICES IN 1945 - 1946
FROM DIFFERENT SOURCES
1938 = 100



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Index Numbers of Wholesale Free Prices, 1945-46

(1938=100)

Date	Florence (Centro Aziendale di Firenze)	Genoa Chamber of Commerce	Milan Edison Combine	North Italy (I.S.A.)
1945				
September	3,604	—	—	2,654
October	3,698	—	—	2,562
November	3,718	—	—	2,579
December	3,666	—	—	2,540
1946				
January	3,404	—	—	2,439
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(See also Table 32 graph)

(1) Black market prices and open market prices.
(2) Provisional.

266. The considerable differences existing in the series shown above (see graph, Table 32) result from the difficulties inherent in their calculation, and show the need, in the use and interpretation of all indices at ment of wholesale prices.

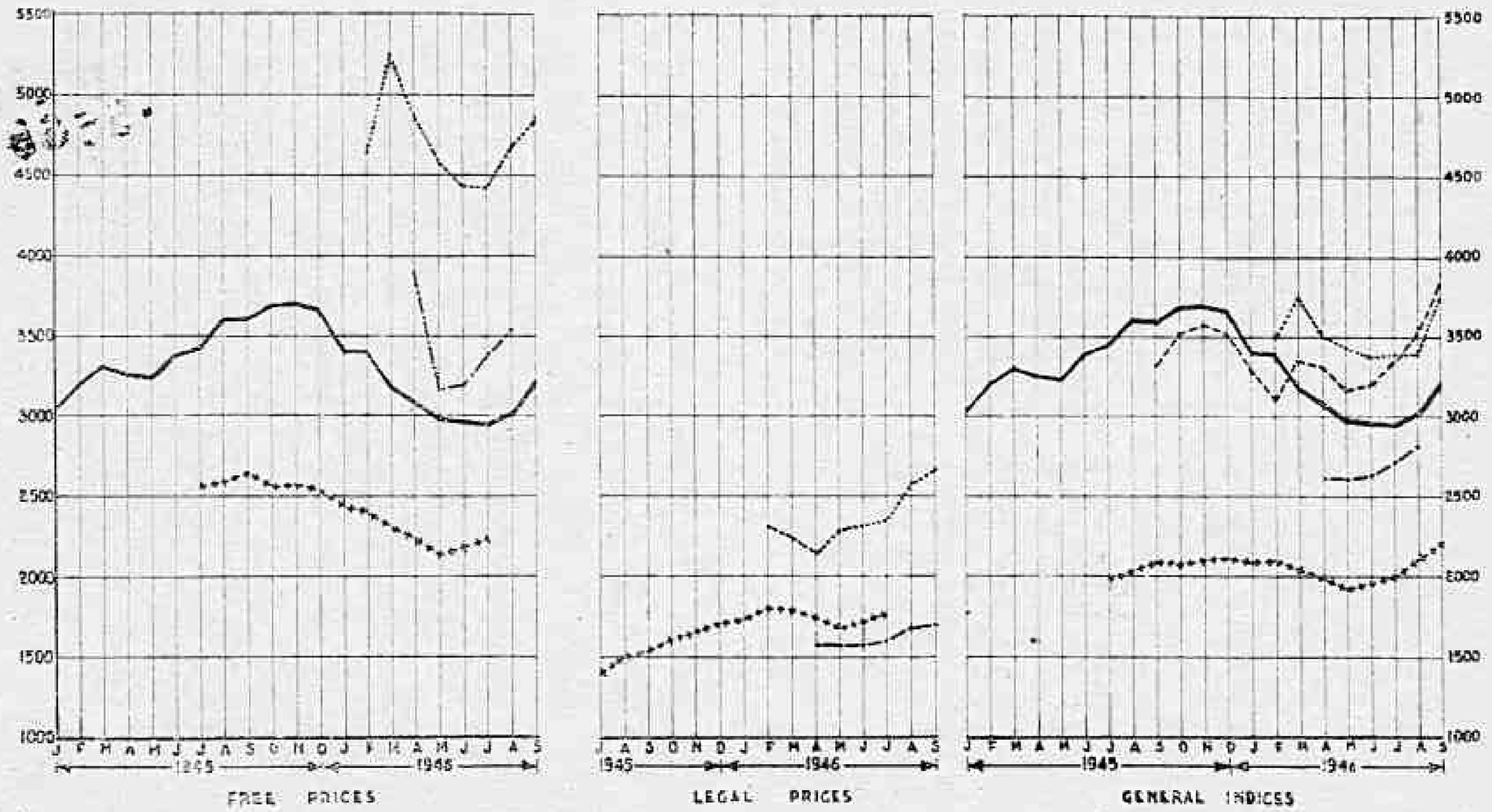
267. The three following series (1938=100) give a comparison of indices of legal prices (official prices and open market prices):

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January	—	—	1,739
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March	—	2,246	1,793
April	1,583	2,147	1,755
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July	1,609	2,351	1,770
August	1,681	2,573	1,855
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(1) Source: "Giunta Tecnica" of the Edison Combine, Milan.
(2) Source: Review "Negotia" Institute of Business Statistics, Milan.

TABLE 32

WHOLESALE PRICE INDICES IN 1945 - 1946
FROM DIFFERENT SOURCES
1938 = 100



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The substantial differences between the two series are in part explained by the different numbers and nature of the commodities considered (the index for Northern Italy does not include agricultural commodities) and partly by the difference in the method applied in weighting and in calculating the index.

268. Table 33 shows the index-numbers (1938=100) which (apart from differences of opinion on the statistical method of calculation and the prices selected) are considered by the authorities concerned as representative of the trend of the general level of wholesale prices from January 1945 to September 1946. (It will be seen that the Florence index-numbers are the same as those in Table 31.)

The trend of the Florence index and its level (intermediate between the others) do not differ much, having in mind the present situation, from the trend and level of the general index of the Milan calculation (Edison). The Edison index calculation is more elaborate and complex than the Florence index. The essential difference between the Florence index and the other indices is that the Florence index for a particular month (e.g. September) refers to changes which have taken place in the previous month (August). The other indices are for the same month's prices. All indices covering free and official prices (such as the Edison and the Genoa indices) are slower to move than the others owing to the influence of the official prices. They are therefore less sensitive than the Florence index which stresses promptly any variations which take place in free market prices.

269. The Northern Italy indices are of special interest. Tables 34 and 35 present two series of index-numbers for 10 groups of Italian industries, covering the period July 1945 to July 1946 and February to July 1946 respectively. The base for Table 34 is the year 1938 and for Table 35, January 1946. Table 36 (graph) illustrates the different level and trend of legal prices to July 1946. Examination of the series shown in Tables 34 and 35 shows:

(a) The legal prices with the highest increase since 1938 were: paper (35 times), textiles (31 times), and foodstuffs (25 times). The smallest increase was in sources of power (less than 9 times the 1938 level).

(b) For free prices, the highest increase was: for foodstuffs (43 times), textiles (38 times), paper (35 times), leather and skins (34 times).

(c) The spread between official and free prices has substantially diminished from July 1945 to July 1946.

(d) From January to July 1946 the legal prices (which were very low before January 1946) increased more than the free prices.

270. *The average general level of wholesale prices can safely be estimated for September 1946 as being 32 to 38 times higher than pre-war.*

TABLE 33

General Index Numbers 1938 = 100 of Wholesale Prices: January 1945 to September 1946

MONTH	Florence	Milan		Genoa	Northern Italy
	"Avanguardia" Index	Chamber of Commerce	Edison Combine	Chamber of Commerce	
1945					
January	3,047	—	—	—	—
February	3,204	—	—	—	—
March	3,303	—	—	—	—
April	3,260	—	—	—	—
May	3,240	—	—	—	—
June	3,392	—	—	—	—
July	3,430	—	—	—	1,984
August	3,607	—	—	—	2,052
September	3,604	3,319	—	—	2,098
October	3,698	3,527	—	—	2,090
November	3,718	3,571	—	—	2,117
December	3,666	3,523	—	—	2,128

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modities) and partly by the difference in the method applied in weighting and in calculating the index.

268. Table 33 shows the index-numbers (1938 = 100) which (apart from differences of opinion on the statistical method of calculation and the prices selected) are considered by the authorities concerned as representative of the trend of the general level of wholesale prices from January 1945 to September 1946. (It will be seen that the Florence index-numbers are the same as those in Table 31.)

The trend of the Florence index and its level (intermediate between the others) do not differ much, having in mind the present situation, from the trend and level of the general index of the Milan calculation (Edison). The Edison index calculation is more elaborate and complex than the Florence index. The essential difference between the Florence index and the other indices is that the Florence index for a particular month (e.g. September) refers to changes which have taken place in the previous month (August). The other indices are for the same month's prices. All indices covering free and official prices (such as the Edison and the Genoa indices) are slower to move than the others owing to the influence of the official prices. They are therefore less sensitive than the Florence index

Tables 34 and 35 present two series of index-numbers for 10 groups of Italian industries, covering the period July 1945 to July 1946 and February to July 1946 respectively. The base for Table 34 is the year 1938 and for Table 35, January 1946. Table 36 (graph) illustrates the different level and trend of legal prices to July 1946. Examination of the series shown in Tables 34 and 35 shows:

(a) The legal prices with the highest increase since 1938 were: paper (35 times), textiles (31 times), and foodstuffs (25 times). The smallest increase was in sources of power (less than 9 times the 1938 level).

(b) For free prices, the highest increase was: for foodstuffs (43 times), textiles (38 times), paper (35 times), leather and skins (34 times).

(c) The spread between official and free prices has substantially diminished from July 1945 to July 1946.

(d) From January to July 1946 the legal prices (which were very low before January 1946) increased more than the free prices.

270. *The average general level of wholesale prices can safely be estimated for September 1946 as being 32 to 38 times higher than pre-war.*

TABLE 33

General Index Numbers 1938 = 100 of Wholesale Prices: January 1945 to September 1946

MONTH	Florence	Milan		Genoa	Southern Italy
	"Avanguardia" Index	Chamber of Commerce	Edison Combine	Chamber of Commerce	
1945					
January	3,047	—	—	—	—
February	3,204	—	—	—	—
March	3,303	—	—	—	—
April	3,260	—	—	—	—
May	3,240	—	—	—	—
June	3,392	—	—	—	—
July	3,480	—	—	—	—
August	3,607	—	—	—	1,984
September	3,694	3,819	—	—	2,052
October	3,698	3,527	—	—	2,098
November	3,718	3,571	—	—	2,090
December	3,666	3,523	—	—	2,117
1946					2,128
January	3,401	3,391	—	—	2,089
February	3,401	3,126	3,469	—	2,105
March	3,181	3,370	3,754	—	2,047
April	3,087	3,340	3,510	2,671	1,998
May	2,985	3,174	3,435	2,613	1,913
June	2,965	3,215	3,372	2,636	1,951
July	2,949	3,341	3,390	2,715	2,000
August	3,016	3,527	3,628	2,819	2,108
September	3,269	3,845	3,252	2,923	2,209

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TABLE 34

Index Numbers of Wholesale Prices of Industrial Products by Groups of Industries in North Italy 1945 and 1946

(1938=100)

Groups of Industries	1945						1946						
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Febr.	March	April	May	June	July (1)
A. LEGAL PRICES (See Note (1) Page 11)													
1. Sources of Power	415	549	680	688	698	759	781	889	840	836	849	880	880
2. Iron and steel and metallurgic industries	1,800	1,826	1,762	1,875	1,813	1,896	1,887	1,870	1,845	1,836	1,836	1,840	1,842
3. Machine and electro-engineering	1,167	1,290	1,342	1,424	1,464	1,461	1,493	1,482	1,449	1,439	1,439	1,430	1,434
4. Chemical and rubber industries	566	660	629	1,017	1,131	1,273	1,429	1,824	1,883	1,884	1,880	1,856	1,941
5. Hides and footwear	3,397	3,471	3,439	3,439	3,423	3,381	3,226	3,032	2,955	2,852	2,942	2,919	2,997
6. Paper	2,457	2,914	3,152	3,505	3,814	4,110	4,762	4,462	4,186	3,843	3,405	3,514	3,514
7. Textiles	4,842	4,768	4,519	4,084	3,874	3,406	3,226	2,923	2,745	2,613	2,497	2,948	3,116
8. Building and timber industries	1,980	1,953	1,778	1,835	1,860	1,833	1,818	1,773	1,758	1,716	1,695	1,658	1,738
9. Mines and quarries	1,207	1,310	1,211	1,091	1,096	1,429	1,421	1,677	1,600	1,587	1,294	1,314	1,340
10. Food	1,180	1,378	1,507	1,878	1,998	2,121	2,041	2,106	2,522	2,463	2,292	2,371	2,506
B. FREE PRICES													
1. Sources of Power	1,038	1,078	1,277	1,230	1,195	1,212	1,099	1,087	967	922	973	907	907
2. Iron and steel and metallurgic industries	2,209	2,216	2,212	1,969	2,052	2,091	2,083	2,025	1,965	1,954	1,954	1,958	1,960
3. Machine and electro-engineering	1,402	1,458	1,473	1,542	1,541	1,541	1,563	1,541	1,491	1,472	1,442	1,445	1,441
4. Chemical and rubber industries	5,150	4,600	4,541	4,367	4,196	3,967	3,704	3,674	3,463	3,387	3,285	3,078	3,196
5. Hides and footwear	3,812	4,149	4,246	4,241	4,227	4,177	3,846	3,531	3,415	3,292	3,204	3,369	3,412
6. Paper	2,457	2,914	3,152	3,505	3,814	4,110	4,762	4,462	4,186	3,843	3,405	3,514	3,514
7. Textiles	6,008	5,532	5,604	5,064	4,924	4,404	4,000	3,696	3,360	3,216	2,868	3,660	3,764
8. Building and timber industries	2,488	2,456	2,392	2,138	2,161	2,061	1,923	1,860	1,754	1,758	1,740	1,709	1,800
9. Mines and quarries	3,876	4,230	4,031	3,721	3,697	3,686	3,448	3,931	3,724	3,676	3,007	3,066	3,128
10. Food	2,970	3,152	3,363	3,626	3,859	3,911	3,704	3,870	4,167	4,137	4,056	4,107	4,329

(1) Provisional indices.

TABLE 35

Index Numbers (January 1946=100) of Wholesale Prices of Industrial Products by Groups of Industries in North Italy: 1946

Groups of Industries	1946					
	February	March	April	May	June	July (1)
A. LEGAL PRICES						
1. Sources of Power	113.8	107.5	107.0	108.7	112.6	112.6
2. Iron steel and metal. industries	99.1	97.8	97.3	97.3	97.5	97.6
3. Machine and electro-engineering	99.3	97.1	96.4	96.4	96.2	96.1
4. Chemical and rubber industries	127.7	131.8	131.9	131.6	129.9	135.9
5. Hides and footwear	94.0	91.6	88.4	91.2	90.5	92.9
6. Paper	93.7	87.9	80.7	71.5	73.8	73.8
7. Textiles	90.6	85.1	81.0	77.4	91.4	96.6
8. Building and timber industries	97.5	96.7	94.4	93.2	91.2	95.6
9. Mines and quarries	117.4	112.0	111.1	90.6	92.0	93.8
10. Food	103.2	123.6	120.7	112.8	116.2	122.8
B. FREE PRICES						

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Groups of Industries	1945						1946						
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Febr.	March	April	May	June	July (1)
A. LEGAL PRICES (See Note (1) Page 11)													
1. Sources of Power	415	549	680	688	698	759	781	889	840	836	849	880	880
2. Iron and steel and metallurgic industries	1,800	1,826	1,762	1,875	1,913	1,896	1,887	1,870	1,845	1,836	1,836	1,840	1,842
3. Machine and electro-engineering	1,167	1,290	1,342	1,424	1,464	1,461	1,493	1,482	1,449	1,439	1,439	1,436	1,434
4. Chemical and rubber industries	566	660	629	1,017	1,131	1,273	1,429	1,824	1,883	1,884	1,880	1,856	1,941
5. Hides and footwear	3,397	3,471	3,439	3,439	3,423	3,381	3,226	3,032	2,953	2,852	2,942	2,919	2,997
6. Paper	2,457	2,914	3,152	3,505	3,814	4,110	4,762	4,462	4,186	3,843	3,405	3,514	3,514
7. Textiles	1,842	4,768	4,519	4,084	3,874	3,406	3,226	2,923	2,745	2,613	2,497	2,948	3,116
8. Building and timber industries	1,636	1,653	1,778	1,835	1,860	1,833	1,818	1,773	1,758	1,716	1,695	1,658	1,738
9. Mines and quarries	1,207	1,310	1,211	1,091	1,096	1,429	1,421	1,677	1,600	1,587	1,294	1,314	1,340
10. Food	1,180	1,378	1,557	1,878	1,998	2,124	2,941	2,106	2,522	2,463	2,292	2,371	2,506
B. FREE PRICES													
1. Sources of Power	1,038	1,078	1,277	1,230	1,195	1,212	1,099	1,087	967	922	973	997	997
2. Iron and steel and metallurgic industries	2,202	2,240	2,212	1,969	2,052	2,093	2,083	2,025	1,965	1,954	1,954	1,958	1,960
3. Machine and electro-engineering	1,402	1,458	1,473	1,542	1,541	1,541	1,563	1,541	1,491	1,472	1,442	1,445	1,441
4. Chemical and rubber industries	5,156	4,698	4,541	4,367	4,196	3,967	3,704	3,674	3,463	3,347	3,285	3,078	3,196
5. Hides and footwear	3,812	4,119	4,246	4,243	4,227	4,177	3,846	3,531	3,413	3,292	3,204	3,369	3,412
6. Paper	2,457	2,914	3,152	3,505	3,814	4,110	4,762	4,462	4,186	3,843	3,405	3,514	3,514
7. Textiles	6,008	5,532	5,694	5,064	4,924	4,404	4,000	3,696	3,360	3,216	2,868	3,663	3,764
8. Building and timber industries	2,488	2,456	2,392	2,138	2,168	2,062	1,923	1,869	1,754	1,758	1,749	1,700	1,800
9. Mines and quarries	3,876	4,259	4,031	3,721	3,697	3,686	3,448	3,931	3,724	3,676	3,037	3,066	3,128
10. Food	2,970	3,152	3,363	3,626	3,859	3,911	3,704	3,870	4,167	4,137	4,056	4,107	4,329

(1) Provisional indices.

TABLE 35

Index Numbers (January 1946=100) of Wholesale Prices of Industrial Products by Groups of Industries in North Italy: 1946

Groups of Industries	1946					
	February	March	April	May	June	July (1)
A. LEGAL PRICES						
1. Sources of Power	115.8	107.5	107.0	108.7	112.6	112.6
2. Iron steel and metal. industries	99.1	97.8	97.3	97.3	97.5	97.6
3. Machine and electro-engineering	99.3	97.1	96.4	96.4	96.2	96.1
4. Chemical and rubber industries	127.7	131.8	131.9	131.6	129.9	135.9
5. Hides and footwear	94.0	91.6	88.4	91.2	90.5	92.9
6. Paper	93.7	87.9	80.7	71.5	73.8	73.8
7. Textiles	90.6	85.1	81.0	77.4	91.4	96.6
8. Building and timber industries	97.5	96.7	94.4	93.2	91.2	95.6
9. Mines and quarries	117.4	112.0	111.1	90.6	92.0	93.8
10. Food	103.2	123.6	120.7	112.3	116.2	122.8
B. FREE PRICES						
1. Sources of Power	98.9	88.0	83.9	88.5	82.5	82.5
2. Iron steel and metal. industries	97.2	94.3	93.8	93.8	94.0	94.1
3. Machine and electro engineering	98.6	95.4	94.2	92.3	92.5	92.2
4. Chemical and rubber industries	99.2	93.5	90.9	88.7	83.1	86.3
5. Hides and footwear	91.8	88.8	85.6	83.3	87.6	88.7
6. Paper	93.7	87.9	80.7	71.5	73.8	73.8
7. Textiles	92.4	84.0	80.4	71.7	91.5	94.1
8. Building and timber industries	96.7	91.2	91.4	90.5	88.4	93.6
9. Mines and quarries	114.0	108.0	106.6	87.2	88.9	90.7
10. Food	104.5	112.5	111.7	109.5	110.9	118.7

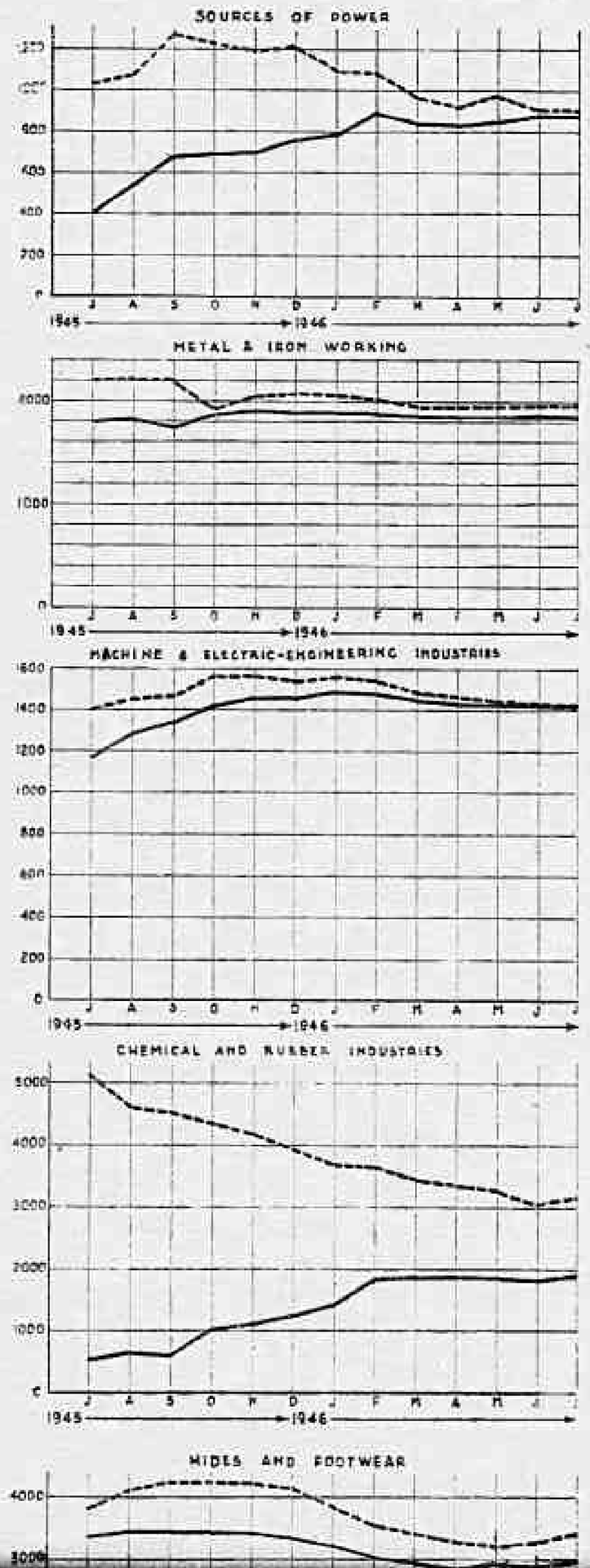
(1) Provisional indices.

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TABLE 36

WHOLESALE PRICE INDICES IN NORTHERN ITALY OF SOME INDUSTRIAL PRODUCTS (1938 = 100) BY GROUPS OF INDUSTRIES

------ FREE PRICES —— LEGAL PRICES



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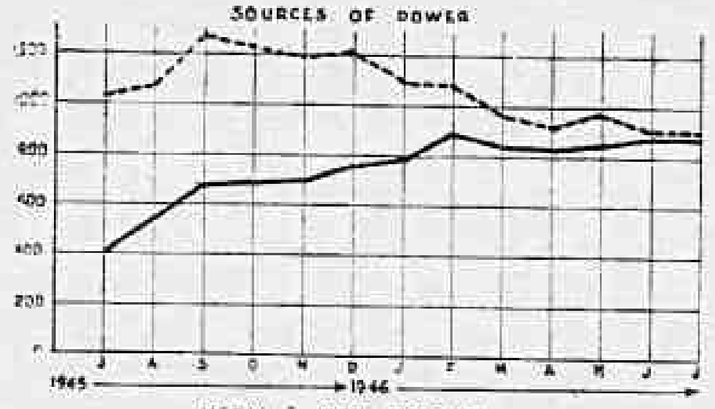
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PRODUCTS (1938 = 100) BY GROUPS OF INDUSTRIES

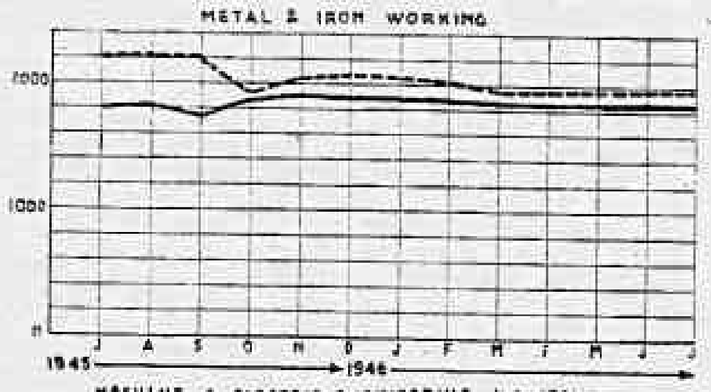
------ FREE PRICES

—— LEGAL PRICES

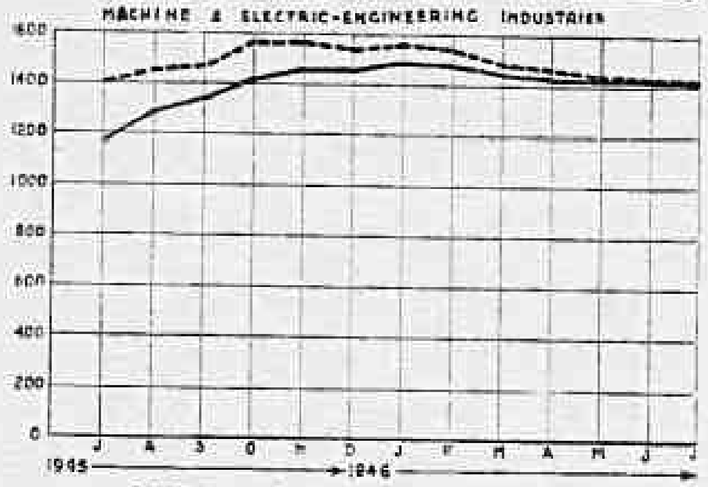
SOURCES OF POWER



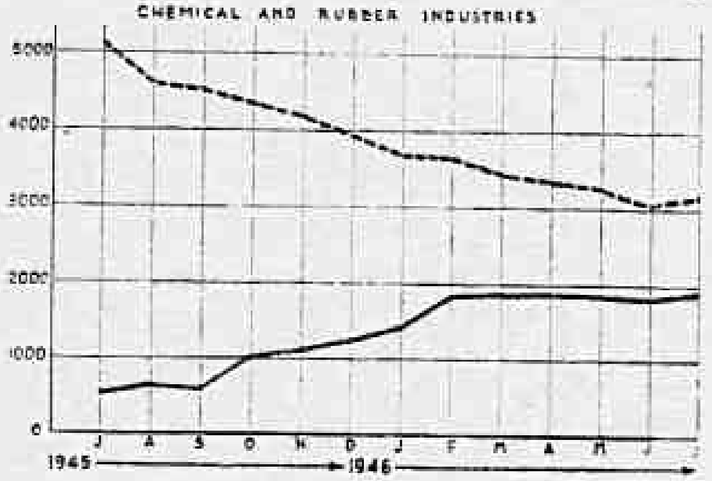
METAL & IRON WORKING



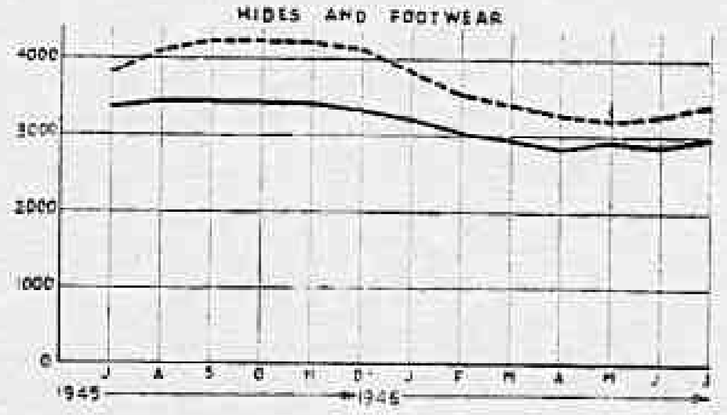
MACHINE & ELECTRIC-ENGINEERING INDUSTRIES



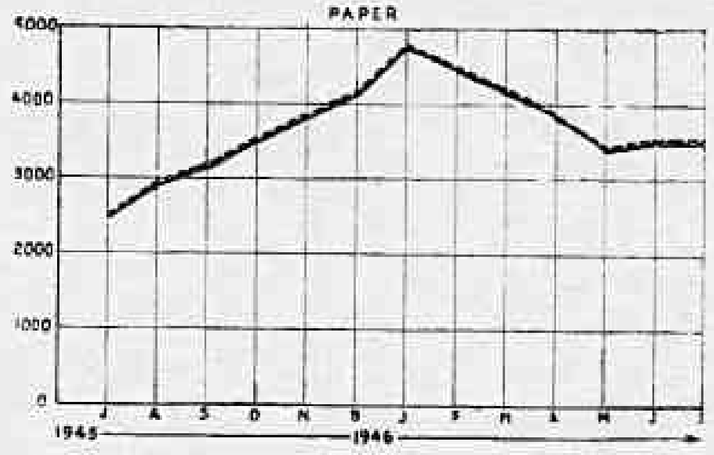
CHEMICAL AND RUBBER INDUSTRIES



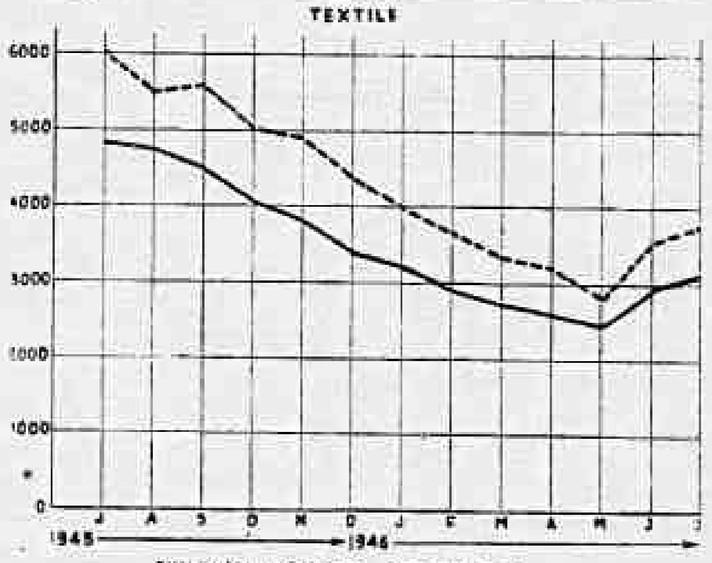
HIDES AND FOOTWEAR



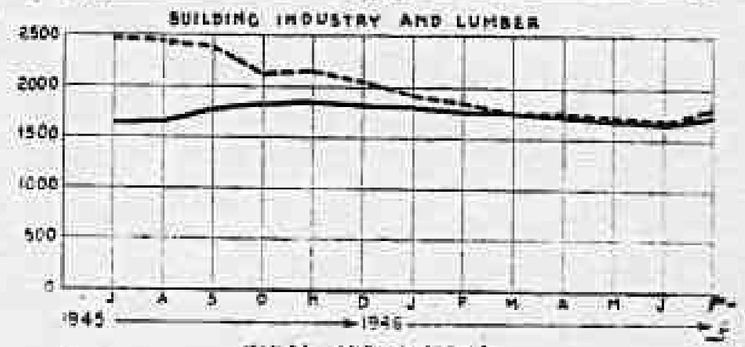
PAPER



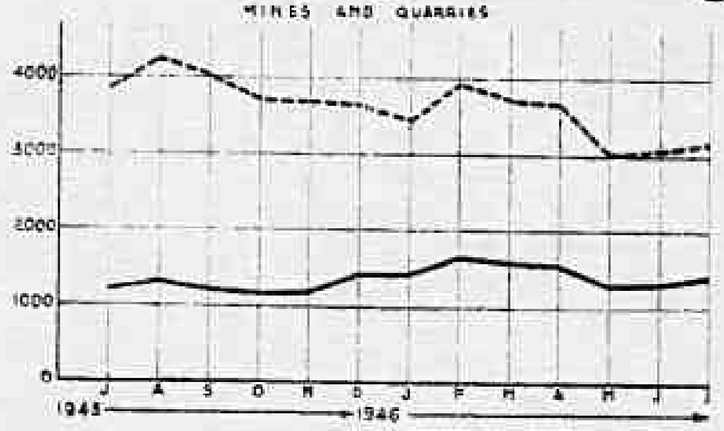
TEXTILE



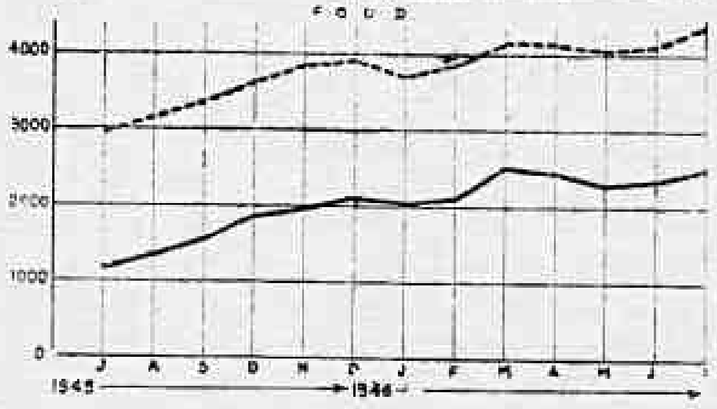
BUILDING INDUSTRY AND LUMBER



MINES AND QUARRIES



FOOD



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Price Variations for Single Commodities

271. Any enquiry into price variations for single commodities must be subject to the considerations and difficulties mentioned above as inherent in any effort to compare, on the basis of the general wholesale prices, the present level of wholesale prices with the pre-war level.

(a) *Prices of Agricultural Products.*

(i) *Cereals and Pulses (National Official Prices).*

272. The official prices and the index-numbers (1938=100) for soft wheat, maize, rye, rough barley and husked rice—all controlled—are as follows:

TABLE 37

Official Wholesale Prices in lire per quintal of certain cereals in Northern and Central and Southern Italy: 1938, 1942, 1945 and 1946

Region	1938		1942		1945 (after liberation)		1946	
	Prices	Index Numbers	Prices	Index Numbers	Prices	Index Numbers	Prices	Index Numbers
SOFT WHEAT (1)								
Northern and Central Italy	135	100	210 (2)	156	750 (8)	556	2,700 (3)	2,000
Southern Italy	135	100	230	170	900	667	2,800 (4)	2,074
Islands	135	100	230	170	900	667	2,950 (5)	2,185
RYE								
Northern and Central Italy	120.7	100	179.8	189 (6)	750 (8)	621	2,250	1,864
Southern Italy	120.7	100	179.8	189 (6)	900	746	2,350	1,947
Islands	120.7	100	179.8	189 (6)	900	746	2,500	2,071
ROUGH BARLEY								
Northern and Central Italy	94.75	100	179	189 (7)	583 (8)	615	1,755	1,852
Southern Italy	94.75	100	179	189 (7)	700	739	1,883	1,987
Islands	94.75	100	179	189 (7)	700	739	1,950	2,050
MAIZE								
Northern and Central Italy	90	100	146 (9)	162	542	722	1,600 (10)	1,778
Southern Italy	90	100	146 (9)	162	650	722	1,750 (11)	1,944
Islands	90	100	146 (9)	162	650	722	1,900 (12)	2,111
HUSKED RICE								
Northern and Central Italy	94	100	160	170	1,000	1064	2,800	2,979
Southern Italy	[illegible]	[illegible]	[illegible]	170	675	718	2,800	2,979

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mentioned above as inherent in any effort to compare, on the basis of the general wholesale prices, the present level of wholesale prices with the pre-war level.

272. The official prices and the index-numbers (1938=100) for soft wheat, maize, rye, rough barley and husked rice—all controlled—are as follows:

TABLE 37

Official Wholesale Prices in lire per quintal of certain cereals in Northern and Central and Southern Italy: 1938, 1942, 1945 and 1946

Region	1938		1942		1945 (after liberation)		1946	
	Prices	Index Numbers	Prices	Index Numbers	Prices	Index Numbers	Prices	Index Numbers
SOFT WHEAT (1)								
Northern and Central Italy	135	100	210 (2)	156	750 (8)	556	2,700 (3)	2,000
Southern Italy	135	100	230	170	900	667	2,800 (4)	2,074
Islands	135	100	230	170	900	667	2,950 (5)	2,185
RYE								
Northern and Central Italy	120.7	100	179,8	189 (6)	750 (8)	621	2,250	1,864
Southern Italy	120.7	100	179,8	189 (6)	900	746	2,350	1,947
Islands	120.7	100	179,8	189 (6)	900	746	2,500	2,071
ROUGH BARLEY								
Northern and Central Italy	94.75	100	179	189 (7)	583 (8)	615	1,755	1,852
Southern Italy	94.75	100	179	189 (7)	700	739	1,883	1,987
Islands	94.75	100	179	189 (7)	700	739	1,950	2,050
MAIZE								
Northern and Central Italy	90	100	146 (9)	162	542	722	1,600 (10)	1,778
Southern Italy	90	100	146 (9)	162	650	722	1,750 (11)	1,944
Islands	90	100	146 (9)	162	650	722	1,900 (12)	2,111
HUSKED RICE								
Northern and Central Italy	94	100	160	170	1,000	1064	2,800	2,979
Southern Italy	94	100	160	170	675	718	2,800	2,979
Islands	94	100	160	170	675	718	2,800	2,979

(1) In 1942 included in the prices are 35 lire additional price for Northern and Central Italy and 55 lire for Southern Italy and Islands. In 1946 an average additional price of 450 lire bonus for early delivery to amassing points is included — (2) The provinces of Rome, Frosinone and Latina are not included — (3) Lazio and Grosseto province not included — (4) Calabria and Lucania not included — (5) Including Calabria and Lucania — (6) Inclusive of the additional price of 13.80 lire — (7) Inclusive of the additional price of 18 lire (8) North Italy: - For each quintal of wheat delivered to the amassing points a 200 lire «bonus» for clothing was granted (9) Inclusive of the 48 lire additional price (11 lire of the delivery bonus included) — (10) Northern Italy — (11) Central Italy and Campania — (12) Southern Italy and Islands.

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273. The official price level of the cereal products in Table 37 adjusted itself in 1946 to the level of currency circulation. In 1945 it was substantially lower and resulted in low deliveries to amassing points, and extensive black market activities in bread and flour.

274. The difference in 1944 between official prices on the two sides of the Gothic Line, the rapid adjustment after liberation of prices in the North to the higher prices of the South and the price increases in 1945 in both Northern and Southern Italy, are shown in Table 38.

TABLE 38

Official wholesale prices of cereals and pulses north and south of the Gothic Line: 1944 and 1945

Agricultural product	1944		1945 (after liberation)	
	North	South	North	South
	Lire per quintal			
Soft wheat	350	900	750	900
Hard wheat	380	1,000	830	1,000
Rye	280	900	750	900
Barley (husked)	250	700	583	700
Oats	240	650	542	650
Husked rice	330	445	1,000	675
Maize	250	650	542	650
Horse beans	260	675	1,080	
Beans	600	1,250	2,000	
Chick peas	420	590	1,200	
Lentils	540	747	1,560	

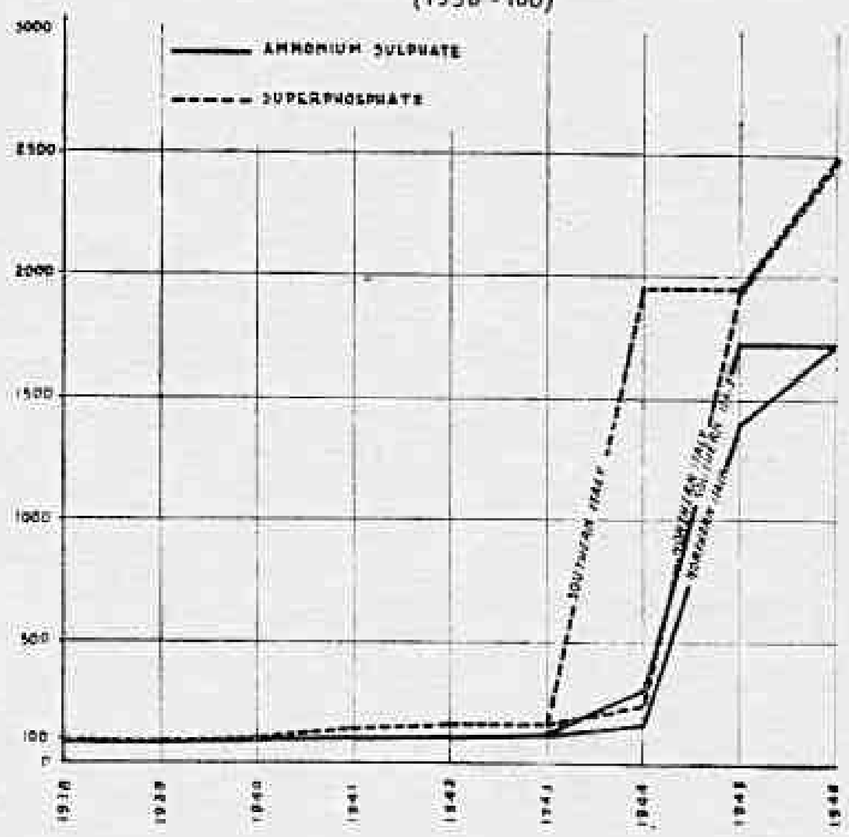
(ii) *Fertilizers (National Official Prices).*

275. The official prices of the principal home produced fertilizers and their trend (index-numbers, 1938=100) are shown in Tables 39 (graph) and 40. The data for 1944 and 1945 reflect the chaotic official price situation then existing in Italy. The substantial margin, in the North, between maximum and minimum prices is due to the "minimum" price having been that ruling prior to the liberation, while the "maximum" price was that ruling after the liberation. In the North, as also in the South, the price of nitrogenous fertilizers increased during 1945 from 3 to 4.5 times. The average increase in the level of official prices is greater than the increase in the index of currency circulation.

mentioned in para. 256, the collection of data on wholesale black market prices by governmental or quasi-governmental agencies is unsatisfactory. Black market prices on a national scale cannot therefore be calculated.

TABLE 39

INDEX NUMBERS OF WHOLESALE PRICES OF SOME FERTILIZERS
(1938 = 100)



277. Of all the available sources of data, the most reliable appears to be that offered by the Edison Combine of Milan. The data shown in Table 41 refer to the months preceding the 1946 harvest (these months can justly be considered as the most crucial months of the immediate post-war period), and to August and September, just after the harvest.

278. The black market prices of cereals reach their highest level in March, then drop sharply in August, in common with products harvested in June and in July (see Table 41) of which there was a full crop. The March peak is maintained only in the cases of products harvested in later months for which short crops had been anticipated.

279. The ratio of black market prices to official prices (official prices=1) for indigenous foodstuffs is as follows:

Commodities	1946			
	February	March	August	September
Soft wheat	4.17	9.29	2.38	2.36

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274. The difference in 1944 between official prices on the two sides of the Gothic Line, the rapid adjustment after liberation of prices in the North to the higher prices of the South and the price increases in 1945 in both Northern and Southern Italy, are shown in Table 38.

TABLE 38

Official wholesale prices of cereals and pulses north and south of the Gothic Line: 1944 and 1945

Agricultural product	1944		1945 (after liberation)	
	North	South	North	South
	Lire per quintal			
Soft wheat	350	900	750	900
Hard wheat	380	1,000	830	1,000
Rye	280	900	750	900
Barley (husked)	250	700	583	700
Oats	240	650	542	650
Husked rice	330	445	1,000	675
Maize	250	650	542	650
Horse beans	260	675	1,080	
Beans	600	1,250	2,000	
Chick peas	420	900	1,200	
Lentils	340	747	1,360	

(ii) *Fertilizers (National Official Prices).*

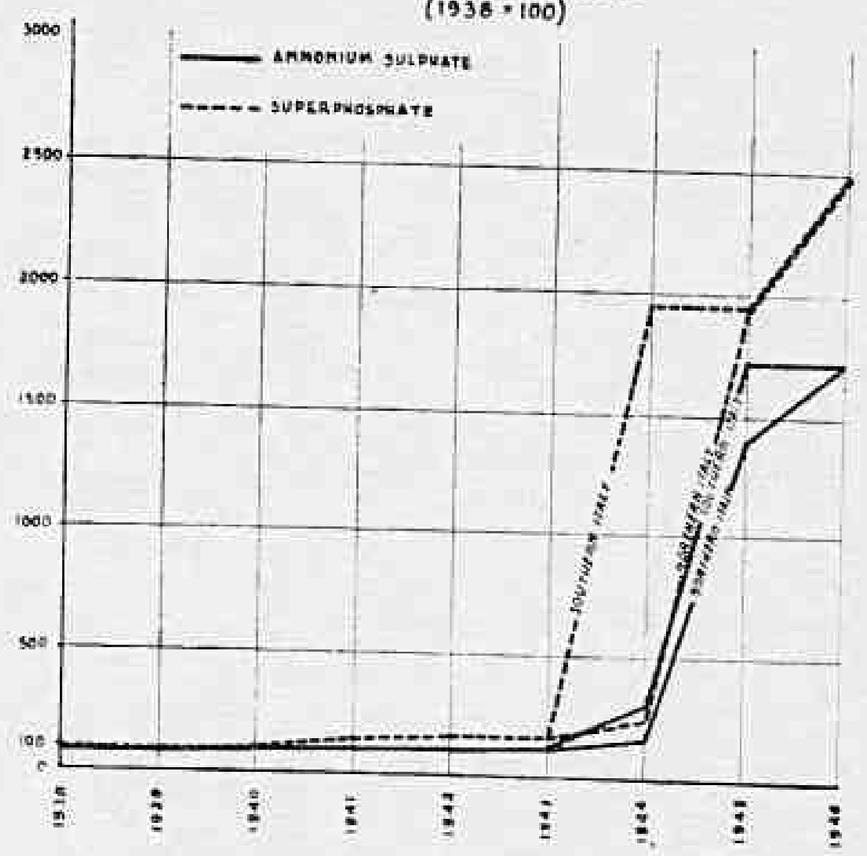
275. The official prices of the principal home produced fertilizers and their trend (index-numbers, 1938 = 100) are shown in Tables 39 (graph) and 40. The data for 1944 and 1945 reflect the chaotic official price situation then existing in Italy. The substantial margin, in the North, between maximum and minimum prices is due to the "minimum" price having been that ruling prior to the liberation, while the "maximum" price was that ruling after the liberation. In the North, as also in the South, the price of nitrogenous fertilizers increased during 1945 from 3 to 4.5 times. The average increase in the level of official prices is greater than the increase in the index of currency circulation.

(iii) *Free Prices (Milan): Private Collection of Data.*

276. A comparison, between official and black market prices can be made only for a limited number of commodities, and these in a few markets only. As

TABLE 39

INDEX NUMBERS OF WHOLESALE PRICES OF SOME FERTILIZERS
(1938 = 100)



277. Of all the available sources of data, the most reliable appears to be that offered by the Edison Combine of Milan. The data shown in Table 41 refer to the months preceding the 1946 harvest (these months can justly be considered as the most crucial months of the immediate post-war period), and to August and September, just after the harvest.

278. The black market prices of cereals reach their highest level in March, then drop sharply in August, in common with products harvested in June and in July (see Table 41) of which there was a full crop. The March peak is maintained only in the cases of products harvested in later months for which short crops had been anticipated.

279. The ratio of black market prices to official prices (official prices = 1) for indigenous foodstuffs is as follows:

Commodities	1946			
	February	March	August	September
Soft wheat	4.17	9.29	2.33	2.36
Maize	3.60	5.15	3.00	2.66
Rice	1.89	2.68	3.19	1.50
Olive Oil	1.78	1.78	2.38	2.38
Sugar	7.54	9.04	4.86	4.86

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TABLE 40

Official Wholesale Prices of Fertilizers charged by the Producer to the "Federazione Consorzi Agrari" (Federation of Agricultural Consortia): 1938 to 1946

m = minimum prices — M = maximum prices

		1938	1940	1942	1944 North	1944 South	1945 North	1945 South	1946
A. *Prices in Lire*									
Ammonium Sulphate (20 to 21%) per quintal (1)	m	77.45	82.70	90.95	108.20	109.15	138.20	394.50 (3)	—
	M	86.50	97.00	100.00	141.95	263.00 (3)	1,218.00 (3)	1,500.00 (3)	1,500
Ammonium nitrate (15 to 16%) per quintal (1)	m	68.90	73.65	83.90	99.65	100.60	117.65	416.00 (3)	—
	M	77.45	89.45	92.45	120.50	222.50 (3)	850.00 (3)	(4)	1,300
Calcium nitrate (13% to 14%) per quintal (1)	m	69.00	76.70	84.00	102.60	103.55	120.60	(4)	—
	M	80.40	92.40	95.40	123.45	(4)	978.00 (3)	(4)	1,300
Calcium nitrate (15,50%) per quintal (1)	m	78.40	86.00	93.90	112.50	113.45	130.50	434.00 (3)	—
	M	89.80	102.30	105.30	133.35	231.50 (3)	1,121.00 (3)	1,900.00 (3)	1,500
Calcium cyanamide per quintal (1)	m	62.25	66.30	82.25	98.30	99.00	146.30	322.50 (3)	—
	M	68.65	78.65	88.65	147.95	215.00 (3)	495.00	1,000.00 (3)	1,800
Mineral superphosphate per unit of P_2O_5 (soluble) (2)	m	1.39	1.39	2.55	2.55	35.00 (3)	3.40	35.00 (3)	—
	M	1.62	1.86	2.78	3.63	35.00 (3)	35.00 (3)	35.00 (3)	42
B. *Index numbers* (1938 = 100)									
Ammonium sulphate	m	100.0	106.8	117.4	139.7	140.9	178.4	509.4	—
	M	100.0	112.1	115.6	163.1	304.0	1,408.1	1,734.1	1,734.1
Ammonium nitrate	m	100.0	106.9	121.8	144.6	146.0	170.8	603.8	—
	M	100.0	115.5	119.4	155.6	287.3	1,097.5	—	1,678.5
Calcium nitrate	m	100.0	111.0	121.7	148.7	150.1	174.8	—	—
	M	100.0	114.9	118.7	153.5	—	1,216.4	—	1,616.9
Calcium nitrate	m	100.0	109.7	119.8	143.5	144.7	166.5	553.6	—
	M	100.0	113.9	117.3	148.5	261.1	1,248.3	2,115.8	1,670.4
Calcium Cyanamide	m	100.0	106.5	132.1	157.9	159.0	235.0	518.1	—
	M	100.0	114.6	129.1	215.5	313.2	721.0	1,456.7	2,622.0
			140.0	182.5	182.5	2,518.0	244.6	2,518.0 (5)	—

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		1938	1940	1942	North	South	North	South	D.C.
A. *Prices in Lire*									
Ammonium Sulphate (20 to 21%) per quintal (1)	m	77.45	82.70	90.95	108.20	109.15	138.20	394.50 (3)	—
	M	86.50	97.00	100.00	141.95	263.00 (3)	1,218.00 (3)	1,500.00 (3)	1,500
Ammonium nitrate (15 to 16%) per quintal (1)	m	68.90	73.65	83.90	99.65	100.60	117.65	416.00 (3)	—
	M	77.45	89.45	92.45	120.50	222.50 (3)	850.00 (3)	(4)	1,300
Calcium nitrate (13% to 14%) per quintal (.)	m	69.00	76.70	84.00	102.60	103.55	120.60	(4)	—
	M	80.40	92.40	95.40	123.45	(4)	978.00 (3)	(4)	1,300
Calcium nitrate (15.50%) per quintal (1)	m	78.40	86.00	93.90	112.50	113.45	130.50	434.00 (3)	—
	M	89.80	102.30	105.30	133.35	231.50 (3)	1,121.00 (3)	1,900.00 (3)	1,500
Calcium cyanamide per quintal (1)	m	62.25	66.30	82.25	98.30	99.00	146.30	322.50 (3)	—
	M	68.65	78.65	88.65	147.95	215.00 (2)	495.00	1,000.00 (3)	1,300
Mineral superphosphate per unit of P_2O_5 (soluble) (2)	m	1.39	1.39	2.55	2.55	35.00 (3)	3.40	35.00 (3)	—
	M	1.62	1.86	2.78	3.63	35.00 (3)	35.00 (3)	35.00 (3)	12
B. *Index numbers* (1938 = 100)									
Ammonium sulphate	m	100.0	106.8	117.4	139.7	140.9	178.4	509.4	—
	M	100.0	112.1	115.6	163.1	304.0	1,408.1	1,734.1	1,734.1
Ammonium nitrate	m	100.0	106.9	121.8	144.6	146.0	170.8	603.8	—
	M	100.0	115.5	119.4	155.6	287.3	1,097.5	—	1,678.5
Calcium nitrate	m	100.0	111.0	121.7	148.7	150.1	174.8	—	—
	M	100.0	114.9	118.7	153.5	—	1,216.4	—	1,616.9
Calcium nitrate	m	100.0	109.7	119.8	143.5	144.7	166.5	553.6	—
	M	100.0	113.9	117.3	148.5	261.1	1,248.3	2,115.8	1,670.4
Calcium Cyanamide	m	100.0	106.5	132.1	157.9	159.0	235.0	518.1	—
	M	100.0	114.6	129.1	215.5	313.2	721.0	1,456.7	2,622.0
Mineral superphosphate	m	100.0	100.0	183.5	183.5	2,518.0	244.6	2,518.0 (5)	—
	M	100.0	114.8	171.6	224.1	2,160.5	2,160.5	2,160.5	2,592.6

(1) Free at terminal station, not inclusive of packing.
(2) Free on wharf, exclusive of packing.
(3) Prices on producers' premises.
(4) Production suspended.
(5) Minimum has increased since 1938 more than maximum.

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TABLE 41

Wholesale Prices in Milan

Source: Edison Combine, Milan

Description of Produce	Unit	1938	February 1946		March 1946		August 1946		September 1946	
			Official prices	Free prices	Official prices	Free prices	Official prices	Free prices	Official prices	Free prices
A) Prices in lire										
Soft wheat	quintal	143.42	1,077.75	4,500	1,077.75	10,000	2,250	5,250	2,250	5,300
Maize	quintal	101.67	971.50	3,500	971.50	5,000	1,600	4,800	1,600	4,250
Potatoes	quintal	39.17	—	5,000	—	5,000	—	2,000	—	2,100
Calves (1st quality)	kg.	5.67	—	225	—	240	—	390	—	425
Hogs	kg.	5.51	—	230	—	290	—	400	—	370
Milk	liters	0.9	25	33	25	33	—	35	—	35
Rice	quintal	244.58	3,170	6,000	3,170	8,500	2,665	8,500	2,665	12,000
Olive oil	hundred liters	687.00	25,251.50	45,000	25,251.50	45,000	25,251.5	60,000	25,251	60,000
Sugar (refined)	quintal	2,637.00	14,500.00	80,000	14,500.00	80,000	17,500	85,000	17,500	85,000
Pasta	quintal	232.50	2,300	11,000	2,300	12,000	2,300	13,000	2,300	14,000
Lard	kg.	7.25	47.70	300	47.70	330	—	510	—	510
Butter	kg.	13.97	231.50	600	231.50	650	—	720	325	720
Cheese (grana type for grating)	kg.	11.60	135.30	600	135.30	600	—	900	—	900
Cheese (Gorgonzola)	kg.	7.73	175	400	175	400	—	300	—	300
B) Index numbers (1938 = 100)										
Soft wheat	same as above	100	751.5	3,137.6	751.5	6,972.5	1,568.8	3,660.6	1,568.8	3,695.4
Maize		100	955.5	3,442.5	955.5	4,917.9	1,573.7	4,721.2	1,573.7	4,180.2
Potatoes		100	—	12,764.9	—	12,764.9	—	5,105.9	—	5,361.2
Calves (1st quality)		100	—	3,968.3	—	4,232.8	—	6,878.3	—	7,495.6
Hogs		100	—	4,174.2	—	5,263.2	—	7,259.5	—	6,715.1
Milk		100	2,717.4	3,587.0	2,717.4	3,587.0	—	3,804.3	—	3,804.3
Rice		100	1,296.1	2,453.2	1,296.1	3,475.3	1,089.6	3,475.3	1,089.6	4,906.4
Olive oil		100	3,675.6	6,550.2	3,675.6	6,550.2	3,675.6	8,733.6	3,675.6	8,733.6
Sugar (refined)		100	2,276.3	12,558.9	2,276.3	12,558.9	2,747.3	13,343.8	2,747.3	13,343.8
Pasta		100	989.2	4,731.2	989.2	5,161.3	989.2	5,591.4	989.2	6,021.5
Lard		100	657.9	4,137.9	657.9	5,244.1	—	7,034.5	—	7,034.5
Butter		100	1,657.1	4,294.9	1,657.1	4,625.8	—	5,153.9	3,758.1	5,153.9
Cheese (grana type)		100	1,166.4	5,172.4	1,166.4	5,172.4	—	7,758.6	—	7,758.0
Cheese (Gorgonzola)		100	2,263.9	5,174.6	2,263.9	5,174.6	—	3,881.0	—	3,881.9

280. Table 41 indicates the importance of eliminating black market operations. The following two conditions must be fulfilled if this end is to be achieved: (a) food rations must be adequate to provide for minimum needs; (b) official prices must be adjusted, without long delay, to costs of production.

(iv) *Free Prices: Official Collection of Data.*

281. The most reliable data at the present time on black market prices are official figures for certain representative markets. Tables 42 and 43 bear out the

tion index, the latter being some 20 times the pre-war level.

282. The trend of the open market price level in representative markets of some of the major agricultural products given in Table 42 shows:

(a) the substantial drop in soft wheat prices in July and August 1946, i.e. at the time of harvesting;

(b) the maintenance of high prices in July and August 1946 for agricultural products which had still to be harvested (rice and maize) or of which a deficiency was anticipated;

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Description of Produce	Unit	1938	February 1946		March 1946		August 1946		September 1946	
			Official prices	Free prices	Official prices	Free prices	Official prices	Free prices	Official prices	Free prices
A) *Prices in lire*										
Soft wheat	quintal	143.42	1,077.75	1,500	1,077.75	10,000	2,250	5,250	2,250	5,300
Maize	quintal	101.67	971.50	3,500	971.50	5,000	1,600	4,800	1,600	4,250
Potatoes	quintal	39.17	—	5,000	—	5,000	—	2,000	—	2,100
Calves (1st quality)	kg.	5.67	—	225	—	240	—	390	—	425
Hogs	kg.	5.51	—	220	—	290	—	400	—	370
Milk	liters	0.9	25	33	25	33	—	35	—	35
Rice	quintal	244.58	3,170	6,000	3,170	8,500	2,665	8,500	2,665	12,000
Olive oil	hundred liters	687.00	25,251.50	45,000	25,251.50	45,000	25,251.5	60,000	25,251	60,000
Sugar (refined)	quintal	2,637.00	14,500.00	80,000	14,500.00	80,000	17,500	85,000	17,500	85,000
Pasta	quintal	232.50	2,300	11,000	2,300	12,000	2,300	13,000	2,300	14,000
Lard	kg.	7.25	47.70	300	47.70	380	—	510	—	510
Butter	kg.	13.97	231.50	600	231.50	650	—	720	525	720
Cheese (grana type for grating)	kg.	11.60	135.30	600	135.30	600	—	900	—	900
Cheese (Gorgonzola)	kg.	7.73	175	400	175	400	—	300	—	300
B) *Index numbers* (1938 = 100)										
Soft wheat	same as above	100	751.5	3,137.6	751.5	6,972.5	1,568.8	3,660.6	1,568.8	3,695.4
Maize		100	955.5	3,442.5	955.5	4,917.9	1,573.7	4,721.2	1,573.7	4,180.2
Potatoes		100	—	12,764.9	—	12,764.9	—	5,165.9	—	5,361.2
Calves (1st quality)		100	—	3,968.3	—	4,232.8	—	6,878.3	—	7,495.6
Hogs		100	—	4,174.2	—	5,263.2	—	7,259.5	—	6,715.1
Milk		100	2,717.4	3,587.6	2,717.4	3,587.6	—	3,804.3	—	3,804.3
Rice		100	1,296.1	2,453.2	1,296.1	3,475.3	1,089.6	3,475.3	1,089.6	4,906.4
Olive oil		100	3,675.6	6,550.2	3,675.6	6,550.2	3,675.6	8,733.6	3,675.6	8,733.6
Sugar (refined)		100	2,276.3	12,558.9	2,276.3	12,558.9	2,747.3	13,343.8	2,747.3	13,343.8
Pasta		100	989.2	4,731.2	989.2	5,161.3	989.2	5,591.4	989.2	6,021.5
Lard		100	657.9	4,137.9	657.9	5,244.1	—	7,034.5	—	7,034.5
Butter		100	1,657.1	4,294.9	1,657.1	4,625.8	—	5,153.9	3,758.1	5,153.9
Cheese (grana type)		100	1,166.4	5,172.4	1,166.4	5,172.4	—	7,758.6	—	7,758.0
Cheese (Gorgonzola)		100	2,263.9	5,174.6	2,263.9	5,174.6	—	3,881.3	—	3,881.9

280. Table 41 indicates the importance of eliminating black market operations. The following two conditions must be fulfilled if this end is to be achieved: (a) food rations must be adequate to provide for minimum needs; (b) official prices must be adjusted, without long delay, to costs of production.

(iv) *Free Prices: Official Collection of Data.*

281. The most reliable data at the present time on black market prices are official figures for certain representative markets. Tables 42 and 43 bear out the presence of substantial *regional price differences* which are indicative of the absence of a unified national market. Compared with pre-war (1938), actual prices have increased 25 to 74 times (minimum prices range from 25 to 53 times the pre-war level and maximum prices from 46 to 74 times) (see Table 43). All indices stand at a much higher level than the currency circulation index, the latter being some 20 times the pre-war level.

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282. The trend of the open market price level in representative markets of some of the major agricultural products given in Table 42 shows:

(a) the substantial drop in soft wheat prices in July and August 1946, i.e. at the time of harvesting;

(b) the maintenance of high prices in July and August 1946 for agricultural products which had still to be harvested (rice and maize) or of which a deficiency was anticipated;

(c) the striking price increase in cattle for slaughter. This reflects an improvement in the fodder situation;

(d) prices in August 1946 are from 20 to 113 times above pre-war (a high frequency of prices from 40 to 50 times is noticeable).

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TABLE 42

Open or Black Market Wholesale Prices in Lire per Quintal and Index Numbers (1938 = 100) June 1938 and March to August, 1946

Cities	June 1938		March 1946		June 1946		July 1946		August 1946	
	Price	Index	Price	Index	Price	Index	Price	Index	Price	Index
Soft Wheat										
Alessandria	135	100	9,000	6,666.7	9,000	6,666.7	6,300	1,441.4	6,000	1,444.4
Milan	135	100	8,200 (1)	6,074.1	5,500	4,074.1	5,000	3,703.7	3,500	3,925.9
Padua	135	100	6,000	4,444.4	4,000	2,963.0	4,000	2,963.0	4,000	2,963.0
Rovigo	135	100	4,500	3,333.3	6,000	1,444.4	6,000	1,444.4	—	—
Florence	135	100	5,500	1,074.1	5,700	1,222.2	6,200	4,592.6	5,280	4,281.5
Perugia	135	100	5,000	3,703.7	9,000	6,666.7	5,000	3,703.7	5,000	3,703.7
Rome	135	100	7,500	5,555.6	5,000	3,703.7	5,000	3,703.7	5,000	3,703.7
Teramo	135	100	10,000	7,407.4	6,000	4,444.4	4,500	2,333.3	4,500	3,333.3
Catania	135	100	8,000	5,925.9	5,000	3,703.7	5,500	1,074.1	4,500	3,333.3
Cagliari	135	100	12,500	9,259.3	12,500	9,259.3	8,000	5,925.9	8,000	5,925.9
Sassari	135	100	10,000	7,407.4	12,000	8,888.9	4,000	2,963.0	4,000	2,963.0
Husked rice										
Vercelli	93	100	4,500	4,838.7	5,000	5,376.3	—	—	—	—
Milan	95.50	100	4,600	4,815.8	7,000	7,329.8	7,000	7,329.8	—	—
Pavia	94	100	2,500	2,659.6	4,000	4,255.3	4,500	1,787.2	4,300	4,574.5
Maize										
Brescia	90	100	5,250	5,833.3	5,000	5,555.6	4,500	3,000.0	—	—
Cremona	90	100	4,500	5,000.0	4,000	4,444.4	4,000	4,444.4	4,000	4,444.4
Milan	89	100	5,000	5,618.0	5,000	5,618.0	6,000	6,741.6	5,200	5,842.7
Pavia	90	100	3,500	3,666.7	4,000	4,444.4	5,000	5,555.6	5,000	5,555.6
Udine	90	100	4,500	5,000.0	5,000	5,555.6	5,500	6,111.1	5,500	6,111.1
Bologna	90	100	5,000	5,555.6	—	—	6,000	6,666.7	—	—

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	Price	Index	Price	Index	Price	Index	Price	Index	Price	Index
Soft Wheat										
Alessandria	135	100	9,000	6,666.7	9,000	6,666.7	6,000	1,444.4	6,000	1,444.4
Milan	135	100	8,200 (1)	6,074.1	5,500	1,074.1	5,000	3,703.7	3,500	3,925.9
Padua	135	100	6,000	4,444.4	4,000	2,963.0	4,000	2,963.0	4,000	2,963.0
Rovigo	135	100	4,500	3,333.3	6,000	4,444.4	6,000	1,444.4	—	—
Florence	135	100	5,500	1,074.1	5,700	1,222.2	6,200	4,592.6	5,280	4,281.5
Perugia	135	100	5,000	3,703.7	9,000	6,666.7	5,000	3,703.7	5,000	3,703.7
Rome	135	100	7,500	5,555.6	5,000	3,703.7	5,000	3,703.7	5,000	3,703.7
Teramo	135	100	10,000	7,407.4	6,000	4,444.4	4,500	2,333.3	4,500	3,333.3
Catania	135	100	8,000	5,925.9	5,000	3,703.7	5,500	4,074.1	4,500	3,333.3
Cagliari	135	100	12,500	9,259.3	12,500	9,259.3	8,000	5,925.9	8,000	5,925.9
Sassari	135	100	10,000	7,407.4	12,000	8,888.9	4,000	2,963.0	4,000	2,963.0
Husked rice										
Vercelli	93	100	1,500	1,838.7	5,000	5,376.3	—	—	—	—
Milan	95.50	100	1,600	1,815.8	7,000	7,329.8	7,000	7,329.8	—	—
Pavia	94	100	2,500	2,659.6	4,000	4,255.3	1,500	1,737.2	4,300	4,574.5
Maize										
Brescia	90	100	3,250	3,333.3	5,000	5,555.6	4,500	5,000.0	—	—
Cremona	90	100	4,500	5,000.0	4,000	4,444.4	4,000	4,444.4	4,000	4,444.4
Milan	89	100	5,000	5,618.0	5,000	5,618.0	6,000	6,741.6	5,200	5,842.7
Pavia	90	100	3,300	3,666.7	4,000	4,444.4	5,000	5,555.6	5,000	5,555.6
Udine	90	100	4,500	5,000.0	5,000	5,555.6	5,500	6,111.1	5,500	6,111.1
Bologna	90	100	5,000	5,555.6	—	—	6,000	6,666.7	—	—
Piacenza	90	100	4,200	4,666.7	4,000	4,444.4	4,500	5,000.0	4,000	4,444.4
Rovigo	92	100	6,500	7,065.2	6,000	6,521.7	—	—	—	—

(1) 10,000 lire, according to the "Società Edison".
Source: Central Institute of Statistics (Monthly Bulletin).

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TABLE 42 (*continued*)

Open or Black Market Wholesale Prices in Lire per Quintal

Cities	June 1938		March 1946		June 1946		July 1946		August 1946	
	Price	Index	Price	Index	Price	Index	Price	Index	Price	Index
OLIVE OIL.										
Genoa	748	100	55,700	7,446.5	53,000	7,085.6	—	—	—	—
Florence	734	100	52,500	7,152.6	50,000	6,812.0	54,250	7,391.0	55,000	7,493.2
Lucca	793	100	—	—	55,000	6,935.7	—	—	90,000	11,349.3
Perugia	704	100	42,000	5,965.9	48,000	6,818.2	48,000	6,818.2	55,000	7,812.5
Chieti	725	100	45,000	6,206.9	45,000	6,206.9	45,000	6,206.9	50,000	6,896.6
Naples	761	100	—	—	46,000	6,045.3	—	—	62,500	8,812.9
Bari	697	100	28,000	4,017.3	33,500	4,806.4	38,000	5,452.0	42,000	6,025.8
Foggia	670	100	29,000	3,328.4	—	—	36,000	5,373.1	37,000	5,522.4
Lecce	660	100	23,500	3,560.6	32,500	4,924.2	45,000	6,818.2	43,000	6,515.2
Catanzaro	689	100	—	—	30,000	4,354.1	—	—	40,000	5,805.5
Cosenza	660	100	—	—	28,000	4,242.4	—	—	40,000	6,060.6
Reggio Calabria	697	100	27,000	3,873.7	28,500	4,089.0	35,000	5,021.5	40,000	5,738.9
Catania	745	100	22,000	2,952.8	26,000	3,489.7	37,000	4,966.1	41,000	5,503.4
MILK FOR DIRECT CONSUMPTION (1)										
Milan	110	100	3,300	3,000.0	3,200	2,909.1	3,200	2,909.1	3,200	2,909.1
Bologna	90	100	3,500	3,888.9	3,000	3,333.0	3,000	3,333.3	—	—
Florence	102	100	4,600	4,509.8	4,300	4,215.7	4,400	4,315.7	4,400	4,313.7
Rome	132	100	5,000	3,787.9	—	—	4,000	3,030.3	4,000	3,030.3
Naples	140	100	—	—	6,000	4,285.7	—	—	—	—
Palermo	97.5	100	3,000	3,076.9	3,500	3,589.7	4,500	4,615.4	4,500	5,615.4
OXEN FOR SLAUGHTER (*Live weight*)										
Alessandria	300	100	14,000	4,666.7	11,500	3,833.3	13,000	4,333.3	13,000	5,333.3
Milan	430	100	15,000	3,488.1	14,000	3,255.8	16,000	3,720.9	16,500	3,837.2
Vicenza	315	100	20,000	6,349.2	13,500	4,285.7	15,000	4,761.9	13,000	4,127.0
Bologna	320	100	16,500	5,156.3	15,000	4,687.5	17,000	5,312.5	18,000	5,625.0
							16,000	5,245.9	15,500	5,082.0

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Cities										
	Price	Index	Price	Index	Price	Index	Price	Index	Price	Index
Olive oil.										
Genoa	748	100	55,700	7,446.5	53,000	7,085.6	—	—	—	—
Florence	734	100	52,500	7,152.6	50,000	6,812.0	54,250	7,391.0	55,000	7,493.2
Lucca	793	100	—	—	55,000	6,935.7	—	—	90,000	11,349.3
Perugia	704	100	42,000	5,965.9	48,000	6,818.2	48,000	6,818.2	55,000	7,812.5
Chieti	725	100	45,000	6,206.9	45,000	6,206.9	45,000	6,206.9	50,000	6,896.6
Naples	761	100	—	—	46,000	6,045.3	—	—	62,500	8,812.9
Bari	697	100	28,000	4,017.3	33,500	4,806.4	38,000	5,452.0	42,000	6,025.8
Foggia	670	100	29,000	3,328.4	—	—	36,000	5,373.1	37,000	5,522.4
Lecce	660	100	23,500	3,560.6	32,500	4,924.2	45,000	6,818.2	43,000	6,515.2
Catanzaro	689	100	—	—	30,000	4,354.1	—	—	40,000	5,805.5
Cosenza	660	100	—	—	28,000	4,242.4	—	—	40,000	6,060.6
Reggio Calabria	697	100	27,000	3,873.7	28,500	4,089.0	35,000	5,021.5	40,000	5,738.9
Catania	745	100	22,000	2,952.8	26,000	3,489.7	37,000	4,966.1	41,000	5,503.4
Milk for direct consumption (1)										
Milan	110	100	3,300	3,000.0	3,200	2,909.1	3,200	2,909.1	3,200	2,909.1
Bologna	90	100	3,500	3,888.9	3,000	3,333.0	3,000	3,333.3	—	—
Florence	102	100	4,600	4,509.8	4,300	4,215.7	4,400	4,315.7	4,400	4,313.7
Rome	132	100	5,000	3,787.9	—	—	4,000	3,030.3	4,000	3,030.3
Naples	140	100	—	—	6,000	4,285.7	—	—	—	—
Palermo	97.5	100	3,000	3,076.9	3,500	3,589.7	4,500	4,615.4	4,500	5,615.4
Oxen for slaughter (*Live weight*)										
Alessandria	300	100	14,000	4,666.7	11,500	3,833.3	13,000	4,333.3	13,000	5,333.3
Milan	430	100	15,000	3,488.4	14,000	3,255.8	16,000	3,720.9	16,500	3,837.2
Vicenza	315	100	20,000	6,349.2	13,500	4,285.7	15,000	4,761.9	13,000	4,127.0
Bologna	320	100	16,500	5,156.3	15,000	4,687.5	17,000	5,312.5	18,000	5,625.0
Perugia	305	100	13,500	4,426.2	14,000	4,590.2	16,000	5,245.9	15,500	5,082.0
Rome	364	100	12,500	3,434.1	10,000	2,747.3	14,000	3,846.2	16,000	4,395.6
Naples	327	100	—	—	11,400	3,486.2	—	—	14,000	4,281.3
Bari	310	100	14,000	4,516.1	12,000	3,871.0	11,500	3,709.7	14,000	4,516.1
Catania	291	100	13,000	4,467.4	13,000	4,467.4	13,000	4,467.4	13,000	4,467.4

(1) Price per 100 litres.

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TABLE 42 *(continued)*

Open or Black Market Prices in Lire per Quintal

	June 1938		March 1946		June 1946		July 1946		August 1946	
	Price	Index	Price	Index	Price	Index	Price	Index	Price	Index
COWS FOR SLAUGHTERING (*Live weight*) (1)										
Alessandria	210	210	11,000	5,238.1	9,000	4,285.7	11,000	5,238.1	11,000	5,238.1
Milan	370	100	13,000	3,513.5	12,000	3,243.2	14,000	3,783.8	15,500	5,189.2
Vicenza	260	100	15,000	5,769.2	12,000	4,615.4	13,000	5,000.0	13,000	5,000.0
Bologna	285	100	15,500	5,438.6	14,000	4,912.3	15,500	5,438.6	16,500	5,789.5
Perugia	280	100	12,500	4,464.3	13,500	4,821.4	15,000	5,357.1	14,200	5,071.4
Rome	324	100	12,000	3,703.7	9,500	2,932.1	13,500	4,166.7	15,500	5,784.0
Naples	339	100	—	—	12,000	3,539.8	—	—	14,000	4,129.8
Bari	310	100	13,000	4,193.5	12,000	3,871.0	11,500	3,709.7	13,000	4,193.5
Catania	306	100	12,000	3,921.6	12,000	3,921.6	12,000	3,921.6	12,000	3,921.6
CALVES FOR SLAUGHTER (*Live weight*)										
Alessandria	350	100	21,000	6,000.0	18,000	5,242.9	22,000	6,285.7	22,000	6,285.7
Milan	560	100	(2)19,000	3,392.9	18,500	3,305.6	20,000	3,571.6	23,000	4,107.1
Bologna	375	100	19,000	5,066.7	19,000	5,066.7	23,000	6,133.3	26,000	6,933.3
Perugia	350	100	19,000	5,428.6	19,000	5,428.6	20,000	5,714.3	20,000	5,714.3
Rome	427	100	16,000	3,747.1	18,000	3,044.5	18,000	4,215.5	18,000	4,215.5
Bari	183	100	16,000	3,312.6	14,000	2,898.6	14,000	2,898.6	15,000	3,165.6
LAMBS (*Live weight*)										
Rome	761	100	20,000	2,628.1	—	—	—	—	—	—
Campobasso	450	100	11,000	2,444.4	11,000	2,444.4	—	—	11,000	2,444.4
Chieti	335	100	19,000	4,935.1	19,000	4,935.1	20,000	5,194.8	16,000	4,776.1
Lecce	512	100	17,500	3,418.0	13,000	2,539.1	13,000	2,539.1	13,000	2,539.1

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	June 1938		March 1946		June 1946		July 1946		August 1946	
	Price	Index	Price	Index	Price	Index	Price	Index	Price	Index
COWS FOR SLAUGHTERING (*Live weight*) (1)										
Alessandria	210	210	11,000	5,238.1	9,000	4,285.7	11,000	5,238.1	11,000	5,238.1
Milan	370	100	13,000	3,513.5	12,000	3,243.2	14,000	3,783.8	15,500	5,189.2
Vicenza	260	100	15,000	5,769.2	12,000	4,615.4	13,000	5,000.0	13,000	5,000.0
Bologna	285	100	15,500	5,438.6	14,000	4,912.3	15,500	5,438.6	16,500	5,789.5
Perugia	280	100	12,500	4,464.3	13,500	4,821.4	15,000	5,357.1	14,200	5,071.4
Rome	324	100	12,000	3,703.7	9,500	2,932.1	13,500	4,166.7	15,500	5,784.0
Naples	339	100	—	—	12,000	3,539.8	—	—	14,000	4,129.8
Bari	310	100	13,000	4,193.5	12,000	3,871.0	11,500	3,709.7	13,000	4,193.5
Catania	366	100	12,000	3,921.6	12,000	3,921.6	12,000	3,921.6	12,000	3,921.6
CALVES FOR SLAUGHTER (*Live weight*).										
Alessandria	350	100	21,000	6,000.0	18,000	5,242.9	22,000	6,285.7	22,000	6,285.7
Milan	566	100	(2)19,000	3,392.9	18,500	3,305.6	20,000	3,571.0	23,000	4,107.1
Bologna	375	100	19,000	5,066.7	19,000	5,066.7	23,000	6,133.3	26,000	6,933.3
Perugia	350	100	19,000	5,428.6	19,000	5,428.6	20,000	5,714.3	20,000	5,714.3
Rome	427	100	16,000	3,747.1	13,000	3,044.5	18,000	4,215.5	18,000	4,215.5
Bari	183	100	16,000	3,312.6	14,000	2,898.6	14,000	2,898.6	15,000	3,105.6
LAMBS (*Live weight*)										
Rome	761	100	20,000	2,628.1	—	—	—	—	—	—
Campobasso	450	100	11,000	2,444.4	11,000	2,444.4	—	—	11,000	2,444.4
Chieti	335	100	19,000	4,935.1	19,000	4,935.1	20,000	5,194.8	16,000	4,776.1
Lecce	512	100	17,500	3,418.0	13,000	2,539.1	13,000	2,539.1	13,000	2,539.1
SHEEP (*Live weight*).										
Sassari	375	100	—	—	—	—	8,000	2,133.3	7,500	2,000.0

(1) For 1938, second quality.
(2) 24,000 lire according to the data of the Edison Combine.

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TABLE 43

Minimum and Maximum Open Market Prices in Lire per Quintal in certain Italian Markets: July 1946

PRODUCT	PRICES				Index numbers (1938 = 1)	
	Minimum		Maximum		Minimum	Maximum
	Price	Market	Price	Market		
Soft wheat	4,000	Padua	8,000	Cagliari	30	59
Husked rice	4,500	Pavia	7,000	Milan	48	73
Maize	4,000	Cremona	6,000	Milan	44	67
Olive Oil	35,000	Reggio Calabria	54,000	Florence	50	74
Oxen for slaughter	11,500	Bari	17,000	Bologna	37	53
Cows for slaughter	11,500	Bari	15,500	Bologna	37	54
Calves for slaughter	14,000	Bari	28,000	Bologna	29	61
Lambs	13,000	Lecce	20,000	Chieti	25	52
Milk for direct consumption (per 100 liters)	3,000	Bologna	4,500	Palermo	38	46

(b) *The Prices of Raw Materials and Industrial Products.*

283. The most recent, complete and reliable source of data on open market or black market wholesale prices of raw materials and industrial products, is that provided by the "Giunta Tecnica" (Technical Group) of the Edison Combine, Milan (see Table 44). Although the data refer only to Milan—one of Italy's most important markets—they are of wider interest. It will be appreciated that the economic importance of black market prices (a) is negligible for imported raw materials, where home production is insignificant or small, since, in this case, distribution and allocation are usually efficiently performed by the official agencies (e.g. coke, cotton, etc.), and (b) is great for commodities for which there is no official system of distribution or where distribution is ineffectually carried out.

284. In some cases (e.g. copper and lead) the official prices during March 1946—not currently adjusted—have remained at a higher level than the free prices: this is further evidence of the need for tightening up the efficiency of the price-controlling agencies.

285. Except for aluminum, all black market prices in September 1946 exceeded substantially the current circulation level, which is some 20 times higher than prewar. This applies also to some official prices (coke, lead, copper sulphate, cement and tires—also footwear).

286. The ratio of black market prices to official prices (unlike the relationship in food and agricultural products - see para. 279) is not extreme. Gasoline and tires show a wide difference, but this is due to the small official allocation and consequent greater resort to the black market. As is seen in the following summary, the divergence between official and black market prices has diminished from March to August 1946, except for tires, footwear, lead, copper, and wool:

Black Market Index Prices (official price = 1): March and August 1946.

	March	August		March	August
	1.60	1.08	Wool	1.44	2.00

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Product	Minimum Price	Minimum Market	Maximum Price	Maximum Market	Minimum	Maximum
Soft wheat	4,000	Padua	8,000	Cagliari	30	59
Husked rice	4,500	Pavia	7,000	Milan	48	78
Maize	4,000	Cremona	6,000	Milan	44	67
Olive Oil	35,000	Reggio Calabria	54,000	Florence	50	74
Oxen for slaughter	11,500	Bari	17,000	Bologna	37	53
Cows for slaughter	11,500	Bari	15,500	Bologna	37	54
Calves for slaughter	14,000	Bari	23,000	Bologna	29	61
Lambs	13,000	Lecce	20,000	Chieti	25	52
Milk for direct consumption (per 100 liters)	3,000	Bologna	4,500	Palermo	53	46

(b) *The Prices of Raw Materials and Industrial Products.*

283. The most recent, complete and reliable source of data on open market or black market wholesale prices of raw materials and industrial products, is that provided by the "Giunta Tecnica" (Technical Group) of the Edison Combine, Milan (see Table 44). Although the data refer only to Milan—one of Italy's most important markets—they are of wider interest. It will be appreciated that the economic importance of black market prices (a) is negligible for imported raw materials, where home production is insignificant or small, since, in this case, distribution and allocation are usually efficiently performed by the official agencies (e.g. coke, cotton, etc.), and (b) is great for commodities for which there is no official system of distribution or where distribution is ineffectually carried out.

284. In some cases (e.g. copper and lead) the official prices during March 1946—not currently adjusted—have remained at a higher level than the free prices: this is further evidence of the need for tightening up the efficiency of the price-controlling agencies.

285. Except for aluminum, all black market prices in September 1946 exceeded substantially the current circulation level, which is some 20 times higher than prewar. This applies also to some official prices (coke, lead, copper sulphate, cement and tires—also footwear).

286. The ratio of black market prices to official prices (unlike the relationship in food and agricultural products - see para. 279) is not extreme. Gasoline and tires show a wide difference, but this is due to the small official allocation and consequent greater resort to the black market. As is seen in the following summary, the divergence between official and black market prices has diminished from March to August 1946, except for tires, footwear, lead, copper, and wool:

Black Market Index Prices (official price = 1): March and August 1946.

	March	August		March	August
Copper sulphate	1.60	1.03	Wool	1.44	2.00
Lead	0.94	1.10	Coke	2.71	2.61
Copper	0.94	1.21	Caustic soda	3.73	3.73
Coal	1.31	1.31	Tires	2.97	1.27
Cement	1.95	1.56	Gasoline	5.24	4.35
Combustible mineral oil	4.17	1.90	Lubricating mineral oils	5.60	4.76
Men's footwear	1.77	2.00			

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TABLE 44.

Official and Black Market Prices in Lire (Milan: 1938 and 1946)

		1938	March 1946		August 1946		September 1946	
			Official	Black market	Official	Black market	Official	Black market
A) *Prices.*								
Coal	metric tons	225.80 (1)	4,048 (2)	13,500 (3)	4,064 (3)	12,500	4,064(3)	12,500
Coke	quintals	30.74	850.00	2,300	880	2,300	880	2,300
Cotton	kilograms	15.95	225.00	225	225	225	225	540
Wool	»	32.06	660 (5)	1,600 (5)	600	1,200	600	1,200
Aluminum	»	11.00	130.00	130	—	152.50	—	165
Copper (6)	»	4.78	95.76	90	92.76	122.50	92.7	137.5
Lead, just after smelting	»	2.93	80.00	75	72	79	72	86.5
Gasoline	»	3.33	21.00	110	23	100	27	150
Combustible mineral oils (7)	quintals	48.80	840.00	3,500	840	1,600	850	1,700
Lubricating mineral oils (8)	»	476.00	3,570.00	20,000	3,570	17,000	5,420	17,000
Copper Sulphate	»	196.23	5,000.00	8,000	5,000	5,400	5,400	6,000
Caustic soda	»	130.00	1,340.00	5,000	1,340	5,000	1,340	7,000
Cement (type 500)	»	17.72	374.00	720	474	740	505	750
Tires (Fiat cars-500)	each	120.00	4,119.00	12,000	4,683	20,000	4,119	22,000
Paper (9)	quintals	260.88	5,700.00	12,000	—	8,750	—	8,750
Footwear for men	pairs	62.00	1,300.00	2,300	1,300	2,600	1,300	2,600
B) *Index Numbers* (1938 = 100).								
Coal		100	1,792.7	5,978.7	1,800.0	5,535.9	1,800.0	5,535.9
Coke		100	2,765.1	7,482.1	2,862.7	7,482.1	2,862.7	7,482.1
Cotton		100	1,410.7	1,410.7	1,410.7	1,410.7	1,410.7	3,385.6
Wool		100	2,058.6	4,990.6	1,871.5	3,743.0	1,811.5	3,743.0
Aluminum		100	1,181.8	1,181.8	—	1,386.4	—	1,500.0
Copper		100	2,003.3	1,882.8	2,003.3	2,562.8	2,003.3	2,876.6
Lead		100	2,730.4	2,559.7	2,457.3	2,696.2	2,457.3	2,952.2
Gasoline		100	630.6	3,303.3	690.7	3,003.0	810.8	4,504.5
Combustible mineral oils		100	1,721.3	7,172.1	1,721.3	3,278.7	1,741.8	3,483.6
Lubricating mineral oils		100	750.0	4,201.7	750.0	3,571.4	1,138.7	3,571.4
Copper sulphate		100	2,548.3	4,077.3	2,548.3	2,752.2	2,548.3	3,057.6
Caustic soda		100	1,030.8	3,846.2	1,030.8	3,846.2	1,030.8	5,384.6
Cement		100	2,110.6	4,063.2	2,674.9	4,176.1	2,878.1	4,232.5

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A) *Prices.*

Coal	metric tons	225.80 (1)	4,048 (2)	13,500 (3)	4,064 (3)	12,500	4,064(4)	12,500
Coke	quintals	30.74	850.00	2,300	880	2,300	880	2,300
Cotton	kilograms	15.95	225.00	225	225	225	225	540
Wool	»	32.06	660 (5)	1,600 (5)	600	1,200	600	1,200
Aluminum	»	11.00	130.00	130	—	152.50	—	165
Copper (6)	»	4.78	95.76	90	92.76	122.50	92.7	137.5
Lead, just after smelting	»	2.93	80.00	75	72	79	72	86.5
Gasoline	»	3.33	21.00	110	23	100	27	150
Combustible mineral oils (7)	quintals	48.80	840.00	3,500	840	1,600	850	1,700
Lubricating mineral oils (8)	»	476.00	3,570.00	20,000	3,570	17,000	5,420	17,000
Copper Sulphate	»	196.23	5,000.00	8,000	5,000	5,400	5,400	6,000
Caustic soda	»	130.00	1,340.00	5,000	1,340	5,000	1,340	7,000
Cement (type 500)	»	17.72	374.00	720	474	740	505	750
Tires (Fiat cars-500)	each	120.00	4,119.00	12,000	4,683	20,000	4,119	22,000
Paper (9)	quintals	260.88	5,700.00	12,000	—	8,750	—	8,750
Footwear for men	pairs	62.00	1,300.00	2,300	1,300	2,600	1,300	2,600

B) *Index Numbers* (1938 = 100).

Coal	100	1,792.7	5,978.7	1,800.0	5,535.9	1,800.0	5,535.9
Coke	100	2,765.1	7,482.1	2,862.7	7,482.1	2,862.7	7,482.1
Cotton	100	1,410.7	1,410.7	1,410.7	1,410.7	1,410.7	3,385.6
Wool	100	2,058.6	4,990.6	1,871.5	3,743.0	1,811.5	3,743.0
Aluminum	100	1,181.8	1,181.8	—	1,386.4	—	1,500.0
Copper	100	2,003.3	1,882.8	2,003.3	2,562.8	2,003.3	2,876.6
Lead	100	2,730.4	2,559.7	2,457.3	2,696.2	2,457.3	2,952.2
Gasoline	100	630.6	3,303.3	690.7	3,003.0	810.8	4,504.5
Combustible mineral oils	100	1,721.3	7,172.1	1,721.3	3,278.7	1,741.8	3,483.6
Lubricating mineral oils	100	750.0	4,201.7	750.0	3,571.4	1,138.7	3,571.4
Copper sulphate	100	2,548.3	4,077.3	2,548.3	2,752.2	2,548.3	3,057.6
Caustic soda	100	1,030.8	3,846.2	1,030.8	3,846.2	1,030.8	5,384.6
Cement	100	2,110.6	4,063.2	2,674.9	4,176.1	2,878.1	4,232.5
Tires	100	3,432.5	10,000.0	3,982.5	16,666.7	3,432.5	18,333.3
Paper	100	2,184.9	4,600.0	—	3,354.0	—	3,354.0
Footwear for men	100	2,096.8	3,709.7	2,096.8	4,193.5	2,996.8	4,193.5

(1) Westphalia. — (2) American coal for public utilities. — (3) For industry. — (4) Gas coal — (5) The official price refers to imported American wool, the actual price to domestic wool. — (6) American copper for wire. — (7) Fluid for boilers and furnaces. — (8) For transformers. — (9) Newsprint.

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287. Table 45 shows the prices for commodities for which there is no official price:

TABLE 45

Open Market Prices in Lire in Milan: 1938 and 1946.

Commodity		Prices				Index-numbers (1938 = 100)		
		1938	March 1946	August 1946	September 1946	March 1946	August 1946	Sept. 1946
Firewood	quintals	16.73	600	500	550	3,586.4	2,988.5	3,287.5
Sectioned homogeneous iron	kilograms	1.29	26.60	26.60	26.60	2,062.0	2,062.0	2,062.0
Mannesmann iron tubes	"	3.93	50	50	50	1,272.3	1,272.3	1,272.3
Mineral superphosphate	quintals	24.75	630	930	930	2,545.5	3,757.6	3,757.6
Bricks (25 × 13 × 6 cm.)	per one hundred	12.00	260	400	440	2,166.7	3,333.3	3,666.7
Rayon (150, 1st quality)	kilograms	21.45	600	605	800	2,797.2	2,820.5	3,729.6
Cotton yarns	"	15.50	510	620	950	3,290.3	4,000.0	6,129.0
Hemp yarns (1)	"	14.85	300	300	350	2,020.0	2,020.0	2,356.9
Lumber:								
a) 1st Quality for planks	cub. meter	487.50	16,500	15,500	16,000	3,384.6	3,179.5	3,282.1
b) Fir beams, Trieste type	"	217.50	10,000	10,000	10,000	4,597.7	4,597.7	4,597.7
Alcohol (95 %) (anhydrous)	hectoliters	2,300.00	43,000	36,000	36,000	1,869.6	1,565.2	1,565.2
Electric light bulbs (each)	each	3.87	80	95	105	2,067.2	2,454.8	2,713.2
Automobile (Fiat 500 make)	kilograms	20.16	330	326.75	326.75	1,635.3	1,620.7	1,620.7
Trucks (626 n.)	"	24.13	400	367.08	367.08	1,657.7	1,521.3	1,521.3
Electr. cables conductors (2)	meters	13.70	210	210	240	1,532.8	1,532.8	1,751.8
Mixed cotton rayon woven fabric	"	9.00	220	150	150	2,444.4	1,666.7	1,666.7
Hand combed woollen woven fabric	"	40.23	3,400	2,500	2,800	8,451.4	6,214.3	6,960.0

(1) Long fibre. — (2) Distribution cable (3 x 10 mm.²).
Source: Edison Combine, Milan.

288. Open market prices of but few commodities recorded in Table 45 stand at levels which are from 12 to 70 times higher than in 1938 (the greatest frequency is 20 to 40 times). The increases are therefore substantially lower than the increases in prices of agricultural products (see para. 282). For some products prices are lower, or slightly in excess of, the currency circulation index (i.e. 20 times higher than prewar). Table 46 (diagram) illustrates the high dispersion of wholesale prices for industrial products (August 1946) as well as the relationship between the general index of wholesale prices and the currency circulation index.

(c) *Building and House Repair Prices.*

290. For rural houses the coefficient ranges from 15 to 19 times the cost in 1940. For Government-built apartment houses for wage earners (case popolari) the coefficient ranges from 15 to 18. For apartment houses of the economic type (for the lower middle category incomes) built by cooperative associations or private builders, the coefficient ranges from 14 to 19. For residential houses the coefficient is from 15 to 22. As from 1938 to 1940 the prices of raw materials for building increased by 10 to 20 %, it may be assumed that the cost of residential houses has increased from 1938 to 1946 about 26 times (1).

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Commodity		Prices				Index-numbers (1938 = 100)		
		1938	March 1946	August 1946	September 1946	March 1946	August 1946	Sept. 1946
Firewood	quintals	16.73	600	500	550	3,586.4	2,988.6	3,287.5
Sectioned homogeneous iron	kilograms	1.29	26.60	26.60	26.60	2,062.0	2,062.0	2,062.0
Mannesmann iron tubes	"	3.93	50	50	50	1,272.3	1,272.3	1,272.3
Mineral superphosphate	quintals	24.75	630	930	930	2,545.5	3,757.6	3,757.6
Bricks (25 × 13 × 6 cm.)	per one hundred	12.00	260	400	440	2,166.7	3,333.3	3,666.7
Rayon (150, 1st quality)	kilograms	21.45	600	605	800	2,797.2	2,820.5	3,729.6
Cotton yarns	"	15.50	510	620	950	3,290.3	4,000.0	6,129.0
Hemp yarns (1)	"	14.85	300	300	350	2,020.0	2,020.0	2,356.9
Lumber:								
a) 1st Quality for planks	cub. meter	487.50	16,500	15,500	16,000	3,384.6	3,179.5	3,282.1
b) Fir beams, Trieste type	"	217.50	10,000	10,000	10,000	4,597.7	4,597.7	4,597.7
Alcohol (95 %) (anhydrous)	hectoliters	2,300.00	43,000	36,000	36,000	1,869.6	1,565.2	1,565.2
Electric light bulbs (each)	each	3.87	80	95	105	2,067.2	2,454.8	2,713.2
Automobile (Fiat 500 make)	kilograms	20.16	330	326.75	326.75	1,635.3	1,620.7	1,620.7
Trucks (626 n.)	"	24.13	400	367.08	367.08	1,657.7	1,521.3	1,521.3
Electr. cables conductors (2)	meters	13.70	210	210	240	1,532.8	1,532.8	1,751.8
Mixed cotton rayon woven fabric	"	9.00	220	150	150	2,444.4	1,666.7	1,666.7
Hand combed woollen woven fabric	"	40.23	3,400	2,500	2,800	8,451.1	6,214.3	6,960.0

(1) Long fibre. — (2) Distribution cable (3 x 10 mm.²).
Source: Edison Combine, Milan.

288. Open market prices of but few commodities recorded in Table 45 stand at levels which are from 12 to 70 times higher than in 1938 (the greatest frequency is 20 to 40 times). The increases are therefore substantially lower than the increases in prices of agricultural products (see para. 282). For some products prices are lower, or slightly in excess of, the currency circulation index (i.e. 20 times higher than prewar). Table 46 (diagram) illustrates the high dispersion of wholesale prices for industrial products (August 1946) as well as the relationship between the general index of wholesale prices and the currency circulation index.

(c) *Building and House Repair Prices.*

289. The Government, for the payment of subsidies for reconstruction and repairing of war-damaged or war-destroyed homes, has set (with the assistance of a special advisory board and of the Ministry of Public Works experts) a "coefficient of variation" from May 1940 to 1946 of the cost of house reconstruction and repairing. The coefficient differs from province to province according to the type of building.

290. For rural houses the coefficient ranges from 15 to 19 times the cost in 1940. For Government-built apartment houses for wage earners (case popolari) the coefficient ranges from 15 to 18. For apartment houses of the economic type (for the lower middle category incomes) built by cooperative associations or private builders, the coefficient ranges from 14 to 19. For residential houses the coefficient is from 15 to 22. As from 1938 to 1940 the prices of raw materials for building increased by 10 to 20 %, it may be assumed that the cost of residential houses has increased from 1938 to 1946 about 26 times (1).

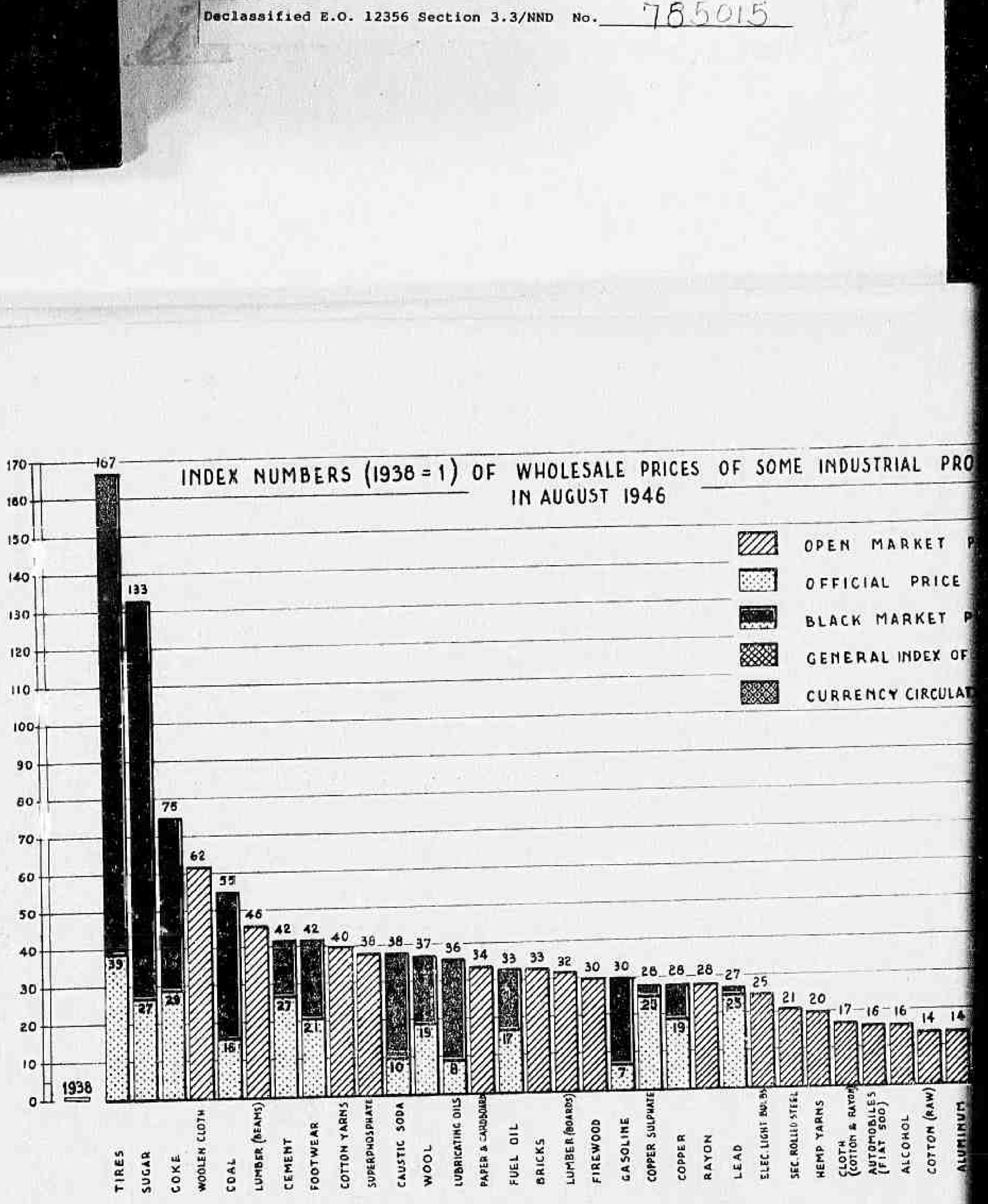
(1) This 26 fold increase is near the index computed by the "Centro Aziendale of Florence" for the cost of building of an apartment house. Taking 1938=100, the index of building cost fluctuated from 2,702 to 2,717 during the first nine months of 1946.
The apartment building to which the calculation relates is one for lower salary earners in the outskirts of Florence. It has three floors and central stairway with no basement. The building consists of 6 flats, each having 3 rooms, bathroom, corridors and a small kitchen. The cost of building in 1938 was 161,500 lire, or in September 1946, 1,384,000 lire.

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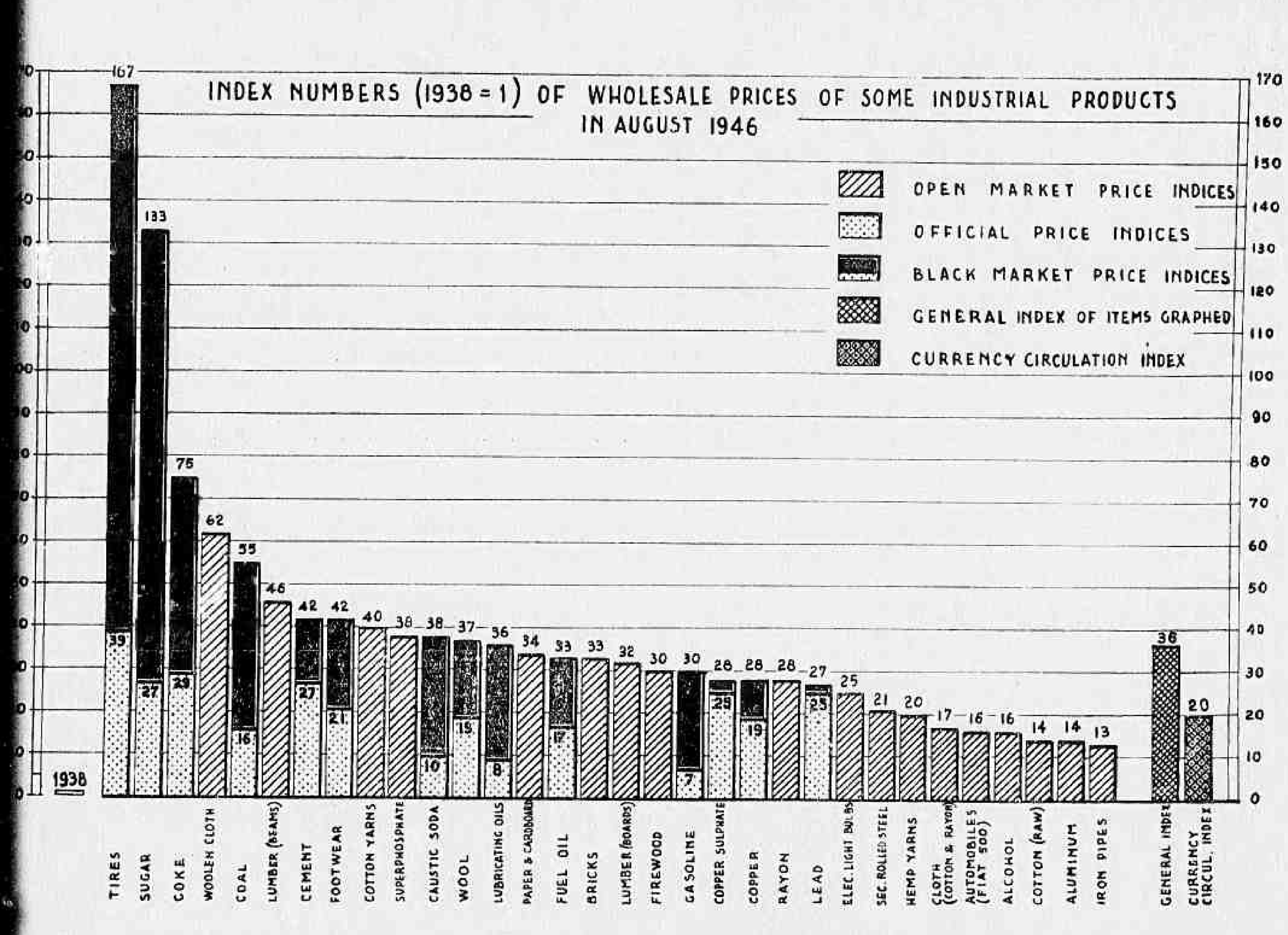
TABLE 16



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INDEX NUMBERS (1938 = 1) OF WHOLESALE PRICES OF SOME INDUSTRIAL PRODUCTS IN AUGUST 1946



(C) *UNRRA PRICE POLICY*

The Agreement with the Italian Government.

291. Under the following article (III (d) (iii)) of the Supplementary Agreement of 19 January 1946 between UNRRA and the Italian Government there must be concurrence between the parties on the price of UNRRA imports:

"ARTICLE III

(d) To enable the (UNRRA) Administration effectively to discharge its responsibilities, the Government will discuss and agree with UNRRA its policies and plans for the distribution of UNRRA supplies, insofar as may be deemed necessary by UNRRA in order to ensure that such policies and plans are consistent with the Agreement of 9th November 1943, with the Council Resolution, and with the purposes of this Agreement. With this object, the Government will consult with the Administration concerning the following subject:

(iii) Price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically."

The Price Committee.

292. In June, 1946, as substantial cargoes of varied categories of supplies (requiring price fixing in accordance with this Article) started to arrive in Italy (earlier shipments having consisted mainly of wheat, coal and POL), a Price Committee was set up as an advisory body to the Chief of Mission and the President of the Italian Government Delegation for Relations with UNRRA.

293. The permanent membership of the Price Committee was made up of representatives of the Italian Government Delegation for Relations with UNRRA, the Ministry of the Treasury, the Ministry of Foreign Trade and the Interministerial Committee on Prices for the Government, and representatives of the UNRRA Mission in Italy. Italian Government representatives of any other Ministry or Government agency were invited to attend when concerned and a representative of the UNRRA Financial Advisor to the Lira Fund has participated in all Price Committee discussions.

294. The functions of the Committee, as outlined in the original terms of reference, consisted of discussing and agreeing on the specific prices to be charged by the Government for supplies furnished free of charge by UNRRA and the relationship of those prices to prices for similar supplies produced domestically or imported outside of the UNRRA program.

295. The Price Committee has worked very closely with the Lira Fund Control Committee, inasmuch as decisions on prices directly affect the proceeds of sale and subsequent accrual to the Lira Fund (1).

296. It was originally intended that the Price Committee, in order to meet the requirements of UNRRA Resolution VII, not only should recommend a price, but estimate handling charges and anticipated accrual to the Lira Fund from the sale of all UNRRA commodities. In the early months of the Committee's operations, the difficulty of estimating handling charges on commodities with which the consignees had had no previous experience, meant undesirable delays in fixing prices. The Lira Fund Control Committee, which is responsible for eventual audit and approval of costs of handling UNRRA supplies, undertook to compile expense schedules on the few consignees who handled the bulk of UNRRA supplies, and except where the handling charges were a determining factor in the price to be set very rough estimates were indicated in documentary material submitted to the Committee.

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(1) To show how the Lira Fund amount is arrived at, the following is an example of an analysis of transactions between the U.N.R.R.A. Price Committee and the Italian Federation of Agricultural Consortia, which is in charge of the distribution and sale of farm machinery and seeds:

Item	Selling Price (*a*)	Actual Expenses	Mark-up	Total Handling Charges (*b*)	To Lira Fund (*a-b*)
			Lire		
Cockshutt Mowers	35,000	4,096.65	5,250	9,346.65	25,653.65
[illegible]	35,000	4,088.95	5,250	9,338.95	25,661.05

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Supplementary Agreement of 19 January 1946 between UNRRA and the Italian Government there must be concurrence between the parties on the price of UNRRA imports:

"ARTICLE III

(d) To enable the (UNRRA) Administration effectively to discharge its responsibilities, the Government will discuss and agree with UNRRA its policies and plans for the distribution of UNRRA supplies, insofar as may be deemed necessary by UNRRA in order to ensure that such policies and plans are consistent with the Agreement of 9th November 1943, with the Council Resolution, and with the purposes of this Agreement. With this object, the Government will consult with the Administration concerning the following subject:

(iii) Price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically."

The Price Committee.

292. In June, 1946, as substantial cargoes of varied categories of supplies (requiring price fixing in accordance with this Article) started to arrive in Italy (earlier shipments having consisted mainly of wheat, coal and POL), a Price Committee was set up as an advisory body to the Chief of Mission and the President of the Italian Government Delegation for Relations with UNRRA.

293. The permanent membership of the Price Committee was made up of representatives of the Italian Government Delegation for Relations with UNRRA, the Ministry of the Treasury, the Ministry of Foreign Trade to attend when relevant and a representative of the UNRRA Financial Advisor to the Lira Fund has participated in all Price Committee discussions.

294. The functions of the Committee, as outlined in the original terms of reference, consisted of discussing and agreeing on the specific prices to be charged by the Government for supplies furnished free of charge by UNRRA and the relationship of those prices to prices for similar supplies produced domestically or imported outside of the UNRRA program.

295. The Price Committee has worked very closely with the Lira Fund Control Committee, inasmuch as decisions on prices directly affect the proceeds of sale and subsequent accrual to the Lira Fund (1).

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(1) To show how the Lira Fund amount is arrived at, the following is an example of an analysis of transactions between the U.N.R.R.A. Price Committee and the Italian Federation of Agricultural Consortia, which is in charge of the distribution and sale of farm machinery and seeds:

Item	Selling Price (*a*)	Actual Expenses	Mark-up	Total Handling Charges (*b*)	To Lira Fund (*a-b*)
			Lire		
Cockshutt Mowers	35,000	4,096.65	5,250	9,346.65	25,653.65
Deering Mowers	35,000	4,088.95	5,250	9,338.95	25,661.05
Reaping Attachments	3,000	455.40	450	905.40	2,094.60
Binders 1.52	70,000	12,143.35	10,500	22,643.35	47,356.65
Binders 2.10	85,000	12,576.25	12,750	25,326.25	59,673.75
Ploughs	55,000	4,172.25	8,250	12,422.25	42,577.75
Forage Pea Seed	25,000	7,204.50	2,000	9,104.50	15,795.50

(*a*) For each machine and for forage pea seed, for each ton.
(*b*) 15% of selling price for machinery and 8% for forage pea seed.

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Handling Charges.

297. More accurate estimates of handling charges are now obtainable and all Price Decisions submitted by the Committee to the Chief of Mission and the President of the Italian Government Delegation show:

A. recommended price
B. estimated handling charges
C. estimated accrual to the Lira Fund.

298. The price fixed and the two estimates are then incorporated in the final Price Decision and the estimated handling charges are the mandatory maxima permitted to be withheld by the consignees on the sale of UNRRA commodities. This practice prevents delaying transfer to the Lira Fund of accruals from proceeds of sale, and the Government, having been most anxious to institute this procedure, has undertaken to enforce the payment into the Lira Fund of the mandatory accruals.

299. As with all claims on the Lira Fund, handling charges are subject to final audit by the Lira Fund Control Committee and must be supported by properly documented bills. Estimated handling charges, it should be restated, as shown in Price Decisions, are only provisional maximum withholdings allowed, the Price Committee having no authority to give final approval to expenditure for handling charges. The Italian Government has agreed that UNRRA imports are free of fiscal charges, including custom duties. When, because of price practices, it has been advisable to include customs charges or government taxes in prices fixed, the amounts thus collected accrue to the Lira Fund.

Factors Governing Fixing of Prices.

300. There are several factors governing the fixing of prices for UNRRA imports: these imports can be roughly divided into two large categories: consumer supplies (including durable goods like agricultural machinery) and raw materials for processing in industrial rehabilitation. The UNRRA Italian Mission places great emphasis on the revival of industry as well as on the distribution of relief consumer goods. While the same considerations determining price decisions are applied to each category of imports, they are in many cases weighted differently in view of the individual problems involved. In all cases the prevailing policies are those set forth in UNRRA Resolution VII (1).

301. A second important point is the necessity of considering the prices of similar or equal goods already on the market, in order to avoid a dual pricing system with its concomitant danger of speculative resale and disruption of any organized distribution.

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1. That at no time shall relief and rehabilitation supplies be used as a political weapon, and no discrimination shall be made in the distribution of relief supplies because of race, creed or political belief.

2. That in general the responsibility for the distribution, within an area, of relief and rehabilitation supplies should be borne by the government or recognized national authority which exercises administrative authority in the area.

3. That distribution should be so conducted that all classes of the population, irrespective of their purchasing power, shall receive their equitable shares of essential commodities. When supplies are sold to consumers, prices should be set at such levels as to facilitate the flow of supplies into the proper hands, and to avoid maladjustments in the price structure of the areas.

4. That distribution of relief and rehabilitation supplies should take place under effective rationing and price controls. The suppression of black markets should not be left to general pronouncements and decrees, but should be the subject of active measures of enforcement applied vigorously and unremittingly.

5. That the government or recognized national authority which exercises administrative authority in the area should take appropriate measures to insure that so far as the distribution within a liberated territory of relief and rehabilitation goods is done through private trade, the remuneration earned by private traders for their services is no more than is fair and reasonable.

6. That use should be made to the maximum practicable extent of normal agencies of distribution (governmental, commercial, cooperative) to the particular ends of combating inflation and restoring normal economic activity. This principle, however, cannot be pursued at the expense of measures found necessary under emergency conditions to insure an adequate control of the distribution of supplies and their direction to the appropriate consumers.

7. That if the Administration is called on by the military authority to furnish distribution services through its own organisation and personnel in a liberated territory in which a government or recognized national authority does not yet exercise administrative authority, the Administration should, subject to the general provisions governing the relation of the Administration to the military authority and the government or recognized national authority concerned, make the fullest possible use of local authorities and of local organizations.

8. That the Administration be prepared to render direct assistance in distribution whenever, because of unusual circumstances, the government or recognized national authority concerned requests such aid within its territory. Wherever as a consequence

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ident of the Italian Government Delegation show:

A. recommended price
B. estimated handling charges
C. estimated accrual to the Lira Fund.

298. The price fixed and the two estimates are then incorporated in the final Price Decision and the estimated handling charges are the mandatory maxima permitted to be withheld by the consignees on the sale of UNRRA commodities. This practice prevents delaying transfer to the Lira Fund of accruals from proceeds of sale, and the Government, having been most anxious to institute this procedure, has undertaken to enforce the payment into the Lira Fund of the mandatory accruals.

299. As with all claims on the Lira Fund, handling charges are subject to final audit by the Lira Fund Control Committee and must be supported by properly documented bills. Estimated handling charges, it should be restated, as shown in Price Decisions, are only provisional maximum withholdings allowed, the Price Committee having no authority to give final approval to expenditure for handling charges. The Italian Government has agreed that UNRRA imports are free of fiscal charges, including custom duties. When, because of price practices, it has been advisable to include customs charges or government taxes in prices fixed, the amounts thus collected accrue to the Lira Fund.

Factors Governing Fixing of Prices.

300. There are several factors governing the fixing of prices for UNRRA imports; these imports can be roughly divided into two large categories: consumer supplies (including durable goods like agricultural machinery) and raw materials for processing in industrial rehabilitation. The UNRRA Italian Mission places great emphasis on the revival of industry as well as on the distribution of relief consumer goods. While the same considerations determining price decisions are applied to each category of imports, they are in many cases weighted differently in view of the individual problems involved. In all cases the prevailing policies are those set forth in UNRRA Resolution VII (1).

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(1) UNRRA RESOLUTION ON POLICY - No. 7

(dated November 1943)

A resolution relating to Relief Distribution Policies.

RESOLVED that the Council approves the following statement as a guide to activities with respect to relief and rehabilitation distribution:

1. That at no time shall relief and rehabilitation supplies be used as a political weapon, and no discrimination shall be made in the distribution of relief supplies because of race, creed or political belief.

2. That in general the responsibility for the distribution, within an area, of relief and rehabilitation supplies should be borne by the government or recognized national authority which exercises administrative authority in the area.

3. That distribution should be so conducted that all classes of the population, irrespective of their purchasing power, shall receive their equitable shares of essential commodities. When supplies are sold to consumers, prices should be set at such levels as to facilitate the flow of supplies into the proper hands, and to avoid maladjustments in the price structure of the areas.

4. That distribution of relief and rehabilitation supplies should take place under effective rationing and price controls. The suppression of black markets should not be left to general pronouncements and decrees, but should be the subject of active measures of enforcement applied vigorously and unremittingly.

5. That the government or recognized national authority which exercises administrative authority in the area should take appropriate measures to insure that so far as the distribution within a liberated territory of relief and rehabilitation goods is done through private trade, the remuneration earned by private traders for their services is no more than is fair and reasonable.

6. That use should be made to the maximum practicable extent of normal agencies of distribution (governmental, commercial, cooperative) to the particular ends of combating inflation and restoring normal economic activity. This principle, however, cannot be pursued at the expense of measures found necessary under emergency conditions to insure an adequate control of the distribution of supplies and their direction to the appropriate consumers.

7. That if the Administration is called on by the military authority to furnish distribution services through its own organisation and personnel in a liberated territory in which a government or recognized national authority does not yet exercise administrative authority, the Administration should, subject to the general provisions governing the relation of the Administration to the military authority and the government or recognized national authority concerned, make the fullest possible use of local authorities and of local organizations.

8. That the Administration be prepared to render direct assistance in distribution whenever, because of unsual circumstances, the government or recognized national authority concerned requests such aid within its territory. Wherever as a consequence of such request the Administration is directly concerned with internal distribution, it should follow, in cooperation with the national or local authorities, the same general principles as those recommended above.

9. That the Director General should be kept fully informed concerning the distribution of relief and rehabilitation supplies within any recipient areas, and under all circumstances there should be the fullest working cooperation between the governments or recognized national authorities concerned and the Administration for this purpose.

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(a) *Consumer goods.*

302. With regard to consumer goods, the UNRRA Mission policy is to keep the price as low as possible in conformity with UNRRA Resolution VII.

(a) In cases where there exists no competing price for indigenously produced or non-UNRRA imported items, this price is based on the landed cost of the article (e.g. penicillin) if this price achieves the objective of Resolution VII.

(b) Where a free market price exists, UNRRA policy has been one of undercutting it by a margin large enough to force down the domestic price, but not one of making the price of UNRRA goods low enough to encourage speculative resale or to discourage home production.

(c) Where a controlled price exists, UNRRA must consider the Italian market as one unit and set the price of its products at the existing level or agree with the Government on a new common level.

(d) When the usefulness of an article depends on its rapid distribution, prices are fixed at a level where they will be immediately absorbed (without regard to competing national production). These prices, however, are set for short periods (e.g. agricultural machinery at harvest time and seed during the planting season).

(b) *Raw Materials for Industry.*

303. In the case of raw materials for industrial rehabilitation, the situation is rather more complicated. In addition to the necessity of taking into consideration the prices of similar domestic or imported items, the price fixed depends on the amount of control exercised over the finished product.

(a) In cases where the distribution of the end product is uncontrolled by allocation and by price, where the item enters a multitude of products and where no particular reason exists to favor the processor, the price fixed is one which will move the item in question into the desired channels without loss to the Lira Fund. This policy:

(iii) in cases where similar items exist in the country alongside UNRRA supplies, prevents UNRRA prices from being so low as to encourage buying for speculative resale.

(b) In cases where the distribution of end products is controlled, e.g., hides, cotton and wool, and copra (which is processed into margarine), prices of the derived products are set at a relief level, none of the above elements called for consideration.

(c) But there are, in addition, several secondary considerations, which, in the final analysis, show themselves of great importance.

(i) For instance, it is felt with regard to large scale, basic imports such as coal, that the estimated price to be paid for similar imports, when UNRRA supplies cease ("replacement cost") must be taken into account to facilitate a smooth transition from the UNRRA to the post-UNRRA period. In the light of the delicate financial situation of Italy a sharp rise in the prices of such basic commodities at the time of UNRRA's departure (as happened, for example, in the case of coal in Greece) would more than offset any temporary benefit derived from prices held below world prices during the UNRRA period.

(ii) In other cases, the price set is one which will stimulate domestic production. For example, the price of tin plate, set first for the relatively small-scale UNRRA imports, was set high enough to encourage maximum domestic production, since only by large domestic production could essential requirements for tin plate be met. In the case of POL, one of the decisive considerations was that of setting the price at a level which would permit Italian oil refineries, currently being reactivated, to operate without a loss. Refining crude oil in Italy removes the necessity of importing the more expensive refined oil and releases foreign exchange for other pur-

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(a) In cases where there exists no comparable price for indigenously produced or non-UNRRA imported items, this price is based on the landed cost of the article (e.g. penicillin) if this price achieves the objective of Resolution VII.

(b) Where a free market price exists, UNRRA policy has been one of undercutting it by a margin large enough to force down the domestic price, but not one of making the price of UNRRA goods low enough to encourage speculative resale or to discourage home production.

(c) Where a controlled price exists, UNRRA must consider the Italian market as one unit and set the price of its products at the existing level or agree with the Government on a new common level.

(d) When the usefulness of an article depends on its rapid distribution, prices are fixed at a level where they will be immediately absorbed (without regard to competing national production). These prices, however, are set for short periods (e.g. agricultural machinery at harvest time and seed during the planting season).

(b) *Raw Materials for Industry.*

303. In the case of raw materials for industrial rehabilitation, the situation is rather more complicated. In addition to the necessity of taking into consideration the prices of similar domestic or imported items, the price fixed depends on the amount of control exercised over the finished product.

(a) In cases where the distribution of the end product is uncontrolled by allocation and by price, where the item enters a multitude of products and where no particular reason exists to favor the processor, the price fixed is one which will move the item in question into the desired channels without loss to the Lira Fund. This policy:

(i) does not hurt the consumer since it is applied in cases where a lower price would not result in lower costs of the end product:

(ii) ensures that undue profits will not accrue to industry through their buying at a low controlled price and selling at a high uncontrolled price;

(b) In cases where the distribution of end products is controlled, e.g., hides, cotton and wool, and copra (which is processed into margarine), prices of the derived products are set at a relief level, none of the above elements called for consideration.

(c) But there are, in addition, several secondary considerations, which, in the final analysis, show themselves of great importance.

(i) For instance, it is felt with regard to large scale, basic imports such as coal, that the estimated price to be paid for similar imports, when UNRRA supplies cease ("replacement cost") must be taken into account to facilitate a smooth transition from the UNRRA to the post-UNRRA period. In the light of the delicate financial situation of Italy a sharp rise in the prices of such basic commodities at the time of UNRRA's departure (as happened, for example, in the case of coal in Greece) would more than offset any temporary benefit derived from prices held below world prices during the UNRRA period.

(ii) In other cases, the price set is one which will stimulate domestic production. For example, the price of tin plate, set first for the relatively small-scale UNRRA imports, was set high enough to encourage maximum domestic production, since, only by large domestic production could essential requirements for tin plate be met. In the case of POL, one of the decisive considerations was that of setting the price at a level which would permit Italian oil refineries, currently being reactivated, to operate without a loss. Refining crude oil in Italy removes the necessity of importing the more expensive refined oil and releases foreign exchange for other purposes. (POL prices are however also roughly equivalent to replacement cost.)

304. Manifestly none of these principles outlined above generally appears in its "pure" form. In setting any one price various considerations have to be weighed in view of the merits of each case. In every instance, however, the concepts embodied in Resolution VII are controlling.

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TABLE 47

Prices of UNRRA Imported supplies as agreed upon by the Italian Government and the UNRRA Italian Mission: As at 27 November 1946

UNRRA Imported Commodities	Latest Price Fixed		Conditions	Remarks
	1946	Lire		
I. Food.				
Beans, haricot, peas dried, lentils	2 Nov.	55 per kg.	On retailer's vehicle ex inter-communal warehouse	Total cost: Beans, Dols. 147.50 per metric ton = 33,188 lire Peas, ols. 173.50 per metric ton = 39,038 lire Lentils, Dols. 122.50 per metric ton = 27,563 lire
Blood sausage	14 Nov.	105.50 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost Dols. 340 per ton = 76,500 lire
Canned salmon, mackerel, mackerel fillets and sardines and fish in oil	14 Nov.	95 per kg.	On retailer's vehicles ex inter-communal warehouse	Landed cost Dols. 328.25 per ton = 73,856 lire
Candy bars	14 Nov.	135 per kg.	At consumers ex authorised cooperative stores	Landed cost Dols. 262.50 per ton = 59,062.50 lire
Chicken haddie	14 Nov.	60 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost Dols. 328.25 per metric ton = 73,856 lire
Coffee beans, green	14 Nov.	250 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost Dols. 381.50 per ton = 85,838 lire
Copra	2 Nov.	3,300.50 per qtl.	Free port warehouse, Genoa	Landed cost: Dols. 128.97 per metric ton = 29,014 lire
Corn syrup	23 Aug.	35 per kg.	Price valid to 30 Nov. 1946 For direct human consumption	Landed estimated cost: Dols. 102.22 per ton = 23,000 lire (not included in UNRRA program but accepted as sugar substitute)
Fat cut	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 415 per ton = 93,375 lire
Garbanzos	2 Nov.	55 per kg.	On retailer's vehicle ex inter-communal warehouse	Total cost: Dols. 184.50 per metric ton = 41,513 lire
Ground [illegible]	14 Nov.	60 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Dols. 328.25 per metric ton = 73,856 lire
Lard	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 471 per ton = 105,975 lire
Liver spread	14 Nov.	105.5 per kg.	On retailer's vehicle ex public warehouse	Landed cost: Dols. 467 per metric ton = 145,575 lire
Margarine (imported)	2 Nov.	110 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 422 per metric ton = 94,950 lire
Margarine produced in Italy from UNRRA imported copra)	2 Nov.	100 per kg.	Free manufacturers' warehouse	Cost of processing Copra into Margarine: Dols 444.45 per ton = 100,002 lire
Meat and vegetables	14 Nov.	105.5 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Dols. 515 per ton = 115,875 lire
Meat spread and meat paste	14 Nov.	105.5 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: meat spread Dols. 661 per metric ton = 148,725 lire Meat paste: Dols. 471 per metric

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Commodities	1946	Lire	Conditions	Remarks
I. Food.				
Beans, haricot, peas dried, lentils	2 Nov.	55 per kg.	On retailer's vehicle ex intercommunal warehouse	Total cost: Beans, Dols. 147.50 per metric ton = 33,188 lire Peas, ols. 173.50 per metric ton = 39,038 lire Lentils, Dols. 122.50 per metric ton = 27,563 lire
Blood sausage	14 Nov.	105.50 per kg.	On retailer's vehicle ex intercommunal warehouse	Landed cost Dols. 340 per ton = 76,500 lire
Canned salmon, mackerel, mackerel fillets and sardines and fish in oil	14 Nov.	95 per kg.	On retailer's vehicles ex intercommunal warehouse	Landed cost Dols. 328.25 per ton = 73,856 lire
Candy bars	14 Nov.	135 per kg.	At consumers ex authorised cooperative stores	Landed cost Dols. 262.50 per ton = 59,062.50 lire
Chicken haddie	14 Nov.	60 per kg.	On retailer's vehicle ex intercommunal warehouse	Landed cost Dols. 328.25 per metric ton = 73,856 lire
Coffee beans, green	14 Nov.	250 per kg.	On retailer's vehicle ex intercommunal warehouse	Landed cost Dols. 381.50 per ton = 85,838 lire
Copra	2 Nov.	3,300.50 per qtl.	Free port warehouse, Genoa	Landed cost: Dols. 128.97 per metric ton = 29,014 lire
Corn syrup	23 Aug.	35 per kg.	Price valid to 30 Nov. 1946 For direct human consumption	Landed estimated cost: Dols. 102.22 per ton = 23,000 lire (not included in UNRRA program but accepted as sugar substitute)
Fat cut	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 315 per ton = 70,875 lire
Garbanzos	2 Nov.	55 per kg.	On retailer's vehicle ex intercommunal warehouse	Total cost: Dols. 184.50 per metric ton = 41,513 lire
Ground fish	14 Nov.	60 per kg.	On retailer's vehicle ex intercommunal warehouse	Landed cost: Dols. 328.25 per metric ton = 73,856 lire
Lard	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 471 per ton = 105,975 lire
Liver spread	14 Nov.	105.5 per kg.	On retailer's vehicle ex public warehouse	Landed cost: Dols. 467 per metric ton = 145,575 lire
Margarine (imported)	2 Nov.	110 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 422 per metric ton = 94,950 lire
Margarine produced in Italy from UNRRA imported copra)	2 Nov.	100 per kg.	Free manufacturers' warehouse	Cost of processing Copra into Margarine: Dols 444.45 per ton = 100,002 lire
Meat and vegetables	14 Nov.	105.5 per kg.	On retailer's vehicle ex intercommunal warehouse	Landed cost: Dols. 515 per ton = 115,875 lire
Meat spread and meat paste.	14 Nov.	105.5 per kg.	On retailer's vehicle ex intercommunal warehouse	Landed cost: meat spread Dols. 661 per metric ton = 148,725 lire Meat paste: Dols. 471 per metric ton = 105,975 lire
Milk evaporated	2 Nov.	52 per kg.	Retailer's vehicle ex public warehouse	Total cost: Dols. 281.25 per metric ton = 63,281 lire
Milk dry skim (roller and spray)	2 Nov.	69,50 per kg.	Retailer's vehicle ex public warehouse	Total cost: Roller Dols. 393,50 per metric ton = 88,538 lire Spray, Dols. 401.50 per metric ton = 90,338 lire

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TABLE 47. (Continued)

UNRRA Imported Commodities	Latest Price Fixed		Conditions	Remarks
	1946	Lire		
Milk (whole dry)	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 984.50 per metric ton = 221,513 lire
Pilchards and herring	14 Nov.	80 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Dols. 328.25 per ton = 73,856 lire
Shortening	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 515 per ton = 115,875 lire
Soup dehydrated	2 Nov.	35 per kg.	Retailer's vehicle ex public warehouse	Total cost: Dols. 394 per metric ton = 88,650 lire
Sugar	14 Nov.	115 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Dols. 145.45 per metric ton = 32,726 lire
Thuringer sausage, pork, luncheon meat and other canned meats (solid)	14 Nov.	180 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Thuringer Sausage. Pork, luncheon meat Dols. 691 per ton = 155,475 lire. Other canned meat Dols. 647 per ton = 145,575 lire
I. (a) SOAP.				
Laundry	22 Nov.	115 per kg.	On retailer's vehicle, ex-inter-communal warehouse	Estimated landed cost: Dols. 251.50 per ton = 56,587.50 lire
Toilet	22 Nov.	150 per kg.	On retailer's vehicle, ex-inter-communal warehouse	Estimated landed cost: Dols. 381.50 per ton = 85,837.50 lire
II. AGRICULTURAL REHABILITATION.				
Ammonium Nitrate 31-35 per cent	2 Aug.	2,400 per qtl.	Original weight, including packing	Cost, F.A.S. US port: Dols. 55 per short ton = 13,859 lire per metric ton
Basic Slag	18 Sept.	1,100 per qtl.	Net weight: sacks included, F.O.B. Consorzio Agrario warehouse	Landed cost: Dols. 29.74 per metric ton = 6,691.50 lire
Binders, wheat (Deering, Massey-Harris)	16 July	70,000 each 85,000 each	With cutting bar of 1.52 m. With cutting bar of 2.10 m.	Estimated cost: Deering Dols. 342.67 each = 77,100 lire Massey-Harris Dols. 331 each = 74,500 lire
Blister copper	16 Nov.	85 per kg.	FOB Consorzio Agrario warehouse Ex consignee's warehouse	Landed cost: Dols. 260 per metric ton = 58,500 lire
Cotton seed cake	2 Aug.	1,000 per qtl.	FOB feed-mixing plants	Estimated landed cost: Dols. 66 per ton = 14,850 lire
Flax Seed	16 July	5,500 per qtl.	Ex Consorsi Agrari warehouse (Exclusively for mixing)	The procurement cost in Belgium was 5½ pounds sterling per ton = 46,800 lire
Forage Pea Seed	6 Nov.	45,000 per m. ton		
Forage Seed Corn	22 July	25,000 per m. ton	FOB Consorzio Agrario warehouse	Landed cost estimated at Dols. 158 per ton = 35,550 lire
Mowers (Deering, Bamford, Cockshutt)	16 July	35,000 each	do (Price valid to 15 August)	Cost: Deering brand Dols. 114.95 each = 25,875 lire Cockshutt brand Dols. 105.20 each = 23,670 lire

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Milk (whole dry)	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 984.50 per metric ton = 221,513 lire
Pilchards and herring	14 Nov.	80 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Dols. 328.25 per ton = 73,856 lire
Shortening	2 Nov.	150 per kg.	Retailer's vehicle ex public warehouse	Landed cost: Dols. 515 per ton = 115,875 lire
Soup dehydrated	2 Nov.	35 per kg.	Retailer's vehicle ex public warehouse	Total cost: Dols. 394 per metric ton = 88,650 lire
Sugar	14 Nov.	115 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Dols. 145.45 per metric ton = 32,726 lire
Thuringer sausage, pork, luncheon meat and other canned meats (solid)	14 Nov.	180 per kg.	On retailer's vehicle ex inter-communal warehouse	Landed cost: Thuringer Sausage, Pork, luncheon meat Dols. 691 per ton = 155,475 lire. Other canned meat Dols. 647 per ton = 145,575 lire
I. (a) SOAP.				
Laundry	22 Nov.	115 per kg.	On retailer's vehicle, ex-inter-communal warehouse	Estimated landed cost: Dols. 251.50 per ton = 56,587.50 lire
Toilet	22 Nov.	150 per kg.	On retailer's vehicle, ex-inter-communal warehouse	Estimated landed cost: Dols. 381.50 per ton = 85,837.50 lire
II. AGRICULTURAL REHABILITATION.				
Ammonium Nitrate 31-35 per cent	2 Aug.	2,400 per qtl.	Original weight, including packing	Cost, F.A.S. US port: Dols. 55 per short ton = 13.859 lire per metric ton
Basic Slag	18 Sept.	1,100 per qtl.	Net weight: sacks included. F.O.B. Consorzio Agrario warehouse	Landed cost: Dols. 29.74 per metric ton = 6,691.50 lire
Binders, wheat (Deering, Massey-Harris)	16 July	70,000 each 85,000 each	With cutting bar of 1.52 m. With cutting bar of 2.10 m. FOB Consorzio Agrario warehouse	Estimated cost: Deering Dols. 342.67 each = 77,100 lire Massey-Harris Dols. 331.33 each = 74,500 lire
Blister copper	16 Nov.	85 per kg.	Ex consignee's warehouse	Landed cost: Dols. 260 per metric ton = 58,500 lire
Cotton seed cake	2 Aug.	1,000 per qtl.	FOB feed-mixing plants	Estimated landed cost: Dols. 66 per ton = 14,850 lire
Flax Seed Forage Pea Seed	16 July 6 Nov.	5,500 per qtl. 45,000 per m. ton	Ex Consorsi Agrari warehouse (Exclusively for mixing)	The procurement cost in Belgium was 5 1/2 pounds sterling per ton = 46,800 lire
Forage Seed Corn	22 July	25,000 per m. ton	FOB Consorzio Agrario warehouse	Landed cost estimated at Dols. 158 per ton = 35,550 lire
Mowers (Deering, Bamford, Cockshutt)	16 July	35,000 each	do (Price valid to 15 August)	Cost: Deering brand Dols. 114.95 each = 25,875 lire Cockshutt brand Dols. 105.26 each = 23,670 lire
Plows (Massey Harris, 2-bottomed model)	1 Sept.	55,000 each	FOB Consorzio Agrario warehouse	Estimated landed cost Dols. 157.33 each = 35,400 lire
Plows (3-bottomed plows, tractor drawn 570 kg. ea.).	1 Sept.	80,000 each	Ex consignees warehouse	Landed cost: Dols. 183 each = 41,175 lire
Reaper attachments (Deering)	16 July	3,000 each	FOB Consorzio Agrario warehouse	Landed cost estimated: Dols. 14.44 each = 3,250 lire
Seed potatoes	16 July	3,250 per qtl.	To farmers	This price includes all handling and distribution charges

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TABLE 47 (Continued)

UNRRA Imported Commodities	Latest Price Fixed		Conditions	Remarks
	1946	Lire		
Sodium nitrate for agriculture	14 Nov.	22 per kg.	FOB ex Consorzio Agrario warehouse	Price at port: Dols. 50 per metric ton = 11,250 lire
Sudan Grass	2 Aug.	4,000 per qtl.	Original weight including packing - Ex Consorzio Agrario	Cost estimated at Dols. 185 per ton = 41,625 lire
Vetch seed	22 July	45,000 per m. ton	FOB Consorzio Agrario warehouse	Landed cost approximately Dols. 242.22 per ton = 54,500 lire
Zinc phosphide	14 Oct.	290 per kg.	Ex Consorzio Agrario warehouse including packing in paper bags	Landed cost: Dols. 817.65 per metric ton = 183971.25 lire
III. CLOTHING, TEXTILES AND FOOTWEAR.				
Cotton goods:				
a) Sheeting for sheets and pillow cases	16 July	70 per sq. m.	Price to consumer	Landed cost of raw cotton is approx. Dols. 533.33 per ton = 120,000 lire (See Notes 2 (iv))
b) Towelling		75 per sq. m.		
c) Material for diapers and napkins		60 per sq. m.		
IV. MEDICAL.				
Insulin	16 July	12 per 100 unit vial 5 cc. 18 per 100 unit vial 10 cc. 18 per 200 unit vial 5 cc. 23 per 200 unit vial 10 cc. 29 per 400 unit vial 5 cc. 35 per 400 unit vial 10 cc. 58 per 800 unit vial 12 cc.	Price to consumer	
Penicillin (vial of 100,000 units or equivalent)	2 Aug.	235 per 100,000 unit vial 450 per 200,000 unit vial	Price to consumer	Landed cost: Dols. 0.64 per 100,000 unit vial = 144 lire
V. TRANSPORT				
Two 5-ton cargo, two wheels with tires	2 Aug.	55,000 each	Ex distribution centres	Cost to Army Depot: Dols. 298.80 each = 67,230 lire
VI. INDUSTRIAL REHABILITATION.				
Anthracite for Electrodes	22 July	5,250 per ton	At port	This price to be re-examined.
Benzol (Industrial)	4 Sept.	55 per kg.	FOB tanks in bulk	Budget cost for the production in UK Dols. 172.40 per ton = 38,790 lire
Benzol (Nitration grade)	4 Sept.	60 per kg.	FOB tanks in bulk	Budget cost for production in UK Dols. 158 per ton = 35,560 lire
Bitumen	28 Oct.	21 per kg.	Ex consignee's warehouse including customs	Landed cost: Type R 85.25, Dols. 72.40 per ton = 16,290 lire; Type 50.80, Dols. 66.44 per ton = 14,950 lire
Calcined Magnesite	2 Nov.	16.15 per kg.	Ex consignee's warehouse	Landed cost: Dols. 59.79 per ton

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Sodium nitrate for agriculture	14 Nov.	22 per kg.	FOB ex Consorzio Agrario warehouse	Price at port: Dols. 50 per metric ton = 11,250 lire
Sudan Grass	2 Aug.	4,000 per qtl.	Original weight including packing - Ex Consorzio Agrario	Cost estimated at Dols. 185 per ton = 41,625 lire
Vetch seed	22 July	45,000 per m. ton	FOB Consorzio Agrario warehouse	Landed cost approximately Dols. 242.22 per ton = 54,500 lire
Zinc phosphide	14 Oct.	290 per kg.	Ex Consorzio Agrario warehouse including packing in paper bags	Landed cost: Dols. 817.65 per metric ton = 183971.25 lire
III. Clothing, textiles and footwear.				
Cotton goods:				
a) Sheeting for sheets and pillow cases	16 July	70 per sq. m.	Price to consumer	Landed cost of raw cotton is approx. Dols. 533.33 per ton = 120,000 lire (See Notes 2 (iv))
b) Towelling		75 per sq. m.		
c) Material for diapers and napkins		60 per sq. m.		
IV. Medical.				
Insulin	16 July	12 per 100 unit vial 5 cc. 18 per 100 unit vial 10 cc. 18 per 200 unit vial 5 cc. 23 per 200 unit vial 10 cc. 29 per 400 unit vial 5 cc. 35 per 400 unit vial 10 cc. 58 per 800 unit vial 12 cc.	Price to consumer	
Penicillin (vial of 100,000 units or equivalent)	2 Aug.	235 per 100,000 unit vial 450 per 200,000 unit vial	Price to consumer	Landed cost: Dols. 0.64 per 100,000 unit vial = 144 lire
V. Transport				
Trailer, 5-ton cargo, two wheels with tires	2 Aug.	55,000 each	Ex distribution centres	Cost to Army Depot: Dols. 298.80 each = 67,230 lire
VI. Industrial rehabilitation.				
Anthracite for Electrodes	22 July	5,250 per ton	At port	This price to be re-examined.
Benzol (Industrial)	4 Sept.	55 per kg.	FOB tanks in bulk	Budget cost for the production in UK Dols. 172.40 per ton = 38,790 lire
Benzol (Nitration grade)	4 Sept.	60 per kg.	FOB tanks in bulk	Budget cost for production in UK Dols. 158 per ton = 35,560 lire
Bitumen	28 Oct.	21 per kg.	Ex consignee's warehouse including customs	Landed cost: Type R 85.25, Dols. 72.40 per ton = 16.290 lire; Type 50.80, Dols. 66.44 per ton = 14,950 lire
Calcined Magnesite	2 Nov.	16.15 per kg.	Ex consignee's warehouse	Landed cost: Dols. 59.79 per ton = 13,453.75 lire
Channel Black	2 Nov.	65 per kg.	Ex consignee's warehouse	Landed cost: Dols. 181.64 per ton = 40,870 lire
Chrome ore	21 Oct.	10 per kg. metallurgical grade 8 per kg. chemical grade	do.	Landed cost of min. grade 48 % Cr_2O_3 Dols. 32.44 per ton = 7,300 lire
Clays (fireclay)	28 Oct.	3 per kg. with less than 36 % alumina: 7 per kg. with 37-40 % of allumina	Ex C.I.M.P. warehouse	Landed cost: Dols. 25.41 per ton = 5,717.50 lire

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TABLE 47. (Continued)

UNRRA Imported Commodities	Latest Price Fixed		Conditions	Remarks
	1946	Lire		
Coal	18 Sept.	2,600 per ton	At port to public utilities and railroads (excluding handling cost)	CIF American coal Dols. 22 per ton = 4,950 lire.
		3,500 per ton	At port to manufacturers (excluding handling cost)	European coal Dols. 14.50 per ton = 3,962.50 lire
Colophony	22 Aug.	100 per kg.	Ex consignee's warehouse	
Corn Syrup (for industrial purposes)	22 Aug.	50 per kg.	Ex consignee's warehouse net weight, incl. packing	From US - landed cost: Dols. 250 per ton = 56,250 lire
Denatured Ethyl Alcohol	22 Aug.	200 per liter	Ex consignee's warehouse Price valid to 30 Nov. 1946	Landed estimated cost: Dols. 102.22 per ton = 23,000 lire
Diesel Oil	30 Nov.	30 per liter	Ex consignee's warehouse (drums free)	FAS cost: Approximately Dols. 0.182 per liter of anhydrous alcohol = 41 lire
Ferro-tungsten	14 Nov.	12 per kg.	Retail price	
Finished steel	6 Nov.	20.8 per kg. Bars 21.8 per kg. Reinforced 30.75 per kg. Galvanized 30.00 per kg. Corrugated 28.75 per kg. Steel sheet 16.40 per kg. Black Steel sheet	Ex consignee's warehouse 1 % tungsten content	Landed cost: Dols. 3,126.95 per ton = 703,562.50 lire
		32.50 per kg. Hot rolled 34.68 per kg. Wire rod 40.45 per kg. Plate and heavy sheet 49.30 per kg. thin and black sheet 55.55 per kg. Tubes-base 1 in. 46.20 per kg. Prod. derived from wire rod 39.00 per kg. Mushroom rail 41.70 per kg. Shaped rails 67.00 per kg. Cold rolled strip. 57 per kg. All sections	Ex-consignee's warehouse: sold Ministries and Italian State Railways	Landed cost: Corrugated sheet Dols. 109.78 per ton = 24,700 lire Galvanized steel sheets: Dols. 114.44 per ton = 25,750 lire Reinforcing Rods: Dols. 70.89 per ton = 15,950 lire Steel Bars: Dols. 70.44 per ton = 15,850 lire Plate: Dols. 203.33 per ton = 45,750 lire Angles: Dols. 195.78 per ton = 44,050 lire Black galvanized sheets: Dols. 50.44 per ton = 11,350 lire Steel sheets: Dols. 105.56 per ton = 23,750 lire Angles, plates, sheets: Dols. 79.56 per ton = 17,900 lire
			Ex-consignee's warehouse: for all consumers other than Ministries and the Italian State Railways	
Fire refined and electrolytic copper	24 Oct.	92 per kg. Elec. 87 per kg. F. Ref.	Ex consignee's warehouse	Landed cost: fire refined Dols. 250.15 per ton = 56,284.75 lire: Electrolytic Dols. 301.44 per ton = 67,825 lire
Fuel Oil	30 Nov.	24.00 per liter 8.00 per kg.	Ex C.I.P. coastal tanks including handling charges	—
Furnace Black	2 Nov.	55 per kg.	Ex consignee's warehouse	Landed cost: Dols. 168.44 per ton = 37,900 lire
Kaolin	24 Oct.	[illegible]		

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	1946	Lire		Remarks
Coal	18 Sept.	2,600 per ton	At port to public utilities and railroads (excluding) handling cost)	CIF American coal Dols. 22 per ton = 4,950 lire.
		3,500 per ton	At port to manufacturers (excluding handling cost)	European coal Dols. 14.50 per ton = 3,962.50 lire
Colophony	22 Aug.	100 per kg.	Ex consignee's warehouse	
Corn Syrup (for industrial purposes)	22 Aug.	50 per kg.	Ex consignee's warehouse net weight, incl. packing	From US - landed cost: Dols. 250 per ton = 56,250 lire
Denatured Ethyl Alcohol	22 Aug.	200 per liter	Ex consignee's warehouse Price valid to 30 Nov. 1946	Landed estimated cost: Dols. 102.22 per ton = 23,000 lire
Diesel Oil	30 Nov.	30 per liter	Ex consignee's warehouse (drums free)	FAS cost: Approximately Dols. 0.182 per liter of anhydrous alcohol = 41 lire
Ferro-tungsten	14 Nov.	12 per kg.	Retail price	
Finished steel	6 Nov.	20.8 per kg. Bars 21.8 per kg. Reinforced 30.75 per kg. Galvanized 30.00 per kg. Corrugated 28.75 per kg. Steel sheet 16.10 per kg. Black Steel sheet	Ex consignee's warehouse 1 % tungsten content	Landed cost: Dols. 3,126.95 per ton = 703,562.50 lire
		32.50 per kg. Hot rolled 34.68 per kg. Wire rod 40.45 per kg. Plate and heavy sheet 49.30 per kg. thin and black sheet 55.55 per kg. Tubes-base 1 in. 46.20 per kg. Prod. derived from wire rod 39.00 per kg. Mushroom rail 41.70 per kg. Shaped rails 67.00 per kg. Cold rolled strip. 57 per kg. All sections	Ex-consignee's warehouse: sold Ministries and Italian State Railways Ex-consignee's warehouse: for all consumers other than Ministries and the Italian State Railways	Landed cost: Corrugated sheet Dols. 109.78 per ton = 24,700 lire Galvanized steel sheets: Dols. 114.44 per ton = 25,750 lire Reinforcing Rods: Dols. 70.89 per ton = 15,950 lire Steel Bars: Dols. 70.44 per ton = 15,850 lire Plate: Dols. 203.33 per ton = 45,750 lire Angles: Dols. 195.78 per ton = 44,050 lire Black galvanized sheets: Dols. 50.44 per ton = 11,350 lire Steel sheets: Dols. 105.56 per ton = 23,750 lire Angles, plates, sheets: Dols. 79.56 per ton = 17,900 lire
Fire refined and electrolytic copper	24 Oct.	92 per kg. Elec. 87 per kg. F. Ref.	Ex consignee's warehouse	Landed cost: fire refined Dols. 250.15 per ton = 56,284.75 lire; Electrolytic Dols. 301.44 per ton = 67,825 lire
Fuel Oil	30 Nov.	24.00 per liter 8.00 per kg.	Ex C.I.P. coastal tanks including handling charges	—
Furnace Black	2 Nov.	55 per kg.	Ex consignee's warehouse	Landed cost: Dols. 168.44 per ton = 37,900 lire
Kaolin	24 Oct.	12 per kg.	Ex C.I.M.P. warehouse	Landed cost: Dols. 45.78 per ton = 10,300 lire
Gasoline H. B.	30 Nov.	35 per liter	Retail price	—
Kerosene	30 Nov.	36.23 per kg.	do.	—
Magnesite Bricks	2 Nov.	28.80 per kg.	Ex consignee's warehouse	Landed cost: Dols. 106.71 per ton = 24,009 lire
Manganese Ore	24 Oct.	12 per kg.	Ex consignee's warehouse	Landed cost: Dols. 30.44 per long ton unit = 6,850 lire

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TABLE 47 (Continued)

UNRRA Imported Commodities	Latest Price Fixed		Conditions	Remarks
	1946	Lire		
Nickel	2 Nov.	435 per kg.	Ex consignee's warehouse	Landed cost Australian nickel Dols. 1,114.44 per ton = 250,750 lire: Canadian nickel Dols. 861.44 = 193,824 lire
Open cast coal	3 Sept.	2,450 per ton	At port to manufacturers	From UK
Petroleum Coke	1 Aug.	4,375 per ton	At port	Estimated cost in US: Dols. 22 per ton = 4,950 lire
Pig iron - Foundry and hematite grades	8 Nov.	18.5 per kg.	Ex consignee's warehouse	Landed cost: Dols. 49.44 per ton = 11,125 lire
Pig-iron, Refining grade	8 Nov.	17.5 per kg.	Ex consignee's warehouse	
Pig tin	28 Sept.	600 per kg.	Ex seller's warehouse. Price valid to 31 Dec. 1946	Landed cost: Dols. 1,516 per ton = 341,000 lire
Pine Tar	2 Nov.	45 per kg.	Ex consignee's warehouse	Landed cost: Dols. 93.44 per ton = 21,274 lire
Plasticlay	24 Oct.	9.25 per kg.	Ex C.I.M.P. warehouse	Landed cost: Dols. 35.04 per ton = 7,885 lire
Rubber (crude)	22 Aug.	200 per kg.	MS/1 standard quality (crude ex consignee's warehouse	Expenses for transportation Dols. 14.50 lire per ton = 3,262 lire
Sanocure	2 Nov.	490 per kg.	Ex consignee's warehouse	Landed cost: Dols. 1,840.44 per ton = 414,100 lire
Sealing compound	11 Oct.	235 per kg.	Ex Siderurgica Italiana S. A.	Landed cost: Dols. 0.53 per kg. = 119.95 lire
Semi-finished steel	6 Nov.	19.3 per kg. Ingots 20.8 per kg. Blooms and slabs 27.3 per kg. Billets and steel bars.	Ex consignee's warehouse	Landed cost: Dols. 82.10 per ton = 18,473 lire
Solvent Naphtha (aromatic)	22 Nov.	66 per kg.	In bulk, ex-consignee's warehouse	Estimated landed cost: Dols. 185.40 per ton = 41,700 lire
Solvent Naphthas and white spirit	31 Oct.	5,600 per qtl. Light 5,320 per qtl. Medium 5,280 per qtl. Heavy 4,790 per qtl. White spirit	Ex CIP regional tanks or storehouses	Total cost: Light, Dols. 24.86 per qtl. = 5,592.89 lire Medium, Dols. 23.63 per qtl. = 5,317.55 lire Heavy, Dols. 23.46 per qtl. = 5,279.40 lire White spirit, Dols. 21.28 per qtl. = 4,787.11 lire
Special Graphite (for steel making)	2 Nov.	32 per kg.	Ex consignee's warehouse	Landed cost: Dols. 114.44 per ton = 25,750 lire
Tinplate	4 Sept.	100 per kg.	FOB sellers' warehouse	Cost: Dols. 136.20 per ton = 30,645 lire
Toluol (nitration grade)	4 Sept.	75 per kg.	FOB tanks in bulk	Landed cost (from UK) Dols. 198 per ton = 44,560 lire
Wood Rosin	22 Nov.	100 per kg.	Ex-consignee's warehouse, including drums	Estimated landed cost: Dols. 200 per ton (80 % of gum resin) = 45,000 lire
Xilol-Nitration	22 Nov.	75 per kg.	In bulk, ex-consignee's warehouse	Estimated landed cost: Dols. 220 per ton = 49,500 lire. Procu-

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Commodities	1946	Lire	Conditions	Remarks
Nickel	2 Nov.	435 per kg.	Ex consignee's warehouse	Landed cost Australian nickel Dols. 1,114.44 per ton = 250,750 lire: Canadian nickel Dols. 861.44 = 193,824 lire
Open cast coal	3 Sept.	2,450 per ton	At port to manufacturers	From UK
Petroleum Coke	1 Aug.	4,375 per ton	At port	Estimated cost in US: Dols. 22 per ton = 1,950 lire
Pig iron - Foundry and hematite grades	8 Nov.	18.5 per kg.	Ex consignee's warehouse	Landed cost: Dols. 49.44 per ton = 11,125 lire
Pig-iron, Refining grade	8 Nov.	17.5 per kg.	Ex consignee's warehouse	
Pig tin	28 Sept.	600 per kg.	Ex seller's warehouse. Price valid to 31 Dec. 1946	Landed cost: Dols. 1,516 per ton = 341,000 lire
Pine Tar	2 Nov.	45 per kg.	Ex consignee's warehouse	Landed cost: Dols. 93.44 per ton = 24,274 lire
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Wood Rosin	22 Nov.	100 per kg.	Ex-consignee's warehouse, including drums	Estimated landed cost: Dols. 200 per ton (80 % of gum resin) = 45,000 lire
Xilol-Nitration	22 Nov.	75 per kg.	In bulk, ex-consignee's warehouse	Estimated landed cost: Dols. 220 per ton = 49,500 lire. Procurement cost in U.K. Dols. 184.89 per ton = 41,600 lire

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NOTES ON TABLE 47.

(1) The conversion used from US dollars to Italian lire is 225 lire to the US dollar.

(2) Note of some factors reviewed by the Joint Committee of the Italian Government and the UNRRA Italian Mission when fixing prices for certain UNRRA goods:

(i) *Tinplate* Local producers cannot produce and sell tinplate at present prices; local production has, therefore, been low and unless imports of tinplate can be secured food preservation will be limited. Italy needed 21,000 tons of tinplate for the canning and other industries in 1946, as follows: for vegetables and fruit 14,770 tons; for fish 3,693 tons; for milk 1,055 tons; for meat 633 tons; for olive oil 396 tons; for other processing industries 528,000 tons. The pre-war production of tinplate was in 1938, 82,389 tons, of which 19,816 tons were exported. Owing to war damage and plant deterioration the capacity of the tinplate industry in 1946 was 17,600 tons, requiring the following raw materials: pig iron 4,790 tons; sheet metal 4,160 tons; tin 252 tons; Ruhr coal 26,770 tons; soft coal 33,755 tons; palm oil 126 tons. Small quantities of tinplate are being manufactured at from 130 to 160 lire per kilogram. This represents on the sale price of canned goods, 25 % for tomato paste in 1 kg. tins as against 10 % pre-war, 28 % for peeled tomatoes (15 % prewar); 15 for jam in half kilogram tins (4.5 % pre-war).

(ii) *Finished steel.* Full specifications of thickness, size and quality will be obtained at the ports. A Committee of the Italian Government, including technicians, and UNRRA technicians will classify the steel to determine base price and extras.

(iii) *Anthracite for electrodes.* Following taken into consideration: (*a*) high grade quality (very low ash, calorific value about 25 % higher than that of other coals normally received); (*b*) low volatile and sulphur contents make the anthracite very suitable for purpose needed. Basic price of anthracite agreed at 50 % higher than other coals, i. e. at 5,250 lire per ton at port (September 1946) subject to re-examination after three months.

(iv) *Raw Cotton.* To manufacture 31,000 tons of cotton at 84 % yield would produce approximately 26,040 tons of finished materials at an average price of 245 lire per kilogram — total expenditure 6,379 million lire. Manufactures limited to following nine types of material:

(*a*) flannelette for babies;
(*b*) madapolam for underwear, etc.
(*c*) heavy shirting for men;
(*d*) sheeting for sheets, pillow cases and general household uses;
(*e*) strong drill for overalls and trousers;
(*f*) cotton suiting for farm workers;
(*g*) cloth for mattress covers;
(*h*) calico for shirts, blouses and household use;
(*i*) Florida in checks and stripes for general clothing.

(v) *Cotton seed cake.* United States cotton seed cake is not normally used in Italy in the form now imported. It cannot be fed to pigs, calves and young horses because of presence of "gassiopol". Mixing with other feeds would increase cost.

(vi) *Ploues.* Italian plows of the same type and weight as the UNRRA imported plows will plow 35 cm. deep as against 25 cm. for the imported. In Italy, plows are sold by weight.

(vii) *Reaper attachment. - Vetch seed.* Price limited by what, in expert opinion, the Italian farmer will pay.

(viii) *Forage pea seed.* Price limited to assure prompt distribution and sale to permit effective use of the seed as a summer forage crop after wheat harvest in North and as a fall crop in South.

(ix) *Forage seed corn.* Official price for milling corn from 1946 new crop fixed at least 15 % below price of wheat. No official price set for seed corn but seed sold in Spring 1946 from 18,000 to 22,000 lire per ton f. o. b. loading station; later on corn was sold on the black market from 50,000 to 55,000 lire per ton, and used for feed.

(x) *Sudan grass.* (sorgo sudanese). Price 4,000 lire per quintal, because local sorghum, which is considered superior to Sudan grass as a forage, is sold at about 6,000 lire per quintal.

(3) *Foodstuffs.* Special conditions applying to sales of foodstuffs:

Candy bars: No sweetmeats of this type are normally sold in Italy. Limited quantities only of imported candies and sweets are at present sold on the free market. The proposed method of distribution of the candy bars is as follows:

(*a*) through UNRRA welfare channels, a free issue of 400 grams per head will be made to all recipients of UNRRA assistance (this will absorb 791 tons);

(*b*) an issue, under SEPRAL control, of 400 grams per head, spread over three months, to sick in hospital (144 tons);

(*c*) the balance to be offered to industrial cooperatives — excluding the Cooperative of State Employees — for sale to their members. (The balance will amount to about 1,480 tons).

As 935 tons are to be disposed of without adding to the Lira Fund, resale price of the balance should be so fixed as to recoup the Fund with approximately the total "landed cost" value of the whole quantity available for distribution.

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(*e*) strong drill for overalls and trousers:
(*f*) cotton suiting for farm workers:
(*g*) cloth for mattress covers;
(*h*) calico for shirts, blouses and household use;
(*i*) Florida in checks and stripes for general clothing.

(v) *Cotton seed cake.* United States cotton seed cake is not normally used in Italy in the form now imported. It cannot be fed to pigs, calves and young horses because of presence of "gassiopol". Mixing with other feeds would increase cost.

(vi) *Plows.* Italian plows of the same type and weight as the UNRRA imported plows will plow 35 cm. deep as against 25 cm. for the imported. In Italy, plows are sold by weight.

(vii) *Reaper attachment. - Vetch seed.* Price limited by what, in expert opinion, the Italian farmer will pay.

(viii) *Forage pea seed.* Price limited to assure prompt distribution and sale to permit effective use of the seed as a summer forage crop after wheat harvest in North and as a fall crop in South.

(ix) *Forage seed corn.* Official price for milling corn from 1946 new crop fixed at least 15 % below price of wheat. No official price set for seed corn but seed sold in Spring 1946 from 18,000 to 22,000 lire per ton f. o. b. loading station: later on corn was sold on the black market from 50,000 to 55,000 lire per ton, and used for feed.

(x) *Sudan grass.* (sorgo sudanese). Price 4,000 lire per quintal, because local sorghum, which is considered superior to Sudan grass as a forage, is sold at about 6,000 lire per quintal.

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(*b*) an issue, under SEPRAL control, of 400 grams per head, spread over three months, to sick in hospital (144 tons):

(*c*) the balance to be offered to industrial cooperatives — excluding the Cooperative of State Employees — for sale to their members.

(The balance will amount to about 1,480 tons).

As 935 tons are to be disposed of without adding to the Lira Fund, resale price of the balance should be so fixed as to recoup the Fund with approximately the total "landed cost" value of the whole quantity available for distribution.

The following commodities will be sold to special classes of the population on the authorised ration scale. There is no limitation as to time of distribution:

(*a*) Salmon, mackerel fillets, sardines and fish in oil:
(*b*) meat and vegetable:
(*c*) blood sausage:
(*d*) pil hards:
(*e*) thuringer sausage, pork luncheon meat, other canned meats (solid):
(*f*) liver spread, meat spread, meat paste:
(*g*) chicken haddie (issue only to approved industrial and communal canteens):
(*h*) coffee beans (special distribution plans agreed from time to time between the Government and the UNRRA Mission).

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COMPARISON BETWEEN WHOLESALE AND RETAIL PRICES IN ITALY

(a) *Consideration of Margins Between Wholesale and Retail Prices* (1).

305. The difference between wholesale and retail prices is made up of the costs of distribution (including retailers' profits). The extent of distributive costs is closely related to (a) the degree of service to be rendered at the wholesale stage e.g. breaking from bulk, repacking, credit etc., (b) local transport costs to the retail point and (c) the struoture, equipment and organization of retail trade. As regards (c) the large cooperative stores, paying consumer dividends, the "Enti Comunali di Consumo" (Municipal Cooperative shops) and the fixed price departmental stores, all aim at minimizing distribution costs. Prior to fascism the "Cooperative di consumo" (consumer cooperatives) were highly successful, especially in Northern Italy, but after 1922 they were for the most part dissolved. The fixed price departmental stores never took hold in Italy. In large towns there are an excessive number of individual retail stores (2), mostly small shops, which, without competition from larger stores, have contributed to keep distributive costs at a high level. The proportion of fixed overhead charges (rent, personnel, taxes, etc.) has, therefore, been an appreciable element in the price of each unit sold in retail shops. There is, in the public interest, scope for greater rationalization of the retail trade. For the long-term protection of the small shopkeepers themselves, reforms are overdue. In August and September 1946, at a time of labor unrest, the need for encouraging the extension of consumer cooperatives was evident.

306. Thriving black market activities, especially in the towns of Central and Southern Italy, have added to distribution costs, which include the profits of innumerable dealers and extra charges to compensate for the risks involved in illegal sales.

307. Before the war the percentage of the distribution costs in retail prices was estimated by the "Confederazione dei Commercianti" (Confederation of Retail Traders) in some large towns on the basis of surveys covering an appreciable number of samples. Table 48 shows the distributive margin for various types of retail trade, according to the surveys made by the Italian Confederation of Retail Traders before the war.

TABLE 48

The pre-war Margin Between Retailers' Cost and Selling Prices

	1929 %	1932 %	1937 %
(a) Foods:			
Grocers	12.75	11.50	13.16
Pork Butchers' shops	20.51	20.33	18.75
Food markets	15.00	15.51	16.16
Fish shops	22.13	22.72	17.63
Eggs and poultry shops	12.85	13.90	15.63
Butchers' shops	14.47	19.46	13.88
Bakeries	27.61	29.68	24.49
Milk shops	21.61	25.46	20.44
Wine shops	29.09	31.72	22.83
Peddlers	16.03	17.13	18.09
Average	19.21	20.74	18.11
Cooperative stores	12.48	11.35	12.67

(1) The importance of the study of distribution can be gauged by the recent authorization by the United States Congress of appropriations up to 41 million dollars for research in 1950 on distribution with the objective of lowering costs.

(2) (a) The two commercial censuses taken in Italy 1927 and in 1938 show that in this period of 12 years instead of a trend towards concentration of individually-owned retail businesses, the opposite occurred. The number of shops per 1,000 inhabitants in 1927 was 13.6 and in 1938, 17.0. The number of persons employed (including shop-keepers) in each retail shop has decreased from 1.8 to 1.6, which suggests that the number of small shops has increased. The position, in brief, is as follows:

	Shops employing five persons or less			
	No.		% of total retail shops	
	1927	1938	1927	1938
Number of retail shops	555,084	777,058	98	99.1
Number of persons employed	880,332	1,151,634	72.7	72.9

(b) A comparison of distributive conditions in 26 countries was made in 1938 by the International Chamber of Commerce. The results, shown below, indicate that the percentage of small retail shops existing then in Italy was comparatively high.

Country	Retail shops (per 1000 persons)	Percentage of persons occupied in retail shops		
		Number of persons employed per shop		
		1-5	6-50	51 and more
		%	%	%

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related to (a) the degree of service to be rendered at the wholesale stage e.g. breaking from bulk, repacking, credit etc., (b) local transport costs to the retail point and (c) the structure, equipment and organization of retail trade. As regards (c) the large cooperative stores, paying consumer dividends, the "Enti Comunali di Consumo" (Municipal Cooperative shops) and the fixed price departmental stores, all aim at minimizing distribution costs. Prior to fascism the "Cooperative di consumo" (consumer cooperatives) were highly successful, especially in Northern Italy, but after 1922 they were for the most part dissolved. The fixed price departmental stores never took hold in Italy. In large towns there are an excessive number of individual retail stores (2), mostly small shops, which, without competition from consumer cooperatives, have added to distribution costs. For the long-term protection of the small shopkeepers themselves, reforms are overdue. In August and September 1946, at a time of labor unrest, the need for encouraging the extension of consumer cooperatives was evident.

306. Thriving black market activities, especially in the towns of Central and Southern Italy, have added to distribution costs, which include the profits of innumerable dealers and extra charges to compensate for the risks involved in illegal sales.

307. Before the war the percentage of the distribution costs in retail prices was estimated by the "Confederazione dei Commercianti" (Confederation of Retail Traders) in some large towns on the basis of surveys covering an appreciable number of samples. Table 48 shows the distributive margin for various types of retail trade, according to the surveys made by the Italian Confederation of Retail Traders before the war.

TABLE 48

The pre-war Margin Between Retailers' Cost and Selling Prices

	1929 %	1932 %	1937 %
(a) Foods :			
Grocers	12.75	11.50	13.16
Pork Butchers' shops	20.51	20.33	18.75
Food markets	15.00	15.51	16.16
Fish shops	22.13	22.72	17.63
Eggs and poultry shops	12.85	13.90	15.63
Butchers' shops	14.47	19.46	13.88
Bakeries	27.61	29.68	24.49
Milk shops	21.61	25.46	20.44
Wine shops	29.09	31.72	22.83
Peddlers	16.03	17.13	18.09
Average	19.21	20.74	18.11
Cooperative stores	12.48	11.35	12.67
(b) Wearing apparel and textiles :			
Clothing stores	25.66	28.62	27.38
Hat stores	31.50	34.73	34.14
Footwear shops	22.32	22.42	21.97
General stores	27.39	29.93	26.86
Peddlers	—	—	28.47
Average	26.72	28.93	27.76
Fixed price departmental stores	24.50	27.25	22.86

(1) The importance of the study of distribution can be gauged by the recent authorization by the United States Congress of appropriations up to 41 million dollars for research in 1950 on distribution with the objective of lowering costs.

(2) (a) The two commercial censuses taken in Italy 1927 and in 1938 show that in this period of 12 years instead of a trend towards concentration of individually-owned retail businesses, the opposite occurred. The number of shops per 1,000 inhabitants in 1927 was 13.6 and in 1938, 17.6. The number of persons employed (including shop-keepers) in each retail shop has decreased from 1.8 to 1.6, which suggests that the number of small shops has increased. The position, in brief, is as follows :

	Shops employing five persons or less			
	No.		% of total retail shops	
	1927	1938	1927	1938
Number of retail shops	555,084	777,038	98	99.1
Number of persons employed	880,332	1,151,634	72.7	72.9

(b) A comparison of distributive conditions in 26 countries was made in 1938 by the International Chamber of Commerce. The results, shown below, indicate that the percentage of small retail shops existing then in Italy was comparatively high.

Country	Retail shops (per 1000 persons)	Percentage of persons occupied in retail shops		
		Number of persons employed per shop		
		1-5	6-50	51 and more
		%	%	%
Germany	12.10	73	16	11
Italy	13.29	89	10	1
Netherlands	13.28	76	15	9
Sweden	8.91	70	24	6
Switzerland	11.37	80	26	8
U. S. A.	10.50	—	—	—

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308. The Confederation of Retail Traders estimated the velocity of turnover of stock in the different kinds of stores as shown in Table 49.

TABLE 49

Velocity of Turnover of Stock in the Retail Trade in Italy 1937:

	Number of times stock was turned over in a year	Average number of days sales represented by stock-in-trade
(*a*) Food:		
Grocers	6	60
Pork butchers	11	32
Food markets	9	40
Fish shops	300	1 1/4
Eggs and poultry shops	200	1 3/4
Butchers shops	100	12
Bakeries	29	12
Milk shops	250	1 1/2
Wine shops	17	21
Cooperative stores	19	20
(*b*) Wearing apparel, textiles and general supplies:		
Clothing stores	2.8	130
Hat stores	1.1	89
Footwear shops	3.1	118
General stores	3.5	104
Peddlers	12.6	29
Fixed price stores	7.8	46

309. From Table 48 it would appear that in 1937 costs

TABLE 50

Difference Between Wholesale and Retail Prices: August 1946

Commodities subject to official prices in August 1946	Imported price (c.i.f.)	Retail price to the consumer	Difference %
	Lire per kilogram		
Sugar	120	165	37.6
Codfish	55	85	54.5
Sausage	172.30	250	45.1
Lard	77.75	116	49.2
Evaporated milk	52	73	40.4
Peas	42	60	42.8
Raw coffee	200	275	37.5

Prior to the war (1930) the margin between wholesale and retail prices was 33 %, and was therefore less than in 1946, when taxes, transportation charges etc. are higher.

310. The proportion of cost of distribution in official retail food prices is probably not substantially higher than pre-war. In August 1946 the "Confederazione Generale Italiana del Commercio" (Italian General Confederation of Commerce) made a careful survey of food distribution costs, from the "Consorzio Agrario Provinciale" (Provincial Agricultural Consortium), the distributing agency, to the wholesaler; from the wholesaler to the retailer; and from the retailer to the consumer. Table 50 is a summary of the results of the survey (see also Tables 51 and 52).

311. Table 51, based on the same survey, shows the officially approved percentage margin taken by the wholesaler and the retailer in June 1946 (see also Table 52).

TABLE 51

Approved Margin in Lire per kilogram taken by Wholesalers and Retailers: June 1946

Commodities subject to official prices in June 1946	Cost to the wholesaler (excluding margin)	Approved margin taken by wholesaler		Cost to retailer (excluding margin)	Approved margin taken by retailer (1)	
	Lire	Lire	%	Lire	Lire	%

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	Number of times stock was turned over in a year	Average number of days sales represented by stock-in-trade
(*a*) Food:		
Grocers	6	60
Pork butchers	11	32
Food markets	9	40
Fish shops	300	1 1/4
Eggs and poultry shops	200	1 3/4
Butchers shops	160	12
Bakeries	29	12
Milk shops	250	1 1/2
Wine shops	17	21
Cooperative stores	19	20
(*b*) Wearing apparel, textiles and general supplies:		
Clothing stores	2.8	130
Hat stores	1.1	29
Footwear shops	3.1	118
General stores	3.5	104
Peddlers	12.6	29
Fixed price stores	7.8	46

309. From Table 48 it would appear that in 1937 costs of distribution of the cooperative stores are appreciably less than for other retail distributors (12.67 % as against an average of 18.11 % for the other shops and this is not explained by the more personal (delivery etc.) services of the latter). The remarkable speed of turnover of stock-in-trade for fixed price department stores, as compared with stores of other types, is of note. The position has, however, deteriorated since 1937.

Sugar	120	165	37.6
Codfish	55	85	54.5
Sausage	172.30	250	45.1
Lard	77.75	116	49.2
Evaporated milk	52	73	40.4
Peas	42	60	42.8
Raw coffee	200	275	37.5

Prior to the war (1930) the margin between wholesale and retail prices was 33 %, and was therefore less than in 1946, when taxes, transportation charges etc. are higher.

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311. Table 51, based on the same survey, shows the officially approved percentage margin taken by the wholesaler and the retailer in June 1946 (see also Table 52).

TABLE 51

Approved Margin in Lire per kilogram taken by Wholesalers and Retailers: June 1946

Commodities subject to official prices in June 1946	Cost to the wholesaler (excluding margin)	Approved margin taken by wholesaler		Cost to retailer (excluding margin)	Approved margin taken by retailer (1)	
	Lire	Lire	%	Lire	Lire	%
Sugar	126.30	7.50	7.9	145.80	20.40	14.0
Codfish	59.95	3.60	6.0	74.22	10.16	13.6
Sausage	190.78	11.45	6.0	219.66	39.34	18.8
Lard	86.21	5.17	6.0	101.85	14.19	13.8
Evaporated milk	53.62	3.33	6.0	64.35	9.09	14.0
Peas	45.12	2.71	6.0	52.35	7.33	14.0
Raw coffee	211.00	12.00	5.7	211.73	33.81	14.0

(1) For comparison with pre-war, See Table 48 (Grocer).

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TABLE 52

Analysis of Prices in lire per kilogram of Imported Foodstuffs from (a) Provincial Agricultural Consortium to Wholesaler (b) Wholesaler to Retailer and (c) Retailer to Consumer: Rome, June 1946.

Item	Sugar	Codfish	Sausage (Salami type)	Lard	Milk (evaporated)	Vegetables (peas)	Raw Coffee
A. (i) Sale price from Prov. Agr. Consortium to wholesaler	120.00	53.00	172.30	77.75	52.00	42.00	200.00
(ii) Sales tax - Prov. Agr. Consortium to wholesaler	1.80	2.20	13.78	6.22	2.08	1.68	8.00
(iii) Fee to Insurance Fund	1.00	0.57	1.80	0.84	0.54	0.44	2.00
(iv) Fee to Sepral (Provincial Food Office)	1.00	1.00	1.00	1.00	1.00	1.00	1.00
(v) Loss of Weight	—	1.18	1.90	0.43	—	—	—
(vi) Wholesaler's profit	7.50	3.60	11.45	5.17	3.33	2.71	12.60
Transportation cost from wholesaler to retailer	0.50	0.55	0.50	0.55	0.55	0.55	0.50
(vii) Consumption tax	—	3.00	14.00	3.75	—	—	—
Price to retailer (free at retailer's store, including consumption tax)	134.80	67.10	216.75	100.70	59.50	48.40	223.50
B. (viii) Sales tax from wholesaler to retailer	5.40	2.68	—	—	2.38	1.94	8.94
Total cost to retailer	140.20	69.78	—	—	61.88	50.34	232.44
C. (ix) Sales tax from retailer to consumer	5.60	2.79	—	—	2.47	2.01	9.29
Loss of weight	—	1.65	2.91	1.15	—	—	—
Profit to retailer	20.40	10.16	30.34	14.10	9.00	7.33	33.84
Total	166.20	84.38	250.00	115.95	73.35	59.68	275.57
Approved price to the consumer per kg.	165	85	250	116	73	60	275

(i) Price fixed by the High Commissariat for Food
(ii) Sales tax is 4 % (for sausages and lard the sales tax is 8 % — one tax only in marketing chain)
(iii) Rounded off at 10 %
(iv) One lira per kg.
(v) For codfish 2 %; Thuringher sausages 1 %; lard 0.50 %
(vi) Varies from 0.50 to 0.55 lire per kg.
(vii) Varies for each commodity
(viii) and ix) Sales tax 4 %

312. For UNRRA-imported goods (two-thirds of which are represented in value, to end October 1946, by food, coal, and POL) sold at prices fixed by the UNRRA Mission in conjunction with the Italian Government, distribution costs vary according to the kind of goods. The following statement shows the estimated cost of handling charges in Italy as a percentage of the landed cost of UNRRA-imported goods:

TABLE 53.

UNRRA Supplies to Italy: Estimated Handling Charges in Lire per metric Ton: 1946

(Statment subject to review by Lira Fund Committee)

a) *Foodstuffs* (and soap)

Product	Landed cost	Estimated Handling Charges in Italy				Estimated handling charges as percentage of landed cost
		Expenses of distribution	Insurance 1.5% of landed cost	Shrinkage loss, etc.	Total Handling charges	
Milk:						
whole dry	221,513	11,010	3,300	6,600	20,910	9.43
dry skim roller	88,538	11,010	1,300	2,600	14,910	16.84
" " spray	90,338	11,010	1,300	2,600	14,910	16.50
evaporated	63,281	15,300	900	1,800	18,000	28.44
Lard	105,975	11,010	1,60	3,200	15,810	14.92
Shortening	115,875	11,010	1,70	3,500	16,210	13.99
	93,375	11,010	1,40	2,800	15,210	16.29

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A. (i) Sale price from Prov. Agr. Consortium to wholesaler	120.00	55.00	172.30	77.75	52.00	42.09	200.00
(ii) Sales tax - Prov. Agr. Consortium to wholesaler	1.80	2.20	13.78	6.22	2.08	1.68	8.00
(iii) Fee to Insurance Fund	1.00	0.57	1.80	0.84	0.54	0.44	2.00
(iv) Fee to S-pral (Provincial Food Office)	1.00	1.00	1.00	1.00	1.00	1.00	1.00
(v) Loss of Weight	—	1.18	1.90	0.43	—	—	—
(vi) Wholesaler's profit	7.50	3.60	11.45	5.17	3.33	2.71	12.00
Transportation cost from wholesaler to retailer	0.50	0.55	0.50	0.55	0.55	0.55	0.50
(vii) Consumption tax	—	3.00	14.00	3.75	—	—	—
Price to retailer (free at retailer's store, including consumption tax)	134.80	67.10	216.75	100.79	59.50	48.40	223.50
B. (viii) Sales tax from wholesaler to retailer	5.40	2.68	—	—	2.38	1.94	8.94
Total cost to retailer	140.20	69.78	—	—	61.88	50.34	232.44
C. (ix) Sales tax from retailer to consumer	5.60	2.79	—	—	2.47	2.01	9.29
Loss of weight	—	1.65	2.91	1.15	—	—	—
Profit to retailer	20.40	10.16	30.34	14.10	9.00	7.33	33.84
Total	166.20	84.38	250.00	115.95	73.35	59.68	275.57
Approved price to the consumer per kg.	165	85	250	116	73	60	275

(i) Price fixed by the High Commissariat for Food
(ii) Sales tax is 1 % (for sausages and lard the sales tax is 8 % — one tax only in marketing chain)
(iii) Rounded off at 10 %
(iv) One lira per kg.
(v) For codfish 2 %; Thuringher sausages 1 %; lard 0.50 %
(vi) Varies from 0.50 to 0.55 lire per kg.
(vii) Varies for each commodity
(viii) and ix) Sales tax 4 %

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a) *Foodstuffs* (and soap)

Product	Landed cost	Estimated Handling Charges in Italy				Estimated handling charges as percentage of landed cost
		Expenses of distribution	Insurance 1.5% of Landed cost	Shrinkage loss, etc.	Total Handling charges	
Milk:						
whole dry	221,513	11,010	3,300	6,600	20,910	9.43
dry skim roller	88,538	11,010	1,300	2,600	14,910	16.84
" " spray	90,338	11,010	1,300	2,600	14,910	16.50
evaporated	63,281	15,300	900	1,800	18,000	28.44
Lard	105,975	11,010	1,60	3,200	15,810	14.92
Shortening	115,875	11,010	1,70	3,500	16,210	13.99
Fat cuts	93,375	11,010	1,40	2,800	15,210	16.29
Margarine	94,950	11,010	1,400	2,800	15,210	16.02
Beans, haricot	33,188	9,480	500	1,000	10,980	33.08
Peas, dried	39,038	9,480	600	1,200	11,280	28.89
Lentils	27,563	9,480	400	800	10,680	38.75
Garbanzos (Chick-peas)	41,513	9,480	600	1,200	11,280	27.17
Soup dehydrated	88,650	9,480	1,300	2,600	13,380	15.09
Toilet Soap	85,837	11,010	1,300	2,600	14,910	17.37
Laundry Soap	56,587	11,010	800	1,700	13,510	23.87

NOTE: The figures in Table 53 are subject to final adjustment, and actual savings will be credited to the Lira Fund.

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(TABLE 53 continued)

b) *Industrial products*

Commodities	Fixed price in Italy (in lire per metric ton)	Estimated handling charges (in lire) (1)	Estimated accrual to lire fund	Percentage of estimated handling charges to price
Gasoline	35,000 (2)	10,640	24,360	30.4
Kerosene	36,230	13,470	22,760	37.2
Diesel oil	30,000 (2)	11,440	18,560	38.1
Fuel oil	8,000	3,150	4,850	39.4
Basic slag	11,000	6,500	4,500	59.1
Manganese ore	12,000	2,460	9,540	20.5
Fire refined copper	87,000	5,260	81,740	6.0
Solvent Naphtha: medium	53,200	14,000	39,200	26.3
Nitrate of soda	22,000	10,000	12,000	45.5
Copra	33,005	5,000	28,005	15.1
Semi-finished steel: ingots blooms	20,800	3,889	16,911	18.7
Finished steel: bars	20,800	5,000	15,800	24.0
corrugated	30,000	5,000	25,000	16.7

(1) Final settlement of handling charges will be made after after audit of consignee's expenses.
(2) Lire per 1,000 litres.

For foodstuffs the estimated handling charges are thus from 9 to 38 % of the landed cost and for industrial products from 6 to 59 % of the lire price.

313. As an illustration only of the breakdown of estimated distribution costs for agricultural machinery, the following details, which are subject to revision, for reaping attachments are given:

Estimated Handling and other Charges (1946) for UNRRA - Supplied Reaper attachments, model Deering

Gross Weight 50 Kg. Net Weight 42 Kg.

1) Insurance against fire, theft, other risks, etc. (3 months)	20.00
2) I.C.E. margin 0.20 % on landing cost estimated at 1,450 lire (at the exchange rate of 100 lire to the $)	2.90
3) Taking on charge under ship side at Naples & loading on truck or lorry, 130 lire per quintal	65.00
4) Transport charges to the warehouses at Castellamare, Rome and Piacenza - average 210 lire per quintal	105.00
5) Unloading & storage at the warehouses at 40 lire per quintal	20.00
6) Storage for 3 months (0.30 per Qtl. per day) 90 days × 0.30 - 27 lire per quintal	13.50
7) Assemblage, putting in running order, lubricating, etc.	120.00
8) Transport charges from warehouse to station & loading on truck 50 lire per quintal	25.00
9) Transport charges from Federazione warehouse to distribution centres - average journey calculated at 300 km. - at 150 lire	

Note: The following items are not included in the above list: (a) 4 % general income tax on handing over the machines to the central consignee: (b) debtor interest on the sums to be advanced to the Treasury.

314. The open market prices of non-controlled products were such as to allow tradesmen to reap profits exceeding many times the cost of production. During the period of falling prices, i.e. from April to June 1946, traders generally maintained their retail prices for non-controlled commodities. A factor tending to prevent retail prices from falling has been the reluctance of traders to reduce the high percentage of profit reaped in periods of increasing prices.

315. These reasons, together with the shortage of goods, the reduction in the list of goods subject to official rations and the controls on official prices, explain the increase in 1946 in free retail prices (40 to 50 times pre-war on the average). This increase has been out of proportion to the increase in currency circulation (about 20 times pre-war) and to the rise in official prices of controlled commodities. For lack of data, it is not possible to say whether the wide difference between retail prices and prices on the free market to producers, has mainly benefited the wholesaler or the retailer.

(b) *Comparison Between Wholesale and Retail Prices.*

316. Any comparison between wholesale and retail prices of the same goods is recognised to be difficult.

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Kerosene	30,000 (2)	11,410	18,000	36.4
Diesel oil	8,000	3,150	4,850	39.1
Fuel oil	11,000	6,500	4,500	20.5
Basic slag	12,000	2,460	9,540	6.0
Manganese ore	87,000	5,260	81,740	26.3
Fire refined copper	53,200	14,000	39,200	45.5
Solvent Naphtha: medium	22,000	10,000	12,000	15.1
Nitrate of soda	33,005	5,000	28,005	18.7
Copra	26,800	3,889	16,911	24.0
Semi-finished steel: ingots blooms	20,800	5,000	15,800	16.7
Finished steel: bars	30,000	5,000	25,000	
corrugated				

(1) Final settlement of handling charges will be made after after audit of consignee's expenses.
(2) Lire per 1,000 liters.

For food-stuffs the estimated handling charges are thus from 9 to 38 % of the landed cost and for industrial products from 6 to 59 % of the lire price.

313. As an illustration only of the breakdown of estimated distribution costs for agricultural machinery, the following details, which are subject to revision, for reaping attachments are given:

Estimated Handling and other Charges (1946) for UNRRA - Supplied Reaper attachments, model Deering

Gross Weight 50 Kg. Net Weight 42 Kg.

1) Insurance against fire, theft, other risks, etc. (3 months)	20.00
2) I.C.E. margin 0.20 % on landing cost estimated at 1.450 lire (at the exchange rate of 100 lire to the $)	2.90
3) Taking on charge under ship side at Naples & loading on truck or lorry, 130 lire per quintal	65.00
4) Transport charges to the warehouses at Castellamare, Rome and Piacenza - average 210 lire per quintal	105.00
5) Unloading & storage at the warehouses at 40 lire per quintal	20.00
6) Storage for 3 months (0.30 per Qtl. per day) 90 days × 0.30 - 27 lire per quintal	13.50
7) Assemblage, putting in running order, lubricating, etc.	120.00
8) Transport charges from warehouse to station & loading on truck 50 lire per quintal	25.00
9) Transport charges from Federazione warehouse to distribution centres - average journey calculated at 300 km. - at 150 lire per quintal net	63.00
10) Unloading at destination - transport & putting in warehouse at 50 lire per quintal net	21.00
TOTAL HANDLING EXPENSES	455.40
Commission to distribution 15 % on sale price fixed at 3,000 lire including test, help & general expenses	450.00
TOTAL EXPENSES & COMMISSION	905.40

Note: The following items are not included in the above list: (a) 4 % general income tax on handing over the machines to the central consignee; (b) debtor interest on the sums to be advanced to the Treasury.

314. The open market prices of non-controlled products were such as to allow tradesmen to reap profits exceeding many times the cost of production. During the period of falling prices, i.e. from April to June 1946, traders generally maintained their retail prices for non-controlled commodities. A factor tending to prevent retail prices from falling has been the reluctance of traders to reduce the high percentage of profit reaped in periods of increasing prices.

315. These reasons, together with the shortage of goods, the reduction in the list of goods subject to official rations and the controls on official prices, explain the increase in 1946 in free retail prices (38 to 50 times pre-war on the average). This increase has been out of proportion to the increase in currency circulation (about 20 times pre-war) and to the rise in official prices of controlled commodities. For lack of data, it is not possible to say whether the wide difference between retail prices and prices on the free market to producers, has mainly benefited the wholesaler or the retailer.

(b) *Comparison Between Wholesale and Retail Prices.*

316. Any comparison between wholesale and retail prices of the same goods is recognised to be difficult. The prices at each stage in the marketing chain for the same type and quality of goods (producer, first wholesaler or semi-wholesaler, or a consortium of retailers, etc.), as well as all charges adding to the cost of goods (e.g. sales tax) must be known. Comparison is also complicated by the changes which take place in the product before consumer sale (re-processing, "appeal" packing, etc.)

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TABLE 54

Comparison of Wholesale and Retail Food Prices in Italy: 1938-1946 (1)

Commodity	Wholesale Price		Retail Price (3)		Relation of retail to wholesale prices (wholesale price = 1)		Index Numbers (1938 = 100)	
	1938	1946 (4)	1938	1946 (4)	1938	1946	Wholesale prices 1946	Retail prices 1946
	(Lire per quintal)							
Wheat	130	5,000	227	8,000	1.64	1.60	3,623	3,521
Husked rice	159	7,000	182	12,000	1.16	1.71	4,103	6,593
Butter	1,000	55,000	1,547	62,600	1.55	1.16	5,500	1,111
Pasta	225	13,000 (2)	291	14,300	1.29	1.11	5,778	1,948
Sugar	638	85,000 (2)	660	110,600	1.03	1.30	13,323	16,758

(1) Sources of prices: Central Institute of Statistics, Rome.

Reference is made here, and at other places in this survey, to the Central Institute of Statistics, Rome. The following is a brief history of the development and work of the Institute. The "Istituto Centrale di Statistica" (Central Institute of Statistics) was founded in Rome in 1926 as a result of a reconstruction of the former "Direzione Generale della Statistica Italiana" (General Direction of Italian Statistics), created in 1861. According to an Act of 1926 (revised in 1929) the Central Institute of Statistics is responsible for all official statistics for Italy, i.e. (1) statistics compiled by the Institute itself (statistics of (a) population and mortality, (b) foreign trade, (c) public education, (d) agriculture, (e) prices and cost of living and (f) judicial and penal statistics); (2) statistics compiled by the Ministries (statistics of industry and labor, public education, finance, banking, etc.) which are coordinated by the Central Institute. The Institute, as the official agency for national statistics, is responsible to the "Presidenza del Consiglio dei Ministri" (Presidency of the Council of Ministers). Since 1941 the Institute has been under the administration of provisional agencies and a project for a general reorganization of the Italian statistical services is included in a bill still awaiting approval. Prior to 1941 the periodical publications of the Institute were numerous. Since the war these have been reduced to the Monthly Bulletin of Statistics (from September 1945 through October 1946), a "Statistical Digest" (1943 to 1946) and a "Monthly Bulletin of Foreign Trade." Prior to the war, the periodical publications of the Central Institute were the following: the "Annuario Statistico Italiano" (Italian Statistical Yearbook); the "Compendio Statistico" (Statistical Digest); some books on population growth and on the causes of death; the "Annuario dell'Agricoltura Italiana" (Italian Agricultural Yearbook); annual statistics on foreign trade; annual statistics on shipping; annual judicial statistics, statistics on criminality and on civil law suits, statistics on penal institutes and annual statistics on public education. The monthly publications were: "Bollettino Mensile di Statistica" (Monthly Bulletin of Statistics); "Bollettino di Statistica Agraria e Forestale" (Bulletin of Statistics on Agriculture and Forests); "Bollettino dei Prezzi" (Price Bulletin); "Bollettino del Commercio Estero" (Foreign Trade Bulletin); "Notiziario demografico" (Demographical information).

The Central Institute was also charged with taking a five year census of the population (the last census was in 1936), a five year

317. Another factor complicating comparison with prewar prices, is the change in the quality of goods which has taken place between the two periods. Table 54 is an attempt to compare some wholesale prices with retail prices. The Table (making all necessary reservations, due to unreliability of the data on black market prices and the lack of proper controls during the enquiry) suggests that the percentage added to the wholesale price of some foodstuffs by the black market operator has fallen as compared with 1938.

318. Attempts were made before the war to compare wholesale and retail price index numbers for the same commodities and services (5) but no work has been done on this subject since the war.

(5) In 1929 the "Confederazione dei Commercianti" (Confederation of Traders) initiated two distinct series of index numbers of wholesale and retail prices for the same 25 commodities selected from among those most common in household consumption, e.g. price of wheat and flour in wholesale trade, and the price of bread in retail trade; wholesale price of oxen and calves, and retail price of meat. Professor Tagliacarne directed the work and the commodities were selected by experts and the quality and sale conditions for each commodity described in detail. For each commodity the price index was calculated monthly (wholesale and retail). The national index was arrived at by taking the mean of the national index numbers of the commodities con-

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Commodity	Wholesale Price		Retail Price (3)		Relation of retail to wholesale prices (wholesale price = 1)		(1938 = 100)	
							Wholesale prices	Retail prices
	1938	1946 (4)	1938	1946 (4)	1938	1946	1946	1946
	(Lire per quintal)							
Wheat	138	5,000	227	8,000	1.64	1.60	3,623	3,524
Husked rice	159	7,400	182	12,000	1.16	1.71	4,403	6,593
Butter	1,600	55,000	1,547	63,000	1.35	1.16	3,500	4,111
Pasta	225	13,000 (2)	291	14,400	1.29	1.11	5,778	1,948
Sugar	638	85,000 (2)	660	110,000	1.03	1.30	13,323	16,758

(1) Sources of prices: Central Institute of Statistics, Rome.

Reference is made here, and at other places in this survey, to the Central Institute of Statistics, Rome. The following is a brief history of the development and work of the Institute. The "Istituto Centrale di Statistica" (Central Institute of Statistics) was founded in Rome in 1926 as a result of a reconstruction of the former "Direzione Generale della Statistica Italiana" (General Direction of Italian Statistics), created in 1861. According to an Act of 1926 (revised in 1929) the Central Institute of Statistics is responsible for all official statistics for Italy, i.e. (1) statistics compiled by the Institute itself (statistics of (a) population and mortality, (b) foreign trade, (c) public education, (d) agriculture, (e) prices and cost of living and (f) judicial and penal statistics); (2) statistics compiled by the Ministries (statistics of industry and labor, public education, finance, banking, etc.) which are coordinated by the Central Institute. The Institute, as the official agency for national statistics, is responsible to the "Presidenza del Consiglio dei Ministri" (Presidency of the Council of Ministers). Since 1944 the Institute has been under the administration of provisional agencies and a project for a general reorganization of the Italian statistical services is included in a bill still awaiting approval. Prior to 1944 the periodical publications of the Institute were numerous. Since the war these have been reduced to the Monthly Bulletin of Statistics (from September 1945 through October 1946), a "Statistical Digest" (1943 to 1946) and a "Monthly Bulletin of Foreign Trade." Prior to the war, the periodical publications of the Central Institute were the following: the "Annuario Statistico Italiano" (Italian Statistical Yearbook); the "Compendio Statistico" (Statistical Digest); some books on population growth and on the causes of death; the "Annuario dell'Agricoltura Italiana" (Italian Agricultural Yearbook); annual statistics on foreign trade; annual statistics on shipping; annual judicial statistics, statistics on criminality and on civil law suits, statistics on penal institutes and annual statistics on public education. The monthly publications were: "Bollettino Mensile di Statistica" (Monthly Bulletin of Statistics); "Bollettino di Statistica Agraria e Forestale" (Bulletin of Statistics on Agriculture and Forests); "Bollettino dei Prezzi" (Price Bulletin); "Bollettino del Commercio Estero" (Foreign Trade Bulletin); "Notiziario demografico" (Demographical information).

The Central Institute was also charged with taking a five year census of the population (the last census was in 1936), a five year census of industry, transportation and trade (last census 1939) and of agriculture (last census 1930).

Since the extensive census taken in September 1944 in 38 provinces of Southern and Central Italy, in conjunction with the Allied Control Commission (census of population, housing, industry, transportation and standard of living), the Institute has taken no further censuses or surveys of a national character.

(2) Source: Edison Combine, Milan for wholesale prices.

(3) For wheat, bread prices are taken and for husked rice, cleaned rice.

(4) Black market price.

317. Another factor complicating comparison with pre-war prices, is the change in the quality of goods which has taken place between the two periods. Table 34 is an attempt to compare some wholesale prices with retail prices. The Table (making all necessary reservations, due to unreliability of the data on black market prices and the lack of proper controls during the enquiry) suggests that the percentage added to the wholesale price of some foodstuffs by the black market operator has fallen as compared with 1938.

318. Attempts were made before the war to compare wholesale and retail price index numbers for the same commodities and services (5) but no work has been done on this subject since the war.

(5) In 1929 the "Confederazione dei Commercianti" (Confederation of Traders) initiated two distinct series of index numbers of wholesale and retail prices for the same 25 commodities selected from among those most common in household consumption, e.g. price of wheat and flour in wholesale trade, and the price of bread in retail trade; wholesale price of oxen and calves, and retail price of meat. Professor Tagliacarne directed the work and the commodities were selected by experts and the quality and sale conditions for each commodity described in detail. For each commodity the price index was calculated monthly (wholesale and retail). The national index was arrived at by taking the mean of the national index numbers of the commodities considered in the two series. The two series of the index numbers for some pre-war years were:

Index numbers (first fortnight January 1929 = 100).

	Wholesale prices (a)	Retail prices (b)	Ratio $\frac{b}{a} \times 100$
1934	63.64	65.60	103.08
1936	76.66	75.01	97.85
1938	89.76	87.10	97.04

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MEASURE OF GENERAL PRICE LEVEL AND INDICES OF AGRICULTURAL POSITION

(a) *General Index of Prices and Services.*

319. The index numbers of wholesale prices are often considered as indices of the movement of all prices and services. This is not the case. To give a correct measure of the variation in the general purchasing power of the currency, weight should be given to all transactions involving payment in money—not only in wholesale and retail trade but transactions in bonds, in movable and immovable property, wages and salaries (in industry, agriculture and commerce), professional fees, house and land rents, transportation and communication rates, light and heat, etc.

320. To take all these factors into account is not easy at the present time. Professor S. Galzio, of Turin, computed at the end of 1945 a very approximate comprehensive index which estimated the general rise of prices, services and other expenditure at 17.1 times 1938. Using as basis the work done in 1933 by Prof. G. Tagliacarne in the calculation of a general index of prices and services in Italy, and estimating the changes which have since taken place in the proportions of the different heads of expenditure to the total, the general index of prices and services for the first nine months of 1946 can be put at about 20 (1) times the 1938 level. This index gives an idea of the devaluation of the general purchasing power of the currency.

321. Both at the end of 1945 and in June 1946 the level of this general index of prices and services did not differ materially from the level of the currency circulation index (18 times pre-war at the end of 1945 and 20.4 in August 1946).

(b) *Indices of the Agricultural Situation.*

322. A study of index numbers of variations in the level of the prices of individual products and services throws light on the changing situation in groups of economic activity, as for instance in agriculture or industry. On the one hand variations in purchase prices and in cost of services, which are part of the cost of production in a particular branch of activity, can be seen. On the other hand the variations in the selling prices of the goods produced are revealed. If, in relation to a particular base period, the synthetic index number of the cost of production of certain goods has increased [illegible] than the index number of the no data are available in Italy for the calculation of indices for industry on these lines. Professor P. Albertario, general director of the office for the "Tutela del prodotto economico in agricoltura" (the purpose of this office is to stimulate efficiency in agriculture) has calculated, on the basis of uniform criteria and of broad surveys all over Italy, the indices of the variations for the period from 1938 to 1944 (1938=100) in (a) the purchase price of agricultural requisites: (b) the sale price of agricultural products (2). The calculation for 1945 has, with Professor Albertario's assistance, been made provisionally by the UNRRA Italian Mission. The 1945 data in Tables 55 and 56 (graph) can, however, be regarded as only indicative of a trend.

323. The following considerations arise from Table 55: (a) while the average index of the overall prices of labor, agricultural requisites etc. to the farmer (index of agricultural costs) stood in 1945 at about 15 times the 1938 level, the index of the prices of agricultural products sold by farmers stood at 21 times pre-war. The position of the farmer, therefore, during the war and until 1945 considerably improved in comparison with 1938. Other surveys and investigations indicate that this improvement continued into 1946. Within this overall cost, the index of the prices of factory products (fertilizers, fodder, fuel etc.) purchased by farmers on the open market (and which before the war comprised about 20 % of the cost of production) has, however, increased about 34 times its 1938 level, i.e. higher than the index of free prices made by the farmer in selling his produce (23 times the 1938 index). The shortage from 1943 till 1946 of factory-produced requisites has, however, diminished the "weight" of expenditure on these to production cost: the influence of costs has, therefore, been less than is shown in the index (3): (b) among the main cost items in Table 55 the following increased less than the average general cost (14.8): (taxes (3.5 times 1938), labor (9 times on the basis of official wage rates, 14 times if actual wages are taken —or an average of 11.5 times 1938); (c) the highest increases in the open market prices of farm requisites—

(2) A similar index was computed annually after 1929 by the Central Institute of Statistics (indices of the prices of products sold and purchased by farmers). The calculation was discontinued in 1942. Such official indices had a more limited scope

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measure of the variation in the general purchasing power of the currency, weight should be given to all transactions involving payment in money—not only in wholesale and retail trade but transactions in bonds, in movable and immovable property, wages and salaries (in industry, agriculture and commerce), professional fees, house and land rents, transportation and communication rates, light and heat, etc.

320. To take all these factors into account is not easy at the present time. Professor S. Golzio, of Turin, computed at the end of 1945 a very approximate comprehensive index which estimated the general rise of prices, services and other expenditure at 17.4 times 1938. Using as basis the work done in 1933 by Prof. G. Taglia-carne in the calculation of a general index of prices and services in Italy, and estimating the changes which have since taken place in the proportions of the different heads of expenditure to the total, the general index of prices and services for the first nine months of 1946 can be put at about 20 (1) times the 1938 level. This index gives an idea of the devaluation of the general purchasing power of the currency.

321. Both at the end of 1945 and in June 1946 the level of this general index of prices and services did not differ materially from the level of the currency circulation index (18 times pre-war at the end of 1945 and 20.4 in August 1946).

(b) *Indices of the Agricultural Situation.*

322. A study of index numbers of variations in the level of the prices of individual products and services throws light on the changing situation in groups of economic activity, as for instance in agriculture or industry. On the one hand variations in purchase prices and in cost of services, which are part of the cost of production in a particular branch of activity, can be seen. On the other hand the variations in the selling prices of the goods produced are revealed. If, in relation to a particular base period, the synthetic index number of the cost of production of certain goods has increased by a smaller proportion than the index number of the selling price of the same goods, it can be inferred that the producers' position has improved during the period and vice versa. While in Italy and abroad surveys of costs and prices in agriculture have not been lacking,

(1) This index was calculated by taking the geometric mean of two weighted indices. One was calculated on the basis of pre-war transactions and the other on the basis of 1946.

calculated, on the ... surveys all over Italy, the indices of the variations for the period from 1938 to 1944 (1938=100) in (a) the purchase price of agricultural requisites; (b) the sale price of agricultural products (2). The calculation for 1945 has, with Professor Albertario's assistance, been made provisionally by the UNRRA Italian Mission. The 1945 data in Tables 55 and 56 (graph) can, however, be regarded as only indicative of a trend.

323. The following considerations arise from Table 55: (a) while the average index of the overall prices of labor, agricultural requisites etc. to the farmer (index of agricultural costs) stood in 1945 at about 15 times the 1938 level, the index of the prices of agricultural products sold by farmers stood at 21 times pre-war. The position of the farmer, therefore, during the war and until 1945 considerably improved in comparison with 1938. Other surveys and investigations indicate that this improvement continued into 1946. Within this overall cost, the index of the prices of factory products (fertilizers, fodder, fuel etc.) purchased by farmers on the open market (and which before the war comprised about 20 % of the cost of production) has, however, increased about 31 times its 1938 level, i.e. higher than the index of free prices made by the farmer in selling his produce (28 times the 1938 index). The shortage from 1943 till 1946 of factory-produced requisites has, however, diminished the "weight" of expenditure on these to production cost; the influence of costs has, therefore, been less than is shown in the index (3); (b) among the main cost items in Table 55 the following increased less than the average general cost (14.8): (taxes (3.5 times 1938), labor (9 times on the basis of official wage rates, 14 times if actual wages are taken —or an average of 11.5 times 1938); (c) the highest increases in the open market prices of farm requisites—

(2) A similar index was computed annually after 1929 by the Central Institute of Statistics (indices of the prices of products sold and purchased by farmers). The calculation was discontinued in 1942. Such official indices had a more limited scope (since they covered only variations in prices that were of particular interest to farmers). The indices did not cover some important items included in Professor Albertario's calculation, which permit of a comparison, over a period of time, of the variation in farmers' costs and receipts.

(3) The 1938 "weights" remain unvaried in the calculation of the indices. To determine more correctly the combined index of costs and receipts it would be necessary to calculate separately an index on the basis of the "presumable weights" of 1945 (which differ substantially from the 1938 weights). The geometric mean of the two indices should then be calculated.

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TABLE 55

Italian Agricultural Production etc.: 1939 to 1945

(to show the trend of costs and prices)

Classes of goods & services	Indices: 1938 = 100 (3)									
	1939	1940	1941	1942	1944			1945		
					Official Prices	Free Prices	Average (1)	Official Prices	Free Prices	Average (1)
A. Indices of the sale prices of agricultural products (receipts from sale).										
I. *Crop production*	*109.6*	*134.6*	*162.1*	*185.4*	*658.2*	*1,273.0*	*965.6*	*1,669.7*	*2,833.3*	*2,222.5*
a) cereals	103.6	119.7	135.6	160.8	448.9	912.3	680.6	650.0	2,000.0	1,325.0
b) dried legumes	135.1	153.7	185.7	189.6	359.2	2,155.7	1,257.4	870.0	2,800.0	1,835.0
c) industrial crops	108.7	122.4	148.9	163.2	494.6	541.2	519.4	1,800.0	1,800.0	1,800.0
d) potatoes, fruit & fruit crops	128.1	164.7	178.6	254.7	1,579.8	2,954.8	2,267.3	3,500.0	5,000.0	4,250.0
e) dried and fresh fruits	108.8	146.8	230.1	240.6	725.8	1,367.6	1,046.7	1,900.0	2,500.0	2,200.0
f) citrus fruits	102.6	122.5	136.1	170.8	686.8	1,196.3	941.5	1,600.0	2,500.0	2,050.0
g) wine	120.4	198.7	222.6	222.6	1,874.8	2,713.6	2,294.2	3,500.0	4,500.0	4,000.0
h) olive oil	111.6	123.9	199.4	199.4	895.0	2,003.2	1,449.1	2,400.0	5,000.0	3,700.0
II. *Animal products*	*107.3*	*138.1*	*177.9*	*200.9*	*496.2*	*835.2*	*665.7*	*1,400.0*	*2,500.0*	*1,950.0*
a) foodstuffs	107.6	138.0	177.5	201.9	510.5	852.8	681.6	—	—	—
b) non-foodstuffs	102.1	139.8	170.8	184.4	306.0	585.0	445.5	—	—	—
GENERAL INDEX OF RECEIPTS FROM SALE	108.8	135.8	167.9	190.7	597.7	1,094.3	846.0	1,534.4	2,714.9	2,124.7
B. Indices of purchase prices of agricultural requisites and other costs.										
I. *Labor*	*107.1*	*117.5*	*148.4*	*162.5*	*396.0*	*451.8*	*423.9*	*900.0*	*1,400.0*	*1,150.0*
II. *Interest on capital invested in livestock, machinery, etc.* (2)	*106.3*	*133.6*	*149.1*	*166.1*	*953.5*	*1,315.3*	*1,134.4*	*2,000.0*	*2,400.0*	*2,200.0*
III. *Working capital*	*102.8*	*121.0*	*153.9*	*163.5*	*327.9*	*497.9*	*412.9*	*1,279.1*	*3,385.0*	*2,332.0*
a) chemical fertilizers	101.4	114.1	127.0	145.1	243.0	624.4	433.7	1,380.0	3,000.0	2,190.0
b) fodder	106.8	128.2	134.2	145.2	215.2	484.0	349.6	450.0	2,500.0	1,475.0
c) seeds	108.4	129.7	145.0	172.8	539.6	645.9	592.7	1,150.0	1,400.0	1,275.0
d) pesticides	97.3	115.9	121.0	267.1	804.7	6,005.0	3,404.8	2,300.0	7,500.0	4,900.0
e) motive power, fuel, lubricants	103.1	141.5	171.9	179.0	409.3	989.3	699.3	880.0	2,000.0	1,440.0
IV. *Agricultural machines & tools* (maintenance and amortizement)	*103.0*	*129.4*	*142.4*	*169.8*	*597.7*	*726.8*	*662.2*	*1,600.0*	*1,900.0*	*1,750.0*
V. *Buildings & fixed installations* (maintenance and amortization)	*106.9*	*137.1*	*166.4*	*183.0*	*334.9*	*1,139.6*	*736.9*	*1,500.0*	*3,000.0*	*2,250.0*

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Classes of goods & services	Indices: 1938 = 100 (3)									
					1944			1945		
	1939	1940	1941	1942	Official Prices	Free Prices	Average (1)	Official Prices	Free Prices	Average (1)
A. *Indices of the sale prices of agricultural products (receipts from sale).*										
I. *Crop production*	*109.6*	*134.6*	*163.1*	*185.4*	*658.2*	*1,273.0*	*965.6*	*1,669.7*	*2,835.3*	*2,222.5*
a) cereals	103.6	119.7	135.6	160.8	448.9	912.3	680.6	650.0	2,000.0	1,325.0
b) dried legumes	135.1	153.7	185.7	189.6	359.2	2,155.7	1,257.4	870.0	2,800.0	1,835.0
c) industrial crops	108.7	122.4	148.9	163.2	491.6	544.2	519.4	1,800.0	1,800.0	1,800.0
d) potatoes, fruit & fruit crops	128.1	164.7	178.6	254.7	1,579.8	2,954.8	2,267.3	3,500.0	5,000.0	4,250.0
e) dried and fresh fruits	108.8	146.8	230.1	240.6	725.8	1,367.6	1,046.7	1,900.0	2,500.0	2,200.0
f) citrus fruits	102.6	122.5	136.1	170.8	686.8	1,196.3	941.5	1,600.0	2,500.0	2,050.0
g) wine	120.4	198.7	222.6	222.6	1,874.8	2,713.6	2,294.2	3,500.0	4,500.0	4,000.0
h) olive oil	111.6	123.9	199.4	199.4	895.0	2,003.2	1,449.1	2,400.0	5,000.0	3,700.0
II. *Animal products*	*107.3*	*138.1*	*177.4*	*200.9*	*496.2*	*835.2*	*665.7*	*1,400.0*	*2,500.0*	*1,950.0*
a) foodstuffs	107.6	138.0	177.5	201.9	510.5	852.8	681.6	—	—	—
b) non-foodstuffs	102.1	139.8	170.8	184.4	306.0	585.0	445.5	—	—	—
GENERAL INDEX OF RECEIPTS FROM SALE	108.8	135.8	167.9	190.7	597.7	1,094.3	846.0	1,534.4	2,714.9	2,124.7
B. *Indices of purchase prices of agricultural requisites and other costs.*										
I. *Labor*	*107.1*	*117.5*	*148.4*	*162.3*	*396.0*	*451.8*	*423.9*	*900.0*	*1,400.0*	*1,150.0*
II. *Interest on capital invested in livestock, machinery, etc.* (2)	*106.3*	*133.6*	*149.1*	*166.1*	*953.5*	*1,315.3*	*1,134.4*	*2,000.0*	*2,400.0*	*2,200.0*
III. *Working capital*	*102.8*	*121.0*	*133.9*	*163.5*	*327.9*	*497.0*	*412.9*	*1,279.1*	*3,385.0*	*2,332.0*
a) chemical fertilizers	101.4	114.1	127.0	145.1	243.0	624.4	433.7	1,380.0	3,000.0	2,190.0
b) fodder	106.8	128.2	134.2	145.2	215.2	484.0	349.6	450.0	2,500.0	1,475.0
c) seeds	108.4	129.7	145.0	172.8	539.6	645.9	592.7	1,150.0	1,400.0	1,275.0
d) pesticides	97.3	115.9	121.0	267.1	804.7	6,005.0	3,404.8	2,300.0	7,500.0	4,900.0
e) motive power, fuel, lubricants	103.1	141.5	171.9	179.0	109.3	989.3	699.3	880.0	2,000.0	1,440.0
IV. *Agricultural machines & tools* (maintenance and amortizement)	*103.0*	*129.4*	*142.4*	*169.8*	*597.7*	*726.8*	*662.2*	*1,600.0*	*1,900.0*	*1,750.0*
V. *Buildings & fixed installations* (maintenance and amortization)	*105.2*	*137.1*	*156.4*	*183.0*	*334.2*	*1,139.6*	*736.9*	*1,500.0*	*3,200.0*	*2,350.0*
VI. *Taxes, fees, social security contributions*	*110.5*	*125.6*	*149.4*	*150.9*	*225.9*	*225.9*	*225.9*	*350.0*	*350.0*	*350.0*
GENERAL INDEX OF COST	106.1	123.1	145.5	162.2	403.5	569.8	456.6	1,108.5	1,859.8	1,484.1

(1) Unweighted arithmetic mean of the indices of official and free prices.
(2) Interest on capital invested in livestock, machines, tools, fodder, seeds, etc.
(3) *Sources*: (a) From 1938 to 1944 PAOLO ALBERTARIO:
The economic situation of agriculture and price policy (mimeographed yearly reports).
(b) From official and other data. Calculations for 1945 made by UNRRA Italy Mission (Operational Analysis).
See also Table (Graph) 55.

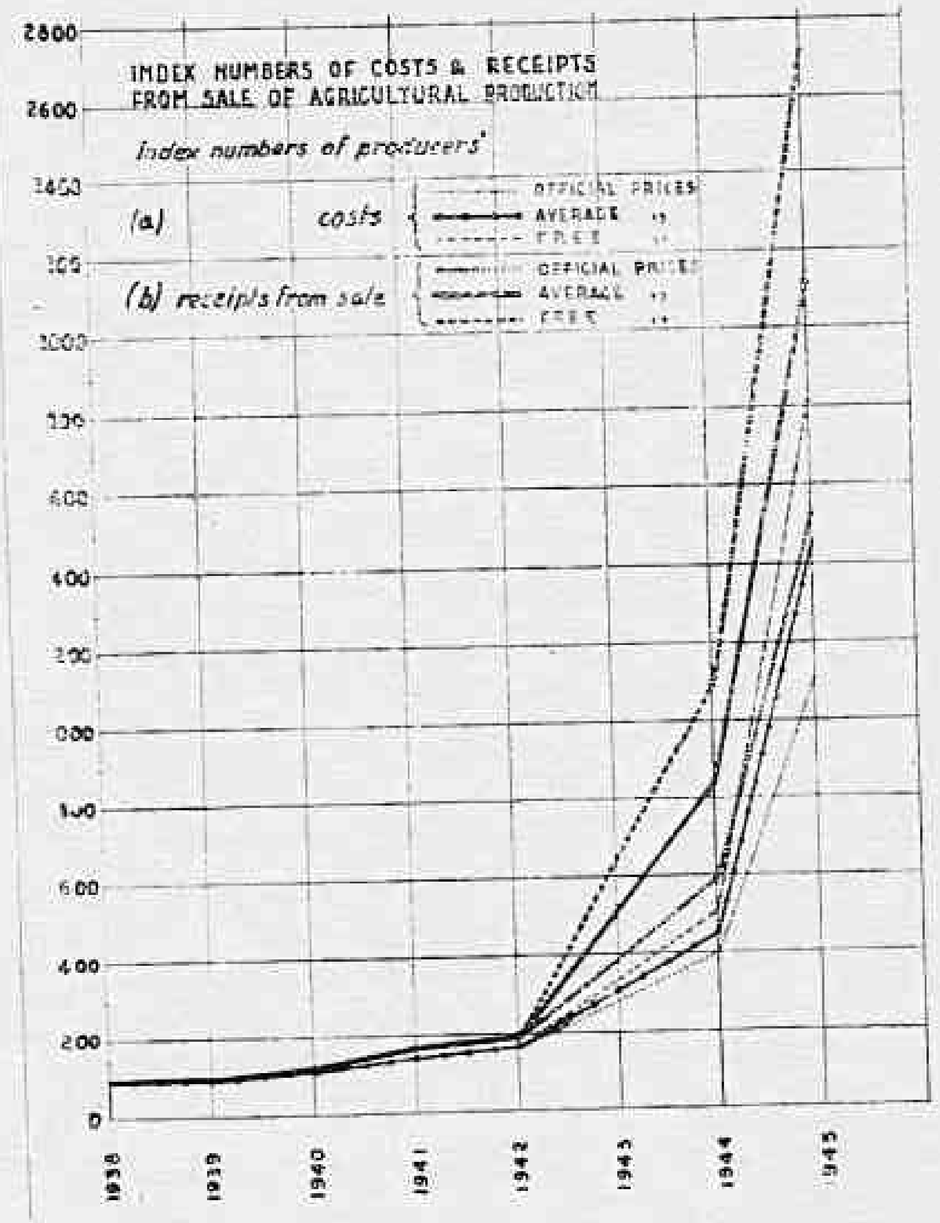
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only a very small quantity is allotted at official prices—are for the pesticide group (75 times) and chemical fertilizers (30 times the 1938 level); (d) the agricultural products for which farmers received the highest prices (free prices), as compared with 1938, are potatoes, fruit and vegetables (50 times), wine (45 times) i.e. products not closely controlled, for which the demand was high; (e) as can be seen from Table 55, there is a considerable difference as between the costs of one item and another in the increases shown in the indices. These differences are evidence (as regards requisites subject to official prices) of lack of efficient regulatory measures and, for those on the free market, of a continuing disequilibrium and economic maladjustment.

324. It is not possible, owing to lack of data, to construct an index combining for industry, (a) costs of raw materials, semi-finished products, wages, etc., and (b) wholesale prices of finished products. A comparison between the movement of wages, as an element in the cost of production, and the wholesale price indices shows that the indices of wages have maintained a much lower level than the indices of wholesale prices.

TABLE 56

INDICES OF THE ECONOMIC SITUATION OF AGRICULTURE



RETAIL PRICES IN ITALY

(A) *FIXING OF RETAIL PRICES AND COLLECTION OF RETAIL PRICE DATA*

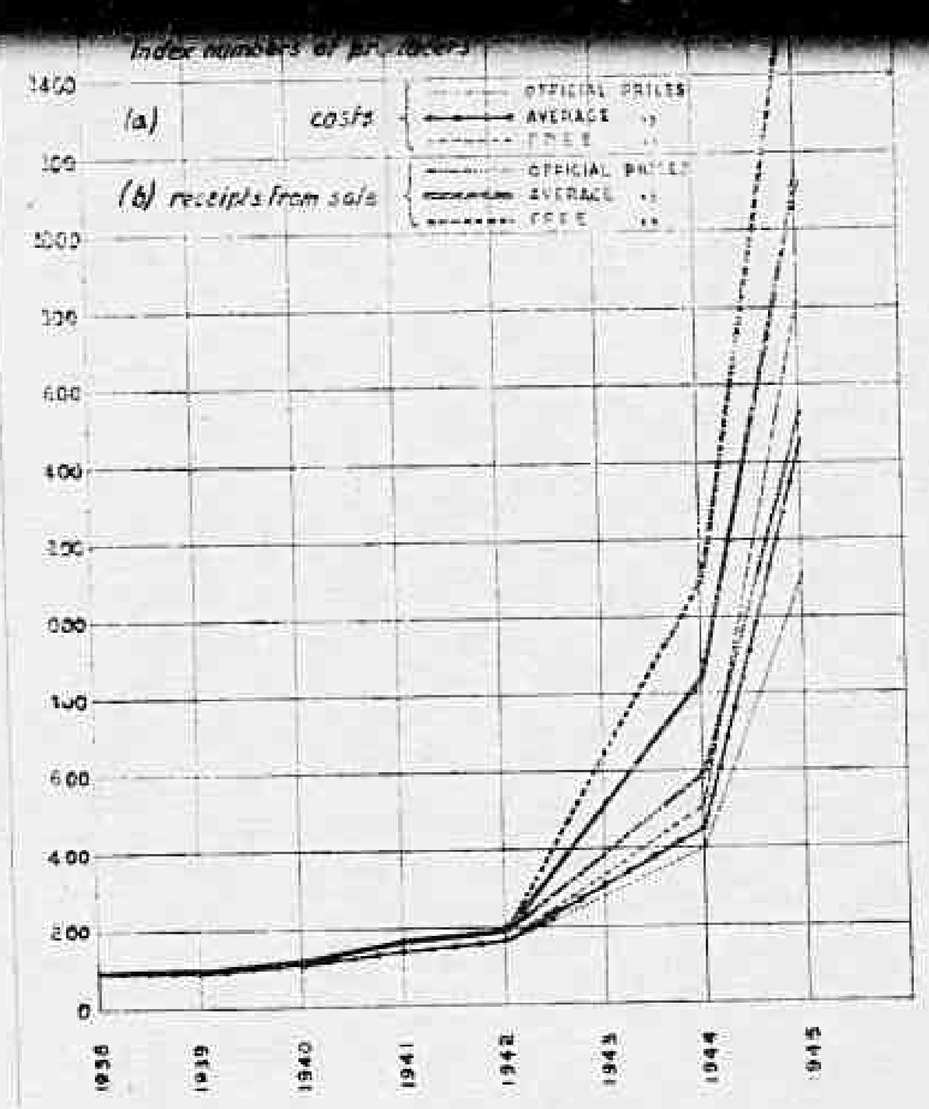
325. The larger Italian communes (mainly the communes of provincial capitals) following a very old tradition (which for Milan goes as far back as the end of the XIIth century), fix the retail price of bread, which, as always, is the predominant item of the Italian people's diet. To the cost of flour is added the cost of baking. This cost is called "dato di panificazione," and is also ing and the price of bread laid down for the whole of Italy (1).

326. Official retail prices of foodstuffs (other than bread) were, prior to World War I, fixed only during emergency periods of economic depression or in times of widespread unrest provoked by rising costs and low wages. At these times, prices were fixed on the results of quick surveys.

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ucts not closely controlled, for which the demand was high; (c) as can be seen from Table 55, there is a considerable difference as between the costs of one item and another in the increases shown in the indices. These differences are evidence (as regards requisites subject to official prices) of lack of efficient regulatory measures and, for those on the free market, of a continuing disequilibrium and economic maladjustment.

324. It is not possible, owing to lack of data, to construct an index combining for industry, (a) costs of raw materials, semi-finished products, wages, etc., and (b) wholesale prices of finished products. A comparison between the movement of wages, as an element in the cost of production, and the wholesale price indices shows that the indices of wages have maintained a much lower level than the indices of wholesale prices.



RETAIL PRICES IN ITALY

(A) *FIXING OF RETAIL PRICES AND COLLECTION OF RETAIL PRICE DATA*

325. The larger Italian communes (mainly the communes of provincial capitals) following a very old tradition (which for Milan goes as far back as the end of the XIIth century), fix the retail price of bread, which, as always, is the predominant item of the Italian people's diet. To the cost of flour is added the cost of baking. This cost is called "dato di panificazione," and is also determined by the Commune authorities or the Prefect. The observance of the official price of bread has generally been enforced for large loaves of 450 to 1,000 grams which are more greatly consumed than the somewhat more expensive 100 to 200 grams sizes. In one year only, 1 July 1942 to 30 June 1943, a single price applying to the whole country was fixed for flour, and a uniform procedure for determining the cost of baking and the price of bread laid down for the whole of Italy (1).

326. Official retail prices of food-stuffs (other than bread) were, prior to World War I, fixed only during emergency periods of economic depression or in times of widespread unrest provoked by rising costs and low wages. At these times, prices were fixed on the results of quick surveys.

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(1) For this purpose Italy was divided into 10 zones and for each zone a different price of bread was established. Loaves of two sizes only could be sold i.e. of 150 and 450 grams. For 450 grams size the price ranged from a minimum of 2 lire (Frosinone, Teramo, Matera and Palermo provinces) to a maximum of 2.50 lire (for Turin, Milan, Venice and Rome provinces).

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327. Only a few communes (or Chambers of Commerce) published price-lists (listini) or market lists (mercuriali) for retail prices of foodstuffs in popular consumption. Some larger communes have collected data on the prices of main foods in consumption under regulations made by the Ministries concerned, which published weekly or monthly the data collected.

328. During and after World War I, as a result of the increasing Government control over consumption and of the adoption of rationing systems and of price ceilings, retail prices were fixed for a larger number of non-rationed commodities.

329. Retail prices were fixed: (a) for rationed commodities, by the addition of a percentage to the wholesale prices set by the Provincial agencies (these prices, in turn, were based on the national prices, as established by Governmental agencies, plus transportation, distribution and other charges). In these charges were also included processing costs (for flour, bread, pasta, butter, olive oil, cheese, meat, etc.) as determined periodically by Provincial or municipal authorities, on the basis of actual cost surveys; (b) for non-rationed commodities, the criteria applied in price fixing are approximately the same as when there is an official price, provincial or national. In the absence of any official price, a percentage was added to the wholesale price ruling in the market.

330. During and after World War I it was the practice of larger communes and Chambers of Commerce to publish periodically retail price-lists for consumers' goods. These price-lists, in periods of wide-spread economic depression, were for ceiling prices and were largely used by the consumers' cooperatives and by "aziende annonarie comunali" (communal cooperative food shops). These communal shops, prior to fascism, had developed to a noteworthy extent.

331. Before the war the Central Institute of Statistics collected through the authorities in provincial capitals, and in accordance with uniform technical rules, data on retail prices (beginning in 1928) for about 20 foodstuffs in large consumption, together with similar data on clothing, drugs, stationery, etc. These data were used in the calculation of index numbers of total cost of living. For foodstuffs, the collection of data on prices usually took place on the last Saturday of each month in a number of shops and markets, selected according to standards laid down by the Rome Central for all communes (with capital towns) in accordance with new uniform technical rules which for the first time included the methods to be used in the collection of information on black market prices. In this way, the existence and the importance of the black market, to which the consumer was driven by the insufficiency of his allotted rations, were officially but indirectly admitted. Data were collected on prices of about 50 commodities (including fruit and vegetables).

333. In 1946 the Central Institute of Statistics added the collection of statistics, each month, on maximum, minimum, or prevailing prices, for some 30 items of clothing, linen, etc., and for miscellaneous items (such as newspapers, books, medicines, cigarettes, etc.). No publication has been made in 1946 of the prices of non-foodstuffs so collected.

334. Up to 1935 no official regulations were in force regarding the compilation and publication of retail price-lists. In 1935 all provincial capital-communes were requested to publish a list of maximum retail prices for the most important consumer goods. The prices were worked out by the "Consigli Provinciali dell'Economia Nazionale" (Provincial Councils of National Economy) on the basis of the maximum national price, as established by the Central Government agencies, with the addition of a percentage, varying from province to province, for transportation and distribution costs. In 1937 it was made optional for the other communes (i.e. other than provincial capital-communes) to publish such price lists. The prices in the list (which had to be displayed in all shops) had to be complied with by the retailer. For the more important communes the prices were collected and published monthly by the Central Institute of Statistics (see para. 331).

335. After July 1943, the municipalities discontinued the publication of lists of maximum prices; the larger communes, however, continued to publish them, on their own responsibility or because of the insistence of the Provincial Price Committees, i.e. local branches of the "Comitato Interministeriale Prezzi" (Interministerial Price Committee) (see para. 236). The continued publication of foodstuff prices is made by the Central Institute of Statistics (see para. 332) which issues them in its bulletin about two months late. The figures so published are also used, in conjunction with other price data (see para. 333), to calculate the cost

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regulations made by the Ministries concerned, which published weekly or monthly the data collected.

328. During and after World War I, as a result of the increasing Government control over consumption and of the adoption of rationing systems and of price ceilings, retail prices were fixed for a larger number of non-rationed commodities.

329. Retail prices were fixed: (a) for rationed commodities, by the addition of a percentage to the wholesale prices set by the Provincial agencies (these prices, in turn, were based on the national prices, as established by Governmental agencies, plus transportation, distribution and other charges). In these charges were also included processing costs (for flour, bread, pasta, butter, olive oil, cheese, meat, etc.) as determined periodically by Provincial or municipal authorities, on the basis of actual cost surveys; (b) for non-rationed commodities, the criteria applied in price fixing are approximately the same as when there is an official price, provincial or national. In the absence of any official price, a percentage was added to the wholesale price ruling in the market.

330. During and after World War I it was the practice of larger communes and Chambers of Commerce to publish periodically retail price-lists for consumers' goods. These price-lists, in periods of wide-spread economic depression, were for ceiling prices and were largely used by the consumers' cooperatives and by "aziende annonarie comunali" (communal cooperative [illegible] shops). These communal shops, prior to fascism, had developed to a noteworthy extent.

331. Before the war the Central Institute of Statistics collected through the authorities in provincial capitals, and in accordance with uniform technical rules, data on retail prices (beginning in 1928) for about 20 foodstuffs in large consumption, together with similar data on clothing, drugs, stationery, etc. These data were used in the calculation of index numbers of total cost of living. For foodstuffs, the collection of data on prices usually took place on the last Saturday of each month in a number of shops and markets, selected according to standards laid down by the Rome Central Institute of Statistics.

332. The collection of data continued during the war except in the period July 1943 to June 1944. At the latter date (immediately after the liberation of Rome) the Central Institute of Statistics resumed the collection of statistics on retail prices for the most important communes. In January 1945 these statistics were collected to which the consumer was driven by the insufficiency of his allotted rations, were officially but indirectly admitted. Data were collected on prices of about 50 commodities (including fruit and vegetables).

333. In 1946 the Central Institute of Statistics added the collection of statistics, each month, on maximum, minimum, or prevailing prices, for some 30 items of clothing, linen, etc., and for miscellaneous items (such as newspapers, books, medicines, cigarettes, etc.). No publication has been made in 1946 of the prices of non-foodstuffs so collected.

334. Up to 1935 no official regulations were in force regarding the compilation and publication of retail price-lists. In 1935 all provincial capital-communes were requested to publish a list of maximum retail prices for the most important consumer goods. The prices were worked out by the "Consigli Provinciali dell'Economia Nazionale" (Provincial Council of National Economy) on the basis of the maximum national price, as established by the Central Government agencies, with the addition of a percentage, varying from province to province, for transportation and distribution costs. In 1937 it was made optional for the other communes (i.e. other than provincial capital-communes) to publish such price lists. The prices in the list (which had to be displayed in all shops) had to be complied with by the retailer. For the more important communes the prices were collected and published monthly by the Central Institute of Statistics (see para. 331).

335. After July 1943, the municipalities discontinued the publication of lists of maximum prices; the larger communes, however, continued to publish them, on their own responsibility or because of the insistence of the Provincial Price Committees, i.e. local branches of the "Comitato Interministeriale Prezzi" (Interministerial Price Committee) (see para. 236). The continued publication of foodstuff prices is made by the Central Institute of Statistics (see para. 332) which issues them in its bulletin about two months late. The figures so published are also used, in conjunction with other price data (see para. 333), to calculate the cost of living index figure. A good source of data on retail food prices in the open market, is, however, supplied by the quotations published daily by the Italian press (1).

(1) The "Globo," a Rome daily, has a bureau for the daily collection of retail prices. A weekly index of retail prices is also calculated by the "Globo."

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336. For most agricultural products there were, during the 1940-45 war, official wholesale prices, and consequently, for most foodstuffs (even non-rationed foodstuffs), the corresponding official retail prices were increasingly used. After a period of disorganization during 1943 and 1944, price fixing was again enforced. In 1946, official prices (for bread, pasta, rice, oil, butter and sugar) are determined, in each province, by the Provincial Price Committees (local branches of the Inter-ministerial Price Committee). These Provincial Committees act independently. They are not required to adhere to any regulation of nation-wide application although they accept, as basis, the national prices fixed by the Inter-ministerial Price Committee. Whereas in North Italy a uniform official cost of milling and baking is determined and the price of flour and pasta to the consumer is the same: in Central and Southern Italy, where zoning of prices is not so disciplined, prices vary from province to province. The price of bread in the latter is established for each province by the provincial authority independently and following different standards.

337. In the larger communes, where there are established fruit and vegetable markets, the communal authorities set the fruit and vegetables retail prices and control their observance. The prices of other foodstuffs are free. In September 1946, consequent upon widespread unrest due to rising costs of living, some northern provinces set ceilings also to these non-rationed foods. As a result, black market prices and official market prices were both available.

(B) *THE BLACK MARKET IN RETAIL COMMODITIES*

338. The expression "black market" (1) applies to the sale (wholesale and retail) of rationed commodities or of commodities for which official prices are fixed by the authorities (even when distributed only occasionally), as well as to the sale of products under State monopolies (indigenous and imported tobacco, salt, matches, cigarette-lighters, etc.). The organization of the black market in Italy, in 1946, embraces a significant group of activities and a large number of operators. The black market is served by a close network of intermediaries, informers, carriers and transport agencies. For a large number of families in Italy, black market profits are a source of important income. This has enabled many people to exist during times of unem-

It is also supplied with imported foodstuffs pilfered at sea-ports, from military and civilian warehouses both Italian and Allied. Tobacco for the black market is mainly recruited at some stage during distribution, e.g. by Allied and Italian soldiers who cash their rations. Some illegal factories have also been discovered, where tobacco and tobacco products have been manufactured. There is a retail black market also in gasoline and motor tires. In the cities of Central and Southern Italy black market goods (including State monopoly goods) are openly sold by thousands of small operators—food and tobacco, mainly by women and young boys—on street corners and other places, or even in public market places. In Northern Italy black market transactions generally take place under cover and less openly than in the South.

340. The vast number of interests connected with the black market, and the total inadequacy of the food (2) and tobacco rations, have faced the authorities with a problem of serious dimensions, with which they are not organized or staffed to cope.

341. The gradual contraction of the rationing system to a few main foodstuffs (bread, pasta, rice, edible fats and sugar) has transferred to the open market a number of foodstuffs which could be purchased only against a ration card at official prices (e.g. salami, cheese, meat, dry beans, etc.) These foodstuffs are now displayed in the shop windows of the larger cities. They are sold at high prices and only the higher income groups can afford to buy them. This display impresses superficial observers and foreign visitors as evidence that there is plenty in Italy. In fact during compulsory rationing of these food-tuffs (salami, cheese, meat, etc.) the quantities available for general rationing were so negligible as to make effective control supremely difficult. The expense involved in control was also inordinately high. The official view taken was that if all available supplies were distributed equitably to the whole population, it would result in an inappreciable benefit to the individual, but would be a substantial help to a much smaller number of consumers, the selection of whom was available in the higher income groups. A points rationing scheme such as that adopted in similar circumstances and on grounds of fairness in some other countries would have been a better approach to the problem.

(2) "When the total rations are too small to satisfy the minimum needs of the population, the whole rationing system is

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In 1946, official prices (for bread, pasta, rice, oil, butter and sugar) are determined, in each province, by the Provincial Price Committees (local branches of the Inter-ministerial Price Committee). These Provincial Committees act independently. They are not required to adhere to any regulation of nation-wide application although they accept, as basis, the national prices fixed by the Inter-ministerial Price Committee. Whereas in North Italy a uniform official cost of milling and baking is determined and the price of flour and pasta to the consumer is the same; in Central and Southern Italy, where zoning of prices is not so disciplined, prices vary from province to province. The price of bread in the latter is established for each province by the provincial authority independently and following different standards.

337. In the larger communes, where there are established fruit and vegetable markets, the communal authorities set the fruit and vegetables retail prices and control their observance. The prices of other foodstuffs are free. In September 1946, consequent upon widespread unrest due to rising costs of living, some northern provinces set ceilings also to these non-rationed foods. As a result, black market prices and official market prices were both available.

(B) *THE BLACK MARKET IN RETAIL COMMODITIES*

338. The expression "black market" (1) applies to the sale (wholesale and retail) of rationed commodities or of commodities for which official prices are fixed by the authorities (even when distributed only occasionally), as well as to the sale of products under State monopolies (indigenous and imported tobacco, salt, matches, cigarette-lighters, etc.). The organization of the black market in Italy, in 1946, embraces a significant group of activities and a large number of operators. The black market is served by a close network of intermediaries, informers, carriers and transport agencies. For a large number of families in Italy, black market profits are a source of important income. This has enabled many people to exist during times of unemployment and others to supplement inadequate salaries and wages.

339. Foodstuffs for the black market are supplied by farmers, flour-millers, bakers, manufacturers of pasta, [illegible] Some illegal refineries have also been discovered, where tobacco and tobacco products have been manufactured. There is a retail black market also in gasoline and motor tires. In the cities of Central and Southern Italy black market goods (including State monopoly goods) are openly sold by thousands of small operators—food and tobacco, mainly by women and young boys—on street corners and other places, or even in public market places. In Northern Italy black market transactions generally take place under cover and less openly than in the South.

340. The vast number of interests connected with the black market, and the total inadequacy of the food (2) and tobacco rations, have faced the authorities with a problem of serious dimensions, with which they are not organized or staffed to cope.

341. The gradual contraction of the rationing system to a few main foodstuffs (bread, pasta, rice, edible fats and sugar) has transferred to the open market a number of foodstuffs which could be purchased only against a ration card at official prices (e.g. salami, cheese, meat, dry beans, etc.) These foodstuffs are now displayed in the shop windows of the larger cities. They are sold at high prices and only the higher income groups can afford to buy them. This display impresses superficial observers and foreign visitors as evidence that there is plenty in Italy. In fact during compulsory rationing of these foodstuffs (salami, cheese, meat, etc.) the quantities available for general rationing were so negligible as to make effective control supremely difficult. The expense involved in control was also inordinately high. The official view taken was that if all available supplies were distributed equitably to the whole population, it would result in an inappreciable benefit to the individual, but would be a substantial help to a much smaller number of consumers, the selection of whom was available in the higher income groups. A points rationing scheme such as that adopted in similar circumstances and on grounds of fairness in some other countries would have been a better approach to the problem.

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(1) See footnote (1) para. 218.

(2) "When the total rations are too small to satisfy the minimum needs of the population, the whole rationing system is threatened. The black market will thrive and further decrease supplies on the legal market. Thus, the success of rationing depends in the last analysis on the ability of the authorities to maintain supplies at or above a level which is acceptable to the population . . . Two aspects of rationing technique may be considered here. In the first place, it is desirable that rations should meet as closely as possible the needs of various categories of consumers. The closer they approach actual needs, the less is the incentive to illicit trade." ("Wartime rationing and consumption" cf.).

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(C) *THE TREND OF RETAIL PRICES OF SINGLE COMMODITIES*

FOODSTUFFS

Average National Prices up to March 1946.

342. The Central Institute of Statistics collected and calculated, prior to the war, *national average prices*, taking the unweighted arithmetic mean of the prices collected monthly in each provincial capital-commune for 20 main foodstuffs. This work came to an end in 1943, and was resumed in 1945 with some revision of criteria. The revision was made retrospective to 1938.

343. The new prices collection system differs from the pre-war in that: (a) the national average price results from the calculation of the weighted arithmetic mean (instead of the unweighted) of prices ruling in the provincial capitals: (b) the number of main foodstuffs considered is 17. The data so far published on (b) appear in Tables 57 and 58 (diagram) from which it may be inferred that:

(i) the official prices of *rationed foods* have increased from 1938 to the average of the first quarter of 1946 as follows: bread 9.37 times; pasta 8.76 times: sugar 13.66 times; olive oil 28.16 times;

(ii) *black market prices* have advanced in the same period from 44 to 123 times, i.e. 44 to 48 times for bread and pasta (political prices), 68 times for olive oil and 123 times for sugar;

(iii) *for non-rationed commodities*, the open market prices increased in the same period from a minimum of 30 to 35 times for beef and milk respectively, to a maximum of 85 to 86 times for potatoes and tomato paste (see Table 58 - diagram).

Trend of Prices in the Individual Communes up to September 1946.

344. From March 1946 onwards comparisons can be made only for a small number of communes. Tables 60 and 61 give the official and black market prices of rationed and open market prices non-rationed foodstuffs in five large cities of Northern, Central and Southern Italy.

345. The increase in official and black market prices of rationed foodstuffs (see Table 60) from 1938 to 30 September 1946, in number of times over pre-war (maximum and minimum prices in Milan, Genoa, Rome, Naples and Palermo), is summarized in para. 346 (B).

TABLE 57

National Average Retail Prices in Italy of Some Foodstuffs and Corresponding Index-numbers: 1938 to 1946

Description of Foodstuff	Unit	Price in lire							Index-numbers (1938 = 100)					
					1945 II Qr.		1946 I Qr.				1945 III Qr.		1946 I Qr.	
		1938	1946	1942	Official	Black and Open Market	Official	Black and Open Market	1940	1942	Official	Black and Open Market	Official	Black and Open Market
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Bread	kg.	1.92	2.23	2.25	15	62	18	85	116.1	117.2	781	3,229	937	4,427
2. Pasta	"	2.74	3.11	3.16	20	91	24	132	113.5	115.3	730	3,321	876	4,818
3. Rice	"	1.90	2.22	2.27	—	52	—	99	116.8	119.5	—	2,737	—	5,210
4. Wheat flour	"	1.93	2.24	2.19	—	68	—	95	116.1	113.5	—	3,523	—	4,922
5. Corn flour	"	1.25	1.71	1.71	—	37	—	56	136.8	136.8	—	2,160	—	4,480
6. Beans	"	2.15	4.15	5.83	—	99	—	138	194.9	271.2	—	4,605	—	7,349
7. Potatoes	"	0.55	0.93	1.66	—	24	—	47	178.2	290.9	—	4,364	—	8,545
8. Tomato paste	"	3.68	5.64	8.52	—	231	—	315	153.3	231.5	—	6,277	—	8,560
9. Sugar	"	6.66	7.28	7.83	41	734	91	818	109.3	117.6	616	11,021	1,366	12,282
10. Wine	liter	2.15	2.59	4.89	—	59	—	72	120.5	227.4	—	2,744	—	3,349
11. Olive oil	kg.	7.67	9.86	14.38	82	529	216	525	128.6	187.5	1,063	6,897	2,816	6,845

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342. The Central Institute of Statistics collected and calculated, prior to the war, *national average prices*, taking the unweighted arithmetic mean of the prices collected monthly in each provincial capital-commune for 20 main foodstuffs. This work came to an end in 1943, and was resumed in 1945 with some revision of criteria. The revision was made retrospective to 1938.

343. The new prices collection system differs from the pre-war in that: (a) the national average price results from the calculation of the weighted arithmetic mean (instead of the unweighted) of prices ruling in the provincial capitals: (b) the number of main foodstuffs considered is 17. The data so far published on (b) appear in Tables 57 and 58 (diagram) from which it may be inferred that:

(i) the official prices of *rationed foods* have increased from 1938 to the average of the first quarter of 1946 as follows: bread 9.37 times; pasta 8.76 times; sugar 13.66 times; olive oil 28.16 times;

minimum of 30 to 35 times for beef and milk respectively, to a maximum of 85 to 86 times for potatoes and tomato paste (see Table 58 - diagram).

Trend of Prices in the Individual Communes up to September 1946.

344. From March 1946 onwards comparisons can be made only for a small number of communes. Tables 60 and 61 give the official and black market prices of rationed and open market prices non-rationed foodstuffs in five large cities of Northern, Central and Southern Italy.

345. The increase in official and black market prices of rationed foodstuffs (see Table 60) from 1938 to 30 September 1946, in number of times over pre-war (maximum and minimum prices in Milan, Genoa, Rome, Naples and Palermo), is summarized in para. 346 (B).

TABLE 57

National Average Retail Prices in Italy of Some Foodstuffs and Corresponding Index-numbers: 1938 to 1946

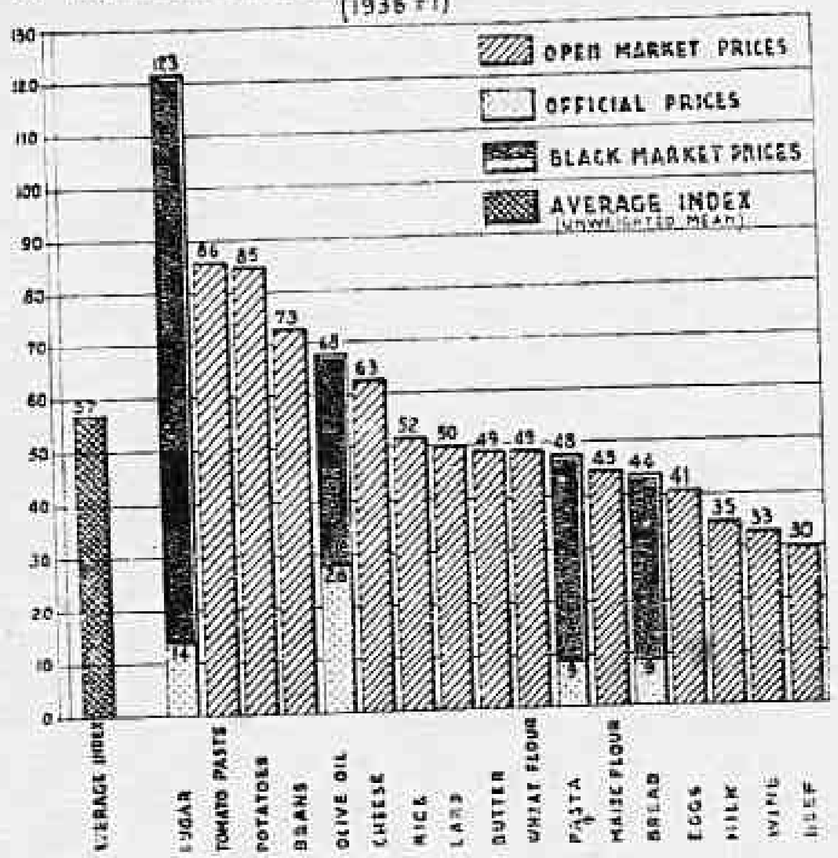
Description of Foodstuff	Unit	Price in lire							Index-numbers (1938 = 100)					
		1938	1940	1942	1945 III Qr.		1946 I Q.		1940	1942	1945 III Q.		1946 I Q.	
					Official	Black and Open Market	Official	Black and Open Market			Official	Black and Open Market	Official	Black and Open Market
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Bread	kg.	1.92	2.23	2.25	15	62	18	85	116.1	117.2	781	3,229	937	4,427
2. Pasta	»	2.74	3.11	3.16	20	91	24	132	113.5	115.3	730	3,321	876	4,818
3. Rice	»	1.90	2.22	2.27	—	52	—	99	116.8	119.5	—	2,737	—	5,210
4. Wheat flour	»	1.93	2.24	2.19	—	68	—	95	116.1	113.5	—	3,523	—	4,922
5. Corn flour	»	1.25	1.71	1.71	—	27	—	56	136.8	136.8	—	2,160	—	4,480
6. Beans	»	2.15	4.19	5.83	—	99	—	158	194.9	271.2	—	4,605	—	7,349
7. Potatoes	»	0.55	0.98	1.60	—	24	—	47	178.2	290.9	—	4,364	—	8,545
8. Tomato paste	»	3.68	5.64	8.52	—	231	—	315	153.3	231.5	—	6,277	—	8,560
9. Sugar	»	6.66	7.28	7.88	41	734	91	818	109.3	117.6	616	11,021	1,366	12,282
10. Wine	liter	2.13	2.59	4.89	—	59	—	72	120.5	227.4	—	2,744	—	3,349
11. Olive oil	kg.	7.67	9.86	14.38	82	529	216	525	128.6	187.5	1,063	6,897	2,816	6,845
12. Butter	»	14.97	21.73	26.71	—	722	—	746	145.2	178.6	—	4,823	—	4,943
13. Lard	»	10.64	12.15	18.50	—	574	—	507	121.0	184.3	—	5,717	—	5,050
14. Beef	»	10.24	12.66	15.82	—	269	—	311	123.6	154.5	—	2,627	—	3,037
15. Cheese (grating)	»	13.05	16.58	23.32	—	629	—	819	127.0	178.7	—	4,820	—	6,276
16. Milk	liter	1.26	1.50	2.19	—	31	—	44	119.0	173.8	—	2,460	—	3,492
17. Eggs	each	0.51	0.74	1.76	—	20	—	21	145.1	345.1	—	3,922	—	4,118

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TABLE 58

INDICES OF THE AVERAGE NATIONAL RETAIL PRICES OF THE MAIN CONSUMPTION GOODS - 1st QUARTER 1946

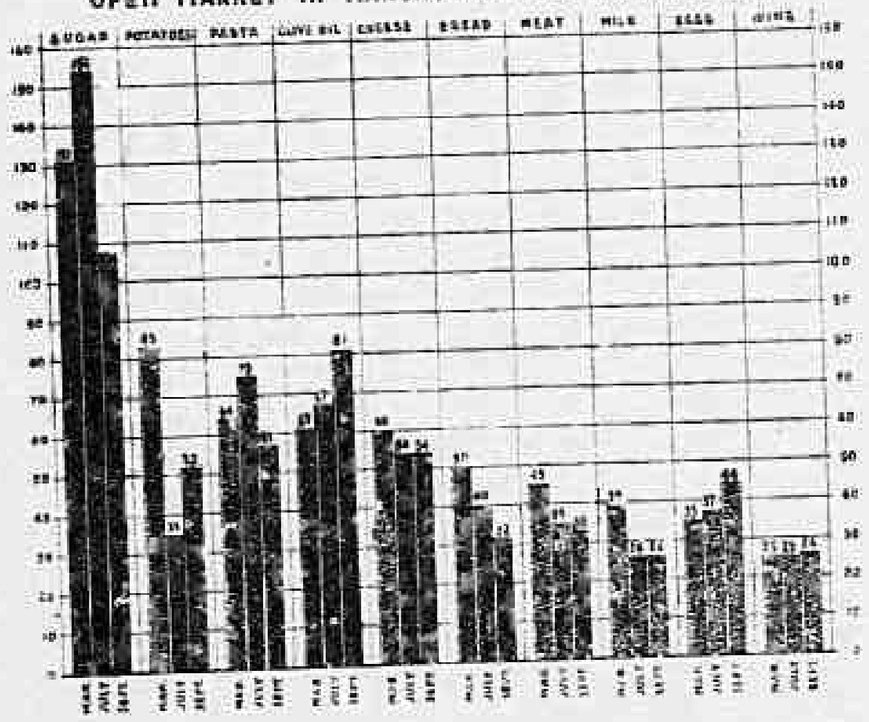
(1938 = 1)



346. (a) Table 59 (diagram) shows the changes which have occurred in some prices in Rome during the representative months of March, July and September 1946.

TABLE 59

INDEX NUMBERS (1938 = 1) OF RETAIL PRICES IN THE ROME OPEN MARKET IN MARCH, JULY & SEPTEMBER 1946



(b) September 1946 Retail Prices (times the Prices in 1938)

As compared with September 1945 the price variations of rationed foodstuffs over the period of one year, i.e. to September 1946, were as follows:

		Index numbers of prices (Sept. 1945 = 100)	
		Official	Black market
Bread	Max.	125.3 (Naples)	254.0 (Genoa)
	Min.	108.9 (Rome)	71.0 (Rome)
Pasta	Max.	122.7 (Milan)	239.8 (Genoa)
	Min.	110.9 (Palermo)	81.4 (Rome)
Sugar	Max.	539.7 (Naples)	119.7 (Naples)
	Min.	174.9 (Genoa)	79.5 (Rome)
Olive oil	Max.	400.0 (Rome)	137.4 (Palermo)
	Min.	389.6 (Naples)	102.3 (Milan)
Butter	Max.		137.2 (Naples)
	Min.	—	106.8 (Rome)

The erratic movement of the above prices is symptomatic of the absence of economic stability.

347. The official retail prices in Table 60 of rationed foodstuffs show, from town to town, some differences for which, e.g. bread and sugar, there would seem to be little justification. In September 1946 the difference between the minimum price of bread (Rome: 19.60 lire per kilo) and the maximum price (Palermo: 22.50 lire per kilo) was 14.8 %. For sugar the difference between the maximum price (Milan: 200 lire per kilo) and the minimum price (Palermo: 145 lire per kilo) was 37.9 %. The difference in the five cities between official and black market prices of rationed foodstuffs, in September 1945, July and September 1946, respectively, are shown in Table 62 and for Rome alone in Table 63 (diagram).

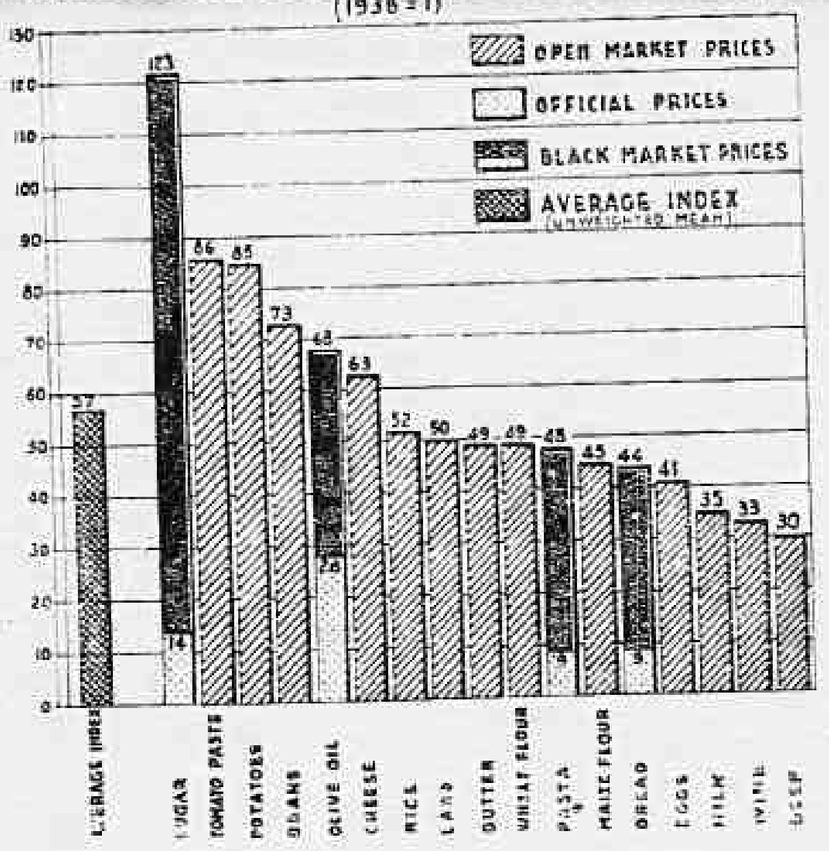
348. The variations in the ratios between official and black market prices of rationed foodstuffs shown in Table 62 emphasize the low level of official prices in comparison with black market prices, and suggest scarcity of supply. Except for olive oil, the black market prices, in September 1946, are from 3.6 to 11.3 times higher than the comparable official prices. The difference between the two prices is highest in Genoa.

(i) *Difference in the Regional Open Market Prices.*

349. Table 61 reflects the differences in open market prices for non-rationed foodstuffs in various parts of Italy in September 1946. Table 64, compiled from information in Tables 60 and 61 shows: (a) the dif-

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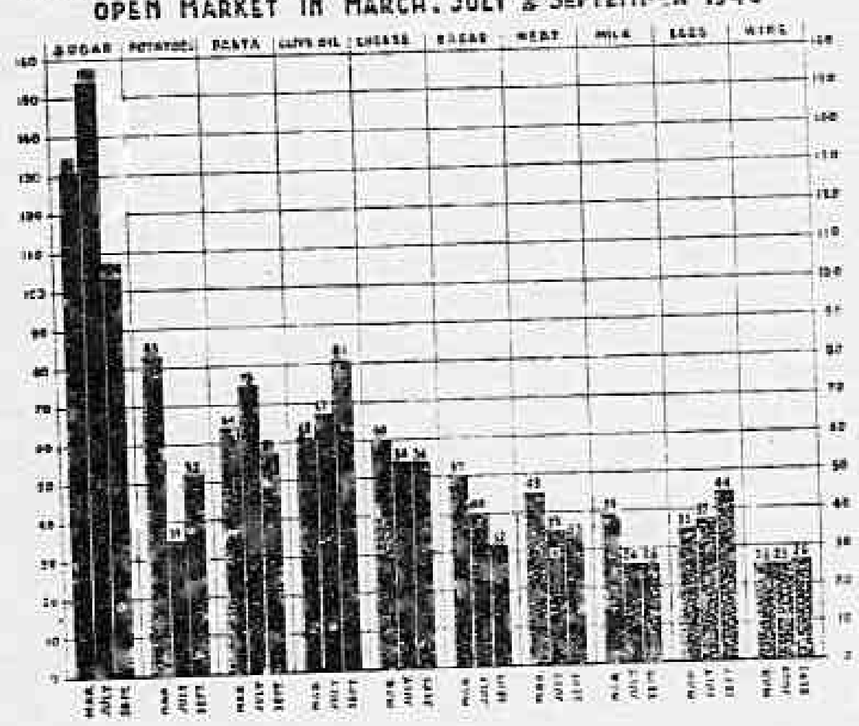
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346. (a) Table 59 (diagram) shows the changes which have occurred in some prices in Rome during the representative months of March, July and September 1946.

TABLE 59

INDEX NUMBERS (1938=1) OF RETAIL PRICES IN THE ROME OPEN MARKET IN MARCH, JULY & SEPTEMBER 1946



(b) September 1945 Retail Prices (times the Prices in 1938)

(Summary of Table 60)

	Official	Black market
Bread	9 to 12	32 to 64
Pasta	9 to 11	51 to 97
Sugar	21 to 30	80 to 152
Olive oil	35 to 43	58 to 97
Butter	32	51 to 55

Index numbers of prices (Sept. 1945 = 100)

		Official	Black market
Bread	Max.	125.3 (Naples)	254.0 (Genoa)
	Min.	108.9 (Rome)	71.0 (Rome)
Pasta	Max.	122.7 (Milan)	239.8 (Genoa)
	Min.	110.9 (Palermo)	81.4 (Rome)
Sugar	Max.	339.7 (Naples)	119.7 (Naples)
	Min.	174.9 (Genoa)	79.5 (Rome)
Olive oil	Max.	409.0 (Rome)	137.4 (Palermo)
	Min.	389.6 (Naples)	102.3 (Milan)
Butter	Max.		137.2 (Naples)
	Min.	—	106.8 (Rome)

The erratic movement of the above prices is symptomatic of the absence of economic stability.

347. The official retail prices in Table 60 of rationed foodstuffs show, from town to town, some differences for which, e.g. bread and sugar, there would seem to be little justification. In September 1946 the difference between the minimum price of bread (Rome: 19.60 lire per kilo) and the maximum price (Palermo: 22.50 lire per kilo) was 14.8 %. For sugar the difference between the maximum price (Milan: 200 lire per kilo) and the minimum price (Palermo: 145 lire per kilo) was 37.9 %. The difference in the five cities between official and black market prices of rationed foodstuffs, in September 1945, July and September 1946, respectively, are shown in Table 62 and for Rome alone in Table 63 (diagram).

348. The variations in the ratios between official and black market prices of rationed foodstuffs shown in Table 62 emphasize the low level of official prices in comparison with black market prices, and suggest scarcity of supply. Except for olive oil, the black market prices, in September 1946, are from 3.6 to 11.3 times higher than the comparable official prices. The difference between the two prices is highest in Genoa.

(i) *Difference in the Regional Open Market Prices.*

349. Table 61 reflects the differences in open market prices for non-rationed foodstuffs in various parts of Italy in September 1946. Table 64, compiled from information in Tables 60 and 61 shows: (a) the difference between the open market retail prices in Rome (Rome price = 100) and the lowest index of prices in four other cities—Milan, Genoa, Naples and Palermo; (b) the difference between the highest index in the four other cities and the Rome index of 100; (c) the sum of the absolute values of (a) and (b) by adding negative and positive index numbers). This sum shows

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TABLE 60.

Retail Prices of Rationed Foodstuffs and Index Numbers (1938 = 100) in Five Large Italian Cities: 1938, 1945 and 1946

City	Retail prices in lire per kilogram								Index numbers (1938 = 100)						
	1938	1945		1946					1945		1946				
		Sept.	Dec.	Mar.	June	July	Aug.	Sept.	Sept.	Dec.	Mar.	June	July	Aug.	Sept.
Bread: Official prices.															
Milan	2.27	18	18	20	22	22	22	22	793	793	881	969	969	969	969
Genoa	1.99	18	18	18	20	20	22	22	905	905	905	1,005	1,005	1,106	1,106
Rome	2.20	18	19.67	19	19	19	19.60	19.60	818	894	864	864	864	891	891
Naples	1.77	17	17	19	20	20	20	21.30	960	960	1,073	1,130	1,130	1,130	1,203
Palermo	2.06	18.50	21.50	22.50	22.50	22.50	22.50	22.50	898	1,044	1,092	1,092	1,092	1,092	1,092
Bread: Black market prices.															
Milan	2.27	48	55	70	80	80	81	100	2,115	2,423	3,084	3,524	3,524	3,568	4,405
Genoa	1.99	50	84	128	78	148	100	127	2,513	4,221	6,432	3,920	7,037	5,025	6,382
Rome	2.20	100	122	109	139	89	57	71	4,545	5,545	4,955	6,318	4,045	2,591	3,227
Naples	1.77	109	140	143	153	91	87	104	6,158	7,910	8,079	8,641	5,141	4,915	5,876
Palermo	2.06	78	113	110	183	109	103	113	3,786	5,485	5,340	8,883	5,291	5,000	5,485
Pasta: Official prices.															
Milan	2.91	22	—	—	—	27	27	27	756	—	—	—	928	928	928
Genoa	2.91	22.50	22.50	—	—	25	25	25	773	773	—	—	859	859	859
Rome	2.53	24	26	27	—	27	27	27	949	1,028	1,067	—	1,067	1,067	1,067
Naples	2.75	24	24	—	—	27	27	27	873	873	—	—	982	982	982
Palermo	2.41	23	25	25.50	—	25.50	25.50	25.50	954	1,037	1,058	—	1,058	1,058	1,058
Pasta: Black market prices.															
Milan	2.91	75	99	122	139	144	144	170	2,577	3,402	4,192	4,777	4,948	4,948	5,842
Genoa	2.91	118	111	147	151	168	242	283	4,055	3,814	5,052	5,189	5,773	8,316	9,725
Rome	2.53	177	212	163	199	191	160	144	6,996	8,379	6,443	7,866	7,549	6,324	5,692
Naples	2.75	217	262	207	245	247	203	236	7,891	9,527	7,527	8,909	8,982	7,382	8,582
Palermo	2.41	108	127	120	186	111	114	130	4,481	5,270	4,979	7,718	4,730	4,730	5,391
Sugar: Official prices.															
Milan	6.60	75	75	168	168	200	155	200	1,136	1,136	2,545	2,545	3,030	2,348	3,030
Genoa	6.55	87.50	164	—	160	160	160	153	1,336	2,501	—	2,443	2,443	2,443	2,336
Rome	6.51	31.83	58	58	165	165	165	160	489	891	891	2,535	2,535	2,535	2,458
Naples	6.65	31.50	42.75	—	154	155	155	170	474	643	—	2,316	2,331	2,331	2,556
Palermo	7.01	31	53	—	145	145	145	145	442	756	—	2,068	2,068	2,068	2,068
Sugar: Black market prices.															
Milan	6.60	833	931	854	1,201	1,106	965	1,000	12,621	14,106	12,939	18,187	16,758	14,621	15,152
Genoa	6.55	746	715	1,034	1,136	1,078	1,024	907	12,947	14,015	15,786	17,344	16,458	15,634	13,847

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City	Retail prices in lire per kilogram								Index numbers (1938 = 100)						
	1938	1945		1946					1945	1946					
		Sept.	Dec.	Mar.	June	July	Aug.	Sept.	Sept.	Dec.	Mar.	June	July	Aug.	Sept.
Bread: Official prices.															
Milan	2.27	18	18	20	22	22	22	22	795	793	881	969	969	969	969
Genoa	1.99	18	18	18	20	20	22	22	905	905	905	1,005	1,005	1,106	1,106
Rome	2.20	18	19.67	19	19	19	19.60	19.60	818	894	864	864	864	891	891
Naples	1.77	17	17	19	20	20	20	21.30	960	960	1,073	1,130	1,130	1,130	1,203
Palermo	2.06	18.50	21.50	22.50	22.50	22.50	22.50	22.50	898	1,044	1,092	1,092	1,092	1,092	1,092
Bread: Black market prices.															
Milan	2.27	48	55	70	80	80	81	100	2,115	2,423	3,084	3,524	3,524	3,568	4,405
Genoa	1.99	50	84	128	78	118	100	127	2,313	4,221	6,432	3,920	7,037	5,025	6,382
Rome	2.20	100	122	109	139	89	57	71	4,545	5,545	4,955	6,318	4,045	2,591	3,227
Naples	1.77	109	140	143	153	91	87	104	6,158	7,910	8,079	8,644	5,141	4,915	5,876
Palermo	2.06	78	113	110	183	109	103	113	3,786	5,485	5,340	8,883	5,291	5,000	5,485
Pasta: Official prices.															
Milan	2.91	22	—	—	—	27	27	27	756	—	—	—	928	928	928
Genoa	2.91	22.50	22.50	—	—	25	25	25	773	773	—	—	859	859	859
Rome	2.53	24	26	27	—	27	27	27	949	1,028	1,067	—	1,067	1,067	1,067
Naples	2.75	24	24	—	—	27	27	27	873	873	—	—	982	982	982
Palermo	2.41	23	25	25.50	—	25.50	25.50	25.50	954	1,037	1,058	—	1,058	1,058	1,058
Pasta: Black market prices.															
Milan	2.91	75	99	122	139	144	144	170	2,577	3,402	4,192	4,777	4,948	4,948	5,842
Genoa	2.91	118	111	147	151	168	242	283	4,055	3,814	3,052	5,189	5,773	8,316	9,725
Rome	2.53	177	212	163	199	191	160	114	6,996	8,379	6,443	7,866	7,549	6,321	5,692
Naples	2.75	217	262	207	245	247	203	236	7,891	9,527	7,527	8,909	8,982	7,382	8,582
Palermo	2.41	108	127	120	186	114	114	130	4,481	5,270	4,979	7,718	4,730	4,730	5,391
Sugar: Official prices.															
Milan	6.60	75	75	168	168	200	155	200	1,136	1,136	2,545	2,545	3,030	2,348	3,030
Genoa	6.55	87.50	164	—	160	160	160	153	1,336	2,504	—	2,443	2,443	2,443	2,336
Rome	6.51	31.83	58	58	165	165	165	160	489	891	891	2,535	2,535	2,535	2,458
Naples	6.65	31.50	42.75	—	154	155	155	170	474	643	—	2,316	2,331	2,331	2,556
Palermo	7.01	31	53	—	145	145	145	145	442	756	—	2,068	2,068	2,068	2,068
Sugar: Black market prices.															
Milan	6.60	833	931	854	1,201	1,106	965	1,000	12,621	14,106	12,939	18,187	16,758	14,621	15,152
Genoa	6.55	848	918	1,034	1,136	1,078	1,024	907	12,947	14,015	15,786	17,344	16,458	15,634	13,847
Rome	6.51	850	951	852	1,238	1,003	906	676	13,057	14,608	13,088	19,017	15,407	13,917	10,384
Naples	6.65	717	850	742	1,152	968	962	858	10,782	12,782	11,158	17,323	14,556	14,466	12,902
Palermo	7.01	533	675	667	950	800	622	560	7,603	9,629	9,515	13,552	11,412	8,873	7,989

Source: Central Institute of Statistics.

Note. — The data on black market prices are the mean of data resulting from three surveys made each month by the communal offices of the Central Institute of Statistics. For Rome, the data differ from those collected by the newspaper «Globo» (see table 65) which collects data every day in only one important market.

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(continued) TABLE 60.

City	Retail prices in lire per kilogram								Index numbers (1938 = 100)						
	1938	1945		1946					1945		1946				
		Sept.	Dec.	Mar.	June	July	Aug.	Sept.	Sept.	Dec.	Mar.	June	July	Aug.	Sept.
Olive oil : Official prices.															
Milan	7.96	—	247	—	—	—	—	—	—	3,103	—	—	—	—	—
Genoa	7.69	—	—	—	270	—	—	330	—	—	—	3,511	—	—	4,291
Rome	8.00	80	158	235	235	320	320	320	1,000	1,975	2,938	2,938	4,000	4,000	4,000
Naples	7.55	77	78	235	—	300	300	300	1,020	1,033	3,113	—	3,974	3,974	3,974
Palermo	7.35	—	—	—	—		255	255	—	—	—	—	—	3,469	3,469
Olive oil : Black market prices.															
Milan	7.96	733	704	573	565	538	623	750	9,209	8,844	7,198	7,098	6,759	7,827	9,422
Genoa	7.69	601	656	605	540	559	662	749	7,815	8,531	7,867	7,022	7,269	8,609	9,740
Rome	8.00	533	603	484	462	535	583	646	6,663	7,538	6,050	5,775	6,688	7,288	8,075
Naples	7.55	488	558	401	427	474	591	618	6,464	7,391	5,311	5,656	6,278	7,823	8,185
Palermo	7.35	313	400	308	320	385	427	430	4,259	5,442	4,190	4,354	5,238	5,810	5,840
Lard : Official prices.															
Milan	9.88	—	—	—	—	260	260	—	—	—	—	—	2,632	2,632	—
Genoa	9.96	85	68	—	—	145	145	145	853	684	—	—	1,456	1,456	1,456
Rome	10.07	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Naples	10.07	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Palermo	10.60	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Lard : Black market prices.															
Milan	9.88	—	578	302	442	518	572	650	—	5,850	3,968	4,504	5,243	5,789	6,579
Genoa	9.96	623	596	452	446	511	526	602	6,255	5,984	4,538	4,478	5,131	5,287	6,044
Rome	10.07	600	667	450	470	517	580	634	5,958	6,624	4,469	4,667	5,134	5,760	6,296
Naples	10.07	700	650	504	574	591	660	755	6,951	6,455	5,005	5,700	5,869	6,554	7,498
Palermo	10.60	—	—	600	605	650	655	650	—	—	5,660	5,708	6,132	6,179	6,132
Butter : Official prices.															
Milan	15.47	250	250	—	—	—	450	—	1,616	1,616	—	—	—	1,309	—
Genoa	16.02	310	303	—	—	—	—	715	1,935	1,891	—	—	—	—	3,191
Rome	16.54	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Naples	16.76	675	—	—	—	—	—	—	1,027	—	—	—	—	—	—
Palermo	17.75	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Butter : Black market prices.															

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		Sept.	Dec.	Mar.	June	July	Aug.	Sept.	Sept.	Dec.	Mar.	June	July	Aug.	Sept.
Olive oil: Official prices.															
Milan	7.96	—	247	—	—	—	—	—	—	3,103	—	—	—	—	—
Genoa	7.69	—	—	—	270	—	—	330	—	—	—	3,511	—	—	4,291
Rome	8.00	80	158	235	235	320	320	320	1,000	1,975	2,938	2,938	4,000	4,000	4,000
Naples	7.55	77	78	235	—	300	300	300	1,020	1,033	3,113	—	3,974	3,974	3,974
Palermo	7.35	—	—	—	—		255	255	—	—	—	—	—	3,469	3,469
Olive oil: Black market prices.															
Milan	7.96	733	794	573	565	538	623	750	9,209	8,844	7,198	7,098	6,759	7,827	9,422
Genoa	7.69	601	656	605	540	559	662	749	7,815	8,531	7,867	7,022	7,269	8,609	9,740
Rome	8.00	533	603	484	462	535	583	646	6,663	7,538	6,050	5,775	6,688	7,288	8,075
Naples	7.55	488	558	401	427	474	591	618	6,464	7,391	5,311	5,656	6,278	7,828	8,185
Palermo	7.35	313	400	303	320	385	427	430	4,259	5,442	4,196	4,354	5,238	5,810	5,840
Lard: Official prices.															
Milan	9.88	—	—	—	—	260	260	—	—	—	—	—	2,632	2,632	—
Genoa	9.96	85	68	—	—	145	145	145	853	684	—	—	1,456	1,456	1,456
Rome	10.07	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Naples	10.07	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Palermo	10.60	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Lard: Black market prices.															
Milan	9.88	—	578	302	442	518	572	650	—	5,850	3,968	4,504	5,243	5,789	6,579
Genoa	9.96	623	596	452	446	511	526	602	6,255	5,984	4,538	4,478	5,131	5,237	6,044
Rome	10.07	600	667	450	470	517	580	634	5,958	6,624	4,469	4,667	5,134	5,760	6,296
Naples	10.07	700	650	504	571	591	660	755	6,951	6,455	5,005	5,700	5,869	6,554	7,498
Palermo	10.60	—	—	600	605	650	655	650	—	—	5,660	5,708	6,132	6,179	6,132
Butter: Official prices.															
Milan	15.47	250	250	—	—	—	450	—	1,616	1,616	—	—	—	1,309	—
Genoa	16.02	310	303	—	—	—	—	715	1,935	1,891	—	—	—	—	3,191
Rome	16.54	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Naples	16.76	675	—	—	—	—	—	—	1,027	—	—	—	—	—	—
Palermo	17.75	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Butter: Black market prices.															
Milan	15.47	747	781	716	633	636	683	800	4,829	5,048	4,628	4,092	4,111	3,015	5,171
Genoa	16.02	755	872	787	712	668	721	858	4,713	5,443	4,913	4,444	4,170	4,501	5,356
Rome	16.54	784	907	774	706	647	684	837	4,740	5,484	4,680	4,268	3,912	4,135	5,060
Naples	16.76	675	675	659	665	682	726	926	4,027	4,027	3,932	3,960	4,069	4,332	5,525
Palermo	17.75	792	1,333	708	767	728	733	980	4,462	5,820	5,989	4,32	4,10	4,130	5,521

Source: Monthly Bulletin of Central Institute of Statistics.

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TABLE 61

Retail Prices of Some Non-Rationed Foodstuffs and Index Numbers (1938 = 100) in Five Large Italian Cities: 1938, 1945 and 1946.

City	1938 monthly average	1943	1946					1938 Monthly average	1945	1946					
		Sept.	Dec.	March	May	July	Aug.	Sept.		Sept.	Dec.	March	May	July	Aug.	Sept.
1. EGGS.									**1. MILK.**							
A) *Prices* (lire per egg).									A) *Prices* (lire per liter).							
Milan	0.56	22	28	16	15	17	20	20	1.37	28	35	40	38	33	30	30
Genoa	0.56	22	29	17	16	18	20	22	1.46	38	54	59	37	36	37	37
Rome	0.52	25	31	18	17	19	20	23	1.55	37	70	60	50	40	40	40
Naples	0.56	26	35	18	17	18	20	22	1.60	54	61	54	57	57	60	60
Palermo	0.57	18	29	15	14	16	18	22	1.69	42	65	60	60	60	60	60
B) *Index Numbers* (1938 = 100).									B) *Index Numbers* (1938 = 100).							
Milan	100	3,929	5,000	2,857	2,679	3,036	3,571	3,571	100	2,044	2,555	2,920	2,774	2,409	2,190	2,190
Genoa	100	3,929	5,179	3,036	2,857	3,214	3,571	3,929	100	2,714	3,857	4,214	2,643	2,571	2,643	2,643
Rome	100	4,808	5,962	3,462	3,269	3,654	3,846	4,423	100	3,677	4,516	3,871	3,226	2,581	2,581	2,581
Naples	100	4,643	6,250	3,214	3,036	3,214	3,571	4,107	100	3,375	3,813	3,375	3,563	3,563	3,750	3,750
Palermo	100	3,158	5,088	2,632	2,456	2,807	3,158	3,860	100	2,485	3,846	3,550	3,550	3,550	3,550	3,550
C) *Index Numbers* (Rome = 100).									C) *Index Numbers* (Rome = 100).							
Milan	108	88	90	89	88	89	100	87	88	49	50	67	76	83	75	75
Genoa	108	88	94	94	94	95	100	96	90	67	77	98	74	90	93	93
Rome	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Naples	108	104	113	100	100	95	100	100	103	95	87	90	114	143	150	150
Palermo	110	72	94	83	82	84	90	90	109	74	93	100	120	150	150	150

2. TOMATO PASTE.

A) *Prices* (lire per Kg.).

5. POTATOES.

A) *Prices* (lire per Kg.).

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City	1938 month average	1945 Sept.	1945 Dec.	1946 March	1946 May	1946 July	1946 Aug.	1946 Sept.
1. Eggs.								
A) *Prices* (lire per egg).								
Milan	0.56	22	28	16	15	17	20	20
Genoa	0.56	22	29	17	16	18	20	22
Rome	0.52	25	31	18	17	19	20	23
Naples	0.56	26	35	18	17	18	20	22
Palermo	0.57	18	29	15	14	16	18	22
B) *Index Numbers* (1938 = 100).								
Milan	100	3,929	5,000	2,857	2,679	3,036	3,571	3,571
Genoa	100	3,929	5,179	3,036	2,857	3,214	3,571	3,929
Rome	100	4,808	5,962	3,462	3,269	3,654	3,846	4,423
Naples	100	4,643	6,250	3,214	3,036	3,214	3,571	4,107
Palermo	100	3,158	5,088	2,632	2,456	2,807	3,158	3,860
C) *Index Numbers* (Rome = 100).								
Milan	108	88	90	89	88	89	100	87
Genoa	108	88	94	94	94	95	100	96
Rome	100	100	100	100	100	100	100	100
Naples	108	104	113	100	100	95	100	100
Palermo	110	72	94	83	82	84	90	96
2. Tomato Paste.								
A) *Prices* (lire per Kg.).								
Milan	3.49	259	321	302	258	217	188	—
Genoa	3.23	287	331	389	424	223	214	208
Rome	3.65	266	307	253	187	183	167	180
Naples	3.39	253	303	289	273	246	241	220
Palermo	3.64	239	362	364	384	318	326	300

City	1938 month average	1945 Sept.	1945 Dec.	1946 March	1946 May	1946 July	1946 Aug.	1946 Sept.
1. Milk.								
A) *Prices* (lire per liter).								
Milan	1.37	28	35	40	38	33	30	30
Genoa	1.40	38	54	59	37	36	37	37
Rome	1.55	57	70	60	50	40	40	40
Naples	1.66	54	61	54	57	57	60	60
Palermo	1.69	42	65	60	60	60	60	60
B) *Index Numbers* (1938 = 100).								
Milan	100	2,044	2,555	2,920	2,774	2,409	2,190	2,190
Genoa	100	2,714	3,857	4,214	2,643	2,571	2,643	2,643
Rome	100	3,677	4,516	3,871	3,226	2,581	2,581	2,581
Naples	100	3,375	3,813	3,375	3,563	3,563	3,750	3,750
Palermo	100	2,485	3,846	3,550	3,550	3,550	3,550	3,550
C) *Index Numbers* (Rome = 100).								
Milan	88	49	50	67	76	83	75	75
Genoa	90	67	77	98	74	90	93	93
Rome	100	100	100	100	100	100	100	100
Naples	103	95	87	90	114	143	150	150
Palermo	109	74	93	100	120	150	150	150
5. Potatoes.								
A) *Prices* (lire per Kg.).								
Milan	0.54	29	49	56	38	24	22	20
Genoa	0.49	29	45	46	32	19	21	26
Rome	0.65	34	57	54	45	23	25	34
Naples	0.46	31	43	48	39	20	24	32
Palermo	0.55	43	69	61	47	24	25	34

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(*continued*) TABLE 61

City	1938 Monthly average	1945		1946					1938 monthly average	1945		1946				
		Sept.	Dec.	March	May	July	Aug.	Sept.		Sep.	Dec.	March	May	July	Aug.	Sept.
2. TOMATO PASTE (Contd.)									**5. POTATOES (Contd.)**							
B) *Index Numbers* (1938 = 100).									B) *Index Numbers* (1938 = 100).							
Milan	100	7,421	9,198	8,625	7,393	6,218	5,387	NA.	100	5,370	9,074	10,370	7,037	4,444	4,074	3,704
Genoa	100	8,885	10,248	12,043	13,127	6,904	6,625	6,440	100	3,918	9,184	9,388	6,531	3,878	4,286	5,306
Rome	100	7,123	8,411	6,932	5,123	5,014	4,575	4,932	100	5,231	8,769	8,308	6,923	3,538	3,846	5,231
Naples	100	7,463	8,938	8,525	8,053	7,257	7,109	6,190	100	6,739	9,348	10,435	8,178	4,348	5,217	6,957
Palermo	100	6,566	9,945	10,006	10,519	8,736	8,956	8,242	100	7,818	12,545	11,091	8,545	4,364	4,545	6,182
C) *Index Numbers* (Rome = 100).									C) *Index Numbers* (Rome = 100).							
Milan	96	100	105	117	138	119	113	NA.	83	85	86	104	84	104	88	59
Genoa	88	110	108	154	227	122	123	110	75	85	79	85	71	83	84	76
Rome	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Naples	93	97	99	114	146	134	141	122	71	91	75	89	87	87	96	94
Palermo	100	92	118	144	205	174	195	167	85	126	121	113	104	104	100	100
3. DRY BEANS.									**6. BEEF (1).**							
A) *Prices* (lire per Kg.).									A) *Prices* (lire per Kg.).							
Milan	2.01	103	125	148	148	142	141	150	13.87	391	363	398	393	392	412	400
Genoa	1.97	115	158	166	162	161	156	151	12.80	350	337	400	400	400	436	430
Rome	2.33	160	177	180	177	170	160	160	7.92	353	333	333	277	275	277	261
Naples	2.03	171	212	188	202	169	139	162	12.78	380	500	471	454	465	484	507
Palermo	2.18	126	186	179	166	178	172	171	15.21	256	333	350	299	309	358	417
B) *Index Numbers* (1938 = 100).									B) *Index Numbers* (1938 = 100)							
Milan	100	5,124	6,219	7,363	7,363	7,065	7,015	7,463	10	2,819	2,617	2,870	2,833	2,826	2,970	2,884
Genoa	100	5,838	8,020	8,122	8,223	8,122	7,919	8,020	100	2,734	2,632	3,125	3,125	3,125	3,406	3,359
Rome	100	6,867	7,597	7,725	7,597	7,296	6,867	6,867	100	4,457	4,205	4,457	3,497	3,472	3,497	3,295
Naples	100	8,424	10,443	9,261	9,951	8,325	6,847	8,031	100	2,972	3,912	3,685	3,532	3,636	3,787	3,967
Palermo	100	5,780	8,532	8,211	7,615	8,165	7,896	8,119	100	1,644	2,189	2,301	1,907	2,632	2,354	2,742
C) *Index Numbers* (Rome = 100).									C) *Index Numbers* (Rome = 100).							
Milan	86	64	71	82	84	84	88	93	175	111	109	113	142	143	119	153
Genoa	85	72	89	89	92	95	98	99	162	99	101	113	141	145	157	156
Rome	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
[illegible]	[illegible]	[illegible]	[illegible]	104	114	99	87	104	161	108	150	133	164	160	175	194

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	1938 Aug.	Sept.	Dec.	March	May	July	Aug.	Sept.
2. Tomato Paste (Contd.)								
B) *Index Numbers* (1938 = 100).								
Milan	100	7,421	9,198	8,625	7,393	6,218	5,387	N.A.
Genoa	100	8,883	10,248	12,043	13,127	6,901	6,625	6,440
Rome	100	7,123	8,411	6,932	5,123	5,014	4,575	4,932
Naples	100	7,463	8,938	8,525	8,053	7,257	7,109	6,496
Palermo	100	6,566	9,945	10,000	10,549	8,736	8,956	8,243
C) *Index Numbers* (Rome = 100).								
Milan	96	100	105	119	138	119	113	N.A.
Genoa	88	110	108	151	227	122	123	116
Rome	100	100	100	100	100	100	100	100
Naples	93	97	99	114	146	134	141	122
Palermo	100	92	118	144	205	174	195	167
3. Dry beans.								
A) *Prices* (lire per Kg.).								
Milan	2,01	103	125	148	148	142	141	150
Genoa	1,97	145	158	160	162	161	156	153
Rome	2,33	166	177	186	177	170	160	160
Naples	2,03	171	212	188	202	169	139	163
Palermo	2,18	126	186	179	166	178	172	177
B) *Index Numbers* (1938 = 100).								
Milan	100	5,124	6,219	7,363	7,363	7,065	7,015	7,463
Genoa	100	5,838	8,020	8,122	8,223	8,122	7,919	8,020
Rome	100	6,867	7,397	7,725	7,397	7,296	6,867	6,867
Naples	100	8,124	10,443	9,261	9,951	8,325	6,847	8,033
Palermo	100	5,786	8,532	8,211	7,615	8,165	7,896	8,119
C) *Index Numbers* (Rome = 100).								
Milan	86	64	71	82	84	84	88	93
Genoa	85	72	89	89	92	95	98	96
Rome	100	100	100	100	100	100	100	100
Naples	87	107	120	104	114	99	87	105
Palermo	94	79	105	99	94	105	108	111

	1938 Aug.	Sept.	Dec.	March	May	July	Aug.	Sept.
5. Potatoes (Contd.)								
B) *Index Numbers* (1938 = 100).								
Milan	100	5,370	9,074	10,370	7,037	4,444	4,074	3,704
Genoa	100	5,918	9,183	9,388	6,531	3,878	4,286	5,306
Rome	100	5,231	8,769	8,308	6,923	3,538	3,846	5,231
Naples	100	6,735	9,348	10,435	8,478	4,348	5,217	6,957
Palermo	100	7,818	12,545	11,091	8,545	4,364	4,545	6,182
C) *Index Numbers* (Rome = 100).								
Milan	83	85	86	104	84	104	88	59
Genoa	75	85	79	85	71	83	84	76
Rome	100	100	100	100	100	100	100	100
Naples	71	91	75	89	87	87	96	94
Palermo	85	126	121	113	104	104	100	100
6. Beef (1).								
A) *Prices* (lire per Kg.).								
Milan	13,87	391	363	398	393	392	412	400
Genoa	12,86	350	337	400	400	400	436	430
Rome	7,92	353	333	353	277	275	277	261
Naples	12,78	380	500	471	454	465	484	507
Palermo	15,21	256	333	350	290	309	358	417
B) *Index Numbers* (1938 = 100)								
Milan	100	2,819	2,617	2,870	2,833	2,826	2,970	2,884
Genoa	100	2,734	2,633	3,125	3,125	3,125	3,406	3,359
Rome	100	4,457	4,203	4,457	3,497	3,472	3,497	3,295
Naples	100	2,973	3,912	3,685	3,552	3,636	3,787	3,967
Palermo	100	1,644	2,189	2,301	1,907	2,032	2,354	2,742
C) *Index Numbers* (Rome = 100).								
Milan	175	111	109	113	142	143	149	153
Genoa	162	99	101	113	144	145	157	156
Rome	100	100	100	100	100	100	100	100
Naples	161	108	150	133	164	169	175	194
Palermo	192	71	100	99	105	112	129	160

(1) Boneless meat, except for Rome where the price relates to meat with 25 % bone.
N. A. = Not available.

Source: Monthly Bulletin of Central Institute of Statistics.

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TABLE 62

Relation between Official and Black Market Retail Prices: 1945-46

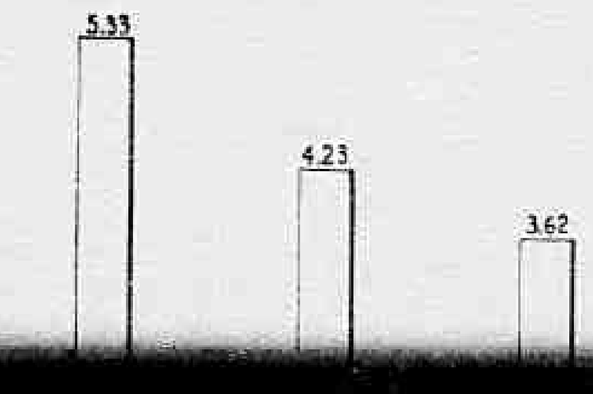
(Official prices = 1)

Rationed Foodstuffs		Milan	Genoa	Rome	Naples	Palermo
Bread	September 1945	2.67	2.78	5.56	6.41	4.22
	July 1946	3.64	7.40	4.68	4.55	1.84
	September 1946	4.55	5.77	3.62	4.38	3.02
Pasta	September 1945	3.41	5.24	7.38	9.04	4.70
	July 1946	5.33	6.72	7.67	9.15	4.47
	September 1946	6.30	11.32	5.33	3.74	5.10
Sugar	September 1945	11.11	9.69	26.70	22.76	17.19
	July 1946	5.53	6.74	6.08	6.25	5.52
	September 1946	5.00	5.93	4.23	5.05	3.86
Olive oil	September 1945	—	—	6.66	6.34	—
	July 1946	—	—	1.67	1.58	—
	September 1946	—	2.27	2.62	2.06	1.69

Source: Monthly Bulletin of the Central Institute of Statistics.

TABLE 63

INDEX NUMBERS OF PRICES IN THE ROME OPEN MARKET IN SEPTEMBER 1946 (OFFICIAL PRICES=1)



the range of variation within which the prices of these commodities have fluctuated (compared with Rome in September 1945 and in July and September 1946) and gives evidence of a new disorder in prices from July to September 1946.

350. As regards the 11 foodstuffs under consideration, the last columns of Table 64 show that:

(a) from September 1945 to July 1946 the price deviations show a noticeable decline (except for the prices of meat, milk, and tomato paste) (see also para. 213);

(b) from July to September 1946, owing to the pressure of upward prices, the deviations increase (except for eggs, beans and tomato paste) and reach a level which, on the whole (6 food-

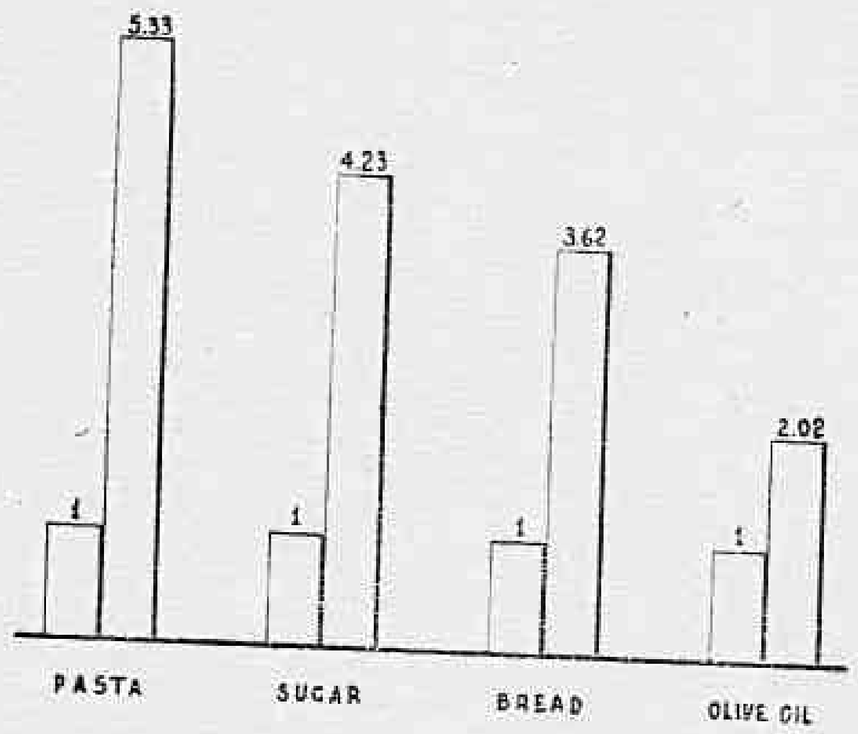
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Rationed Foodstuffs		Milan	Genoa	Rome	Naples	Palermo
Bread	September 1945	2.67	2.78	5.56	6.41	4.22
	July 1946	3.64	7.40	4.68	3.55	1.84
	September 1946	4.55	8.77	3.62	4.88	5.02
Pasta	September 1945	3.41	5.24	7.33	9.04	4.70
	July 1946	5.33	6.72	7.07	9.15	4.47
	September 1946	6.36	11.32	5.33	3.74	5.10
Sugar	September 1945	11.11	9.69	26.70	22.76	17.19
	July 1946	5.53	6.74	6.68	6.25	5.52
	September 1946	5.00	5.93	4.23	5.05	3.86
Olive oil	September 1945	—	—	6.66	6.34	—
	July 1946	—	—	1.67	1.58	—
	September 1946	—	2.27	2.02	2.06	1.69

Source: Monthly Bulletin of the Central Institute of Statistics.

TABLE 63

INDEX NUMBERS OF PRICES IN THE ROME OPEN MARKET IN SEPTEMBER 1946 (OFFICIAL PRICES=1)



the range of variation within which the prices of these commodities have fluctuated (compared with Rome in September 1945 and in July and September 1946) and gives evidence of a new disorder in prices from July to September 1946.

350. As regards the 11 foodstuffs under consideration, the last columns of Table 64 show that:

(a) from September 1945 to July 1946 the price deviations show a noticeable decline (except for the prices of meat, milk, and tomato paste) (see also para. 213);

(b) from July to September 1946, owing to the pressure of upward prices, the deviations increase (except for eggs, beans and tomato paste) and reach a level which, on the whole (6 foodstuffs out of 11), exceeds the September 1945 level. The erratic advance in prices after September 1946 has accentuated the regional price differences (these differences are most marked, as a rule, during the initial period of change in trend). As soon as the prices show a more decided trend, the differences are likely to decrease.

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TABLE 64

Black Market Retail Prices in Milan, Genoa, Naples and Palermo as compared with Rome (= 100): 1945-46

Product.	Difference between Rome and the four other cities as regards: (a) Minimum index (less than 100)			(b) Maximum index (more than 100)			(c) Deviation		
	Sept. 1945	July 1946	Sept. 1946	Sept. 1945	July 1946	Sept. 1946	Sept. 1945	July 1946	Sept. 1946
Bread	— 50	— 10	— 0	+ 9	+ 22	+ 79	59	32	79
Pasta	— 58	— 25	— 0	+ 23	+ 29	+ 97	81	54	97
Sugar	— 37	— 20	— 17	+ 7	+ 4	+ 48	44	24	65
Olive oil	— 41	— 28	— 33	+ 38	+ 4	+ 16	79	32	49
Butter	— 14	— 2	— 4	+ 1	+ 13	+ 17	15	15	21
Eggs	— 28	— 16	— 13	+ 4	+ 0	+ 10	32	16	13
Dry beans	— 36	— 16	— 6	+ 7	+ 5	+ 2	43	12	8
Potatoes	— 15	— 17	— 4	+ 26	+ 4	+ 0	41	21	41
Beef	— 29	— 0	— 0	+ 11	+ 69	+ 94	40	69	94
Milk	— 33	— 17	— 25	+ 0	+ 50	+ 50	33	67	75
Tomato paste	— 8	— 0	— 0	+ 10	+ 74	+ 67	78	74	67

(ii) *Daily Quotations for Foodstuffs in Rome up to end October 1946.*

351. The upward trend of the black market prices after August 1946 has a practical significance because the upward tendency occasioned widespread unrest throughout the Republic. The statistics used are those collected and published daily by the "Globo" newspaper. The data on prices and the corresponding index numbers (January 1946 = 100), for each period of 10 days and for each month, after May 1946 are given in Table 65. The prices of olive oil, rice, and meat were higher in October 1946 than in January 1946, while, for the other foodstuffs given in Table 65 the prices in October 1946 were well below the peak reached in the winter of 1945-46.

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TABLE 55

Open Market and Black Market Retail Prices in Rome: 1946.

A) *Lire per Kilo*

1946	Household Bread	Grain Flour	Pasta (white)	Oil	Sugar	Raw Coffee	Rice	Beans	Butter	Lentils	Pecorino (cheese)	Boneless Meat	Eggs	Potatoes
Jan. 1	140	130	215	500	950	3,200	132	190	950	200	800	500	29.5	60
Feb. 1	127	117	165	445	800	2,200	132	175	810	190	800	550	19	48
Mar. 1	130	120	170	450	775	2,400	135	165	750	180	750	450	19.5	—
Apr. 1	130	125	160	450	800	1,400	110	130	750	150	700	500	19.5	—
May 1	170	167.5	190	450	975	875	160	180	700	190	650	475	16	45
June 1	155	157.5	210	420	990	775	155	175	650	165	575	405	15.3	33
10	145	135	195	435	1,075	720	157.5	165	545	165	575	375	16.5	30
20	140	140	210	430	1,050	700	150	165	550	170	525	375	16.5	25
July 1	120	117.5	190	430	950	675	130	162.5	550	150	575	375	17.5	21
10	110	105	185	440	975	700	175	160	615	140	575	375	18	21
20	85	95	155	530	940	700	165	150	600	130	575	425	16	24
Aug. 1	75	87.5	147.5	595	850	675	175	130	600	130	550	400	19.5	24
10	90	90	147.5	570	800	675	200	135	615	130	575	415	19.5	23
20	75	87.5	160	575	900	675	185	125	615	130	575	400	19.5	24
Sept. 1	80	85	127	600	670	675	187.5	130	775	140	575	450	21.5	28
10	77.5	82.5	135	625	680	675	202.5	145	825	145	650	500	22	32
20	90	87.5	132.5	640	670	700	210	140	725	160	650	500	22	31
Oct. 1	95	95	150	680	690	700	197.5	160	750	160	650	500	22	34
10	105	100	147.5	730	660	700	225	160	775	160	650	500	22.5	36
20	100	100	150	710	615	700	190	160	845	160	675	545	22.5	35.5

B) *Index Numbers* (January 1946 = 100).

Jan.	1	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Feb.	1	90.7	90	76.7	75.4	84.7	68.7	100	92.1	85.3	93	100	110	64.4	80
Mar.	1	92.9	92.3	79.1	76.3	81.6	75	102.3	86.8	78.9	90	93.8	90	66.1	—
Apr.	1	92.9	96.1	74.4	76.3	84.7	43.7	106.1	68.4	78.9	75	87.5	100	66.1	—
May	1	121.4	128.8	88.4	76.3	102.6	27.3	121.2	94.7	73.7	95	81.2	95	54.2	71.7
June	1	110.7	121.1	99.5	71.2	104.2	24.2	117.1	92.1	68.4	82.5	71.9	81	52.5	55.0
	10	103.6	103.8	90.7	73.7	113.1	22.5	119.5	86.8	57.4	82.5	71.9	75	55.9	50.0
	20	100.0	107.7	97.7	72.9	110.5	21.9	113.6	86.8	57.9	85	71.9	75	55.9	41.7
July	1	85.7	90.4	88.4	72.9	100.0	21.1	136.4	85.5	57.9	75.0	71.9	75	59.3	35.0
	10	78.6	80.8	86.0	74.6	102.6	21.9	132.6	84.2	64.7	70.0	71.9	75	61.9	35.0
	20	60.7	73.1	72.1	89.8	98.9	21.9	125.0	78.9	63.2	65.0	71.9	85	54.2	40.0
Aug.	1	53.6	67.3	68.6	100.8	89.5	21.1	132.6	63.4	63.2	65.0	63.8	80	66.1	40.0
	10	64.3	69.2	68.6	96.6	84.2	21.1	151.5	71.1	64.7	65.0	71.9	83	66.1	38.3
	20	53.6	67.3	71.4	97.5	94.7	21.1	140.2	65.8	64.7	65.0	71.9	80	66.1	40.0
	1	57.1	65.4	59.1	101.7	70.5	21.1	142.0	68.4	81.6	70.0	71.9	90	72.9	46.7

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		Bread		Pasta			Sugar					Milk (cheese)	Meat		Eggs
Jan.	1	140	130	215	500	950	3,200	132	190	950	200	800	500	29.5	60
Feb.	1	127	117	165	445	800	2,200	132	175	810	190	800	550	19	48
Mar.	1	130	120	170	450	775	2,400	135	165	750	180	750	450	19.5	—
Apr.	1	130	125	160	450	800	1,400	140	130	750	150	700	500	19.5	—
May	1	170	167.5	190	450	975	875	160	180	700	190	650	475	16	45
June	1	155	157.5	210	420	990	775	155	175	650	165	575	405	15.3	33
	10	145	135	195	435	1,075	720	157.5	165	545	165	575	375	16.5	30
	20	140	140	210	430	1,050	700	150	165	550	170	525	375	16.5	25
July	1	120	117.5	190	430	950	675	130	162.5	550	150	575	375	17.5	21
	10	110	105	185	440	975	700	175	160	615	140	575	375	18	21
	20	85	95	155	530	940	700	165	150	600	130	575	425	16	24
Aug.	1	75	87.5	147.5	595	850	675	175	130	600	130	550	400	19.5	24
	10	90	90	147.5	570	800	675	200	135	615	130	575	415	19.5	23
	20	75	87.5	160	575	900	675	185	125	615	130	575	400	19.5	24
Sept.	1	80	85	127	600	670	675	187.5	130	775	110	575	450	21.5	28
	10	77.5	82.5	135	625	680	675	202.5	145	825	115	650	500	22	32
	20	90	87.5	132.5	640	670	700	210	140	725	160	650	500	22	31
Oct.	1	95	95	150	680	600	700	197.5	160	750	160	650	500	22	34
	10	105	100	147.5	730	660	700	225	160	775	160	650	500	22.5	36
	20	100	100	150	710	615	760	190	160	845	160	675	545	22.5	35.5

B) *Index Numbers* (January 1916 = 100).

Jan.	1	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Feb.	1	90.7	90	76.7	75.4	84.2	68.7	100	92.1	85.3	95	100	110	64.4	80
Mar.	1	92.9	92.3	79.1	76.3	81.6	75	102.3	86.8	78.9	90	93.8	90	66.1	—
Apr.	1	92.9	96.1	74.4	76.3	84.7	43.7	106.1	68.4	78.9	75	87.5	100	66.1	—
May	1	121.4	128.8	88.4	76.3	102.6	27.3	121.2	94.7	73.7	95	81.2	95	54.2	71.7
June	1	110.7	121.1	99.5	71.2	104.2	24.2	117.4	92.1	68.4	82.5	71.9	81	52.5	55.0
	10	103.6	103.8	90.7	73.7	113.1	22.5	119.5	86.8	57.1	82.5	71.9	75	55.9	50.0
	20	100.0	107.7	97.7	72.9	110.5	21.9	113.6	86.8	57.9	85	71.9	75	55.9	41.7
July	1	85.7	90.4	88.4	72.9	100.0	21.1	136.4	85.5	57.9	75.0	71.9	75	59.3	35.0
	10	78.6	80.8	86.0	74.6	102.6	21.9	132.6	84.2	64.7	70.0	71.9	75	61.0	35.0
	20	60.7	73.1	72.1	89.8	98.9	21.9	125.0	78.9	63.2	65.0	71.9	85	54.2	40.0
Aug.	1	53.6	67.3	68.6	100.8	89.5	21.1	132.6	68.4	63.2	65.0	68.8	80	66.1	40.0
	10	64.3	69.2	68.6	96.6	84.2	21.1	131.5	71.1	64.7	65.0	71.9	83	66.1	38.3
	20	53.6	67.3	74.4	97.5	94.7	21.1	140.2	65.8	64.7	65.0	71.9	80	66.1	40.0
Sept.	1	57.1	65.4	59.1	101.7	70.5	21.1	142.0	68.4	81.6	70.6	71.9	90	72.9	46.7
	10	55.4	63.5	62.8	105.9	71.6	21.1	153.4	76.3	86.8	72.5	81.2	100	74.6	53.3
	20	64.3	67.3	61.6	108.5	70.5	21.9	159.1	73.7	76.3	80.4	81.2	100	74.6	51.7
Oct.	1	67.9	73.1	69.8	115.3	63.2	21.9	149.6	84.2	78.9	80.6	81.2	100	74.6	56.7
	10	75.0	76.9	68.6	123.7	69.5	21.9	170.5	84.2	81.6	80.6	81.2	100	76.3	60.0
	20	71.4	76.9	63.8	120.3	64.7	21.9	143.9	84.2	88.3	80.6	84.4	109	76.3	53.2

Source: The "Globo", Rome.

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Retail Price of Commodities Other than Foodstuffs

352. The quality of fabrics, wearing apparel and footwear differs so greatly from pre-war that comparisons of retail prices are not helpful and may be misleading.

(a) *Footwear.*

353. A special survey of footwear prices was made by the "Confederazione Generale Italiana del Commercio" (Italian General Confederation of Commerce). An average price for all types of footwear was arrived at, by dividing the aggregate receipts from sales of footwear in a number of individually-owned shops in Rome, by the number of pairs sold each month from 1938 to 1946. The data are shown in Table 66. On the assumption that the proportions between men's, women's and boys' shoes sold remained unchanged, Table 66 can be considered as sufficiently representative of the trend of prices of footwear, without taking into account changes in quality.

354. The highest level is recorded in the last four months of 1945, when the average price was 55 times higher than pre-war (1938-39). Subsequently, there was a drop in prices through March 1946 (42.6 times the pre-war level followed by an increase in the later months). Having regard to the changes in quality and type which occurred during and after the war, short period price comparisons are more valuable than long. Tables 67 and 68 (graph) show the prices of haberdashery (including the prices of footwear and footwear repairs) in Rome from December 1945 onwards. From July to September 1946 there was no appreciable change in prices of footwear.

355. The average price of a pair of leather shoes in Rome was in September 1946 about 5,000 lire, i.e. about 29 % of the monthly salary of the lowest paid clerks in Italian Government employ. The comparable price was before the war 62 lire, or 7.4 % of the monthly salary of that category.

(b) *Textiles - Suitings - Socks and Stockings.*

356. Since no comparison with pre-war can be made for textiles, etc., owing to changes in quality and type, Tables 67 and 68 (graph) give 1945 and 1946 prices.

Table 66

Average Index Number of Retail Footwear Prices in Rome from 1938 to 1946

Base: Average 1938-39 = 100

Months	1938	1939	1940	1941	1942	1943	1944	1945	1946
January	97.89	89.37	130.62	182.65	276.33	313.84	690.70	5,810.74	5,106.64
February	89.37	73.72	130.27	131.32	279.60	267.95	688.74	4,128.42	3,088.40
March	92.58	105.83	156.67	201.09	275.16	199.41	1,307.57	4,255.22	1,258.66
April	96.70	96.63	164.61	207.53	263.29	156.75	1,026.66	4,583.17	1,431.50
May	95.71	109.50	161.71	196.87	195.25	232.87	949.82	4,224.17	1,737.38
June	92.81	96.43	147.06	189.23	188.08	242.26	1,145.88	4,293.72	4,684.71
July	88.62	103.64	139.50	184.56	180.30	309.65	2,410.40	4,161.60	—
August	90.91	108.71	132.14	199.85	189.52	149.33	2,053.07	1,423.24	—
September	101.59	117.81	154.12	235.85	227.78	209.53	2,628.89	3,591.05	—
October	101.08	126.33	167.49	342.35	233.09	279.72	2,911.01	5,375.31	—
November	101.52	132.36	182.67	252.12	230.97	119.56	3,058.50	5,479.69	—
December	110.28	138.29	189.49	277.86	234.62	245.17	3,206.19	5,442.45	—

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(a) *Footwear.*

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354. The highest level is recorded in the last four months of 1945, when the average price was 55 times

period price comparisons are more valuable than long. Tables 67 and 68 (graph) show the prices of haberdashery (including the prices of footwear and footwear repairs) in Rome from December 1945 onwards. From July to September 1946 there was no appreciable change in prices of footwear.

355. The average price of a pair of leather shoes in Rome was in September 1946 about 5,000 lire, i.e. about 29 % of the monthly salary of the lowest paid clerks in Italian Government employ. The comparable price was before the war 62 lire, or 7.4 % of the monthly salary of that category.

(b) *Textiles - Suitings - Socks and Stockings.*

356. Since no comparison with pre-war can be made for textiles, etc., owing to changes in quality and type, Tables 67 and 68 (graph) give 1945 and 1946 prices.

TABLE 66

Average Index Number of Retail Footwear Prices in Rome from 1938 to 1946

Base : Average 1938-39 = 100

Months	1938	1939	1940	1941	1942	1943	1944	1945	1946
January	97.89	80.57	130.62	182.05	276.33	313.81	696.70	3,810.74	5,106.64
February	80.37	73.72	130.27	131.32	279.60	267.95	688.74	4,128.42	5,088.10
March	92.58	105.83	156.67	201.09	275.16	199.11	1,307.37	4,255.22	4,258.66
April	96.70	96.63	161.61	207.53	263.20	156.75	1,026.66	4,583.17	4,431.50
May	95.71	109.50	161.71	196.87	195.25	232.87	949.82	4,224.17	4,737.38
June	92.81	96.43	147.96	189.20	188.08	242.26	1,145.88	4,293.72	4,681.71
July	88.62	103.61	139.50	184.56	180.30	309.65	2,410.10	4,161.60	—
August	90.94	108.71	132.14	199.85	189.52	149.33	2,053.07	4,423.21	—
September	101.59	117.81	154.12	235.85	227.78	209.53	2,628.80	5,591.05	—
October	101.98	126.33	167.49	242.35	233.99	279.72	2,911.01	5,373.31	—
November	104.52	132.36	182.67	252.42	230.97	419.56	3,059.56	5,479.69	—
December	110.28	138.29	189.49	277.96	234.62	245.17	3,206.19	5,412.45	—

Source : "Il Notiziario" (Confederazione Generale Italiana del Commercio).

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TABLE 67

Retail Prices in Rome of Haberdashery and Foot-wear: December 1945 to September 1946

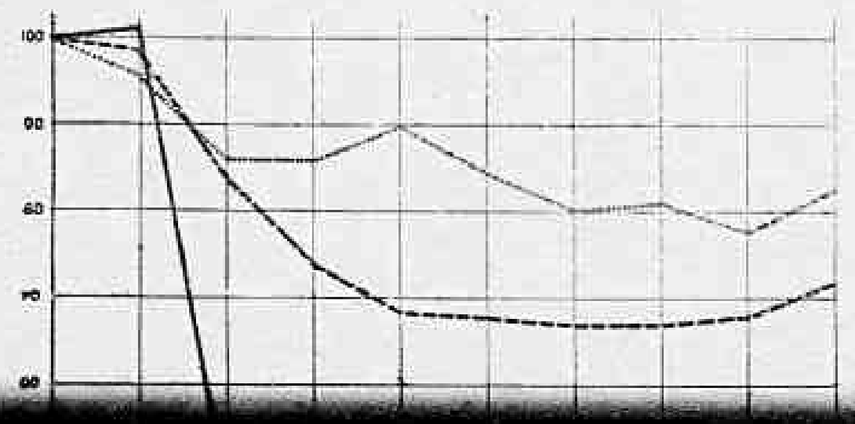
Commodities	Units	Prices (Lire)						Index numbers - December 1945 = 100				
		Dec. 1945	January 1946	March 1946	May 1946	July 1946	Sept. 1946	January 1946	March 1946	May 1946	July 1946	Sept. 1946
Linen piece goods	meter	460	467	219	226	213	239	101.5	47.6	49.1	46.3	52.0
Bed sheeting	»	580	632	346	229	229	239	109.0	59.7	39.5	39.5	41.2
Thread	100 meters	220	220	147	117	116	116	100.0	66.8	53.2	52.7	52.7
Socks (men's)	pairs	432	434	369	238	238	268	100.5	85.4	55.1	55.1	62.0
Stockings	»	697	689	515	474	468	500	98.9	73.9	68.0	67.1	71.7
Socks (boys')	»	140	120	105	80	80	103	85.7	75.0	57.1	57.1	73.6
Men's shoes	»	6,057	5,800	5,214	5,117	4,913	5,006	95.8	86.1	84.5	81.1	82.6
Women's shoes	»	2,826	3,095	2,745	2,066	3,106	3,079	109.5	97.1	73.1	109.9	109.0
Boys' shoe repair (half soles)	»	750	745	710	581	550	550	99.3	94.7	77.5	73.3	73.3
Lining (for men's winter suitings)	meter	6,600	6,200	5,750	5,021	5,017	5,088	93.9	87.1	76.1	76.0	77.1

357. From July to September 1946, the retail prices of textiles have increased more than other items. These increases have been due in part to the reduced availability of textiles in the domestic market, owing to the appreciable revival of the export trade. These increases in price have caused discontent. The wear and tear of clothing during the war and immediate post-war period, have created an urgent need for replacements, which can only be satisfied if prices are low.

TABLE 68

INDICES OF PRICES

Retail price indices (December 1945=100) of haberdashery in Rome



358. To relieve this situation UNRRA has been importing in 1945-46 both used clothing for free distribution, and raw cotton and wool for the manufacture of new clothing-materials. Of the former 5,311,323 garments and 1,061,591 pairs of shoes were distributed between August 1, 1945, and November 15, 1946. Approximately 1,000 tons of raw cotton, imported under the 1945 programme, have already been manufactured into 1,500,000 articles of underwear which are now in the process of distribution free of charge. In accordance with the programme for 1946, the UNRRA Tessile (Textile) Committee arranged for the manufacture of a quantity of cotton textiles from 31,000 tons of UNRRA-imported raw cotton (see note to Table 47). These materials are being manufactured over a period of nine months commencing October, 1946. The schedule of deliveries by the mills forecast an output of 500,000 kilos in October, 1946, increasing to a maximum of 4,000,000 kilos in March and April, 1946. Distribution of approximately one third of the finished materials will be free, while the remaining two thirds will be sold at fixed low prices. The first free distribution will be made to hospitals and institutions only during the month of December. General distribution of low-priced goods will start in January 1947.

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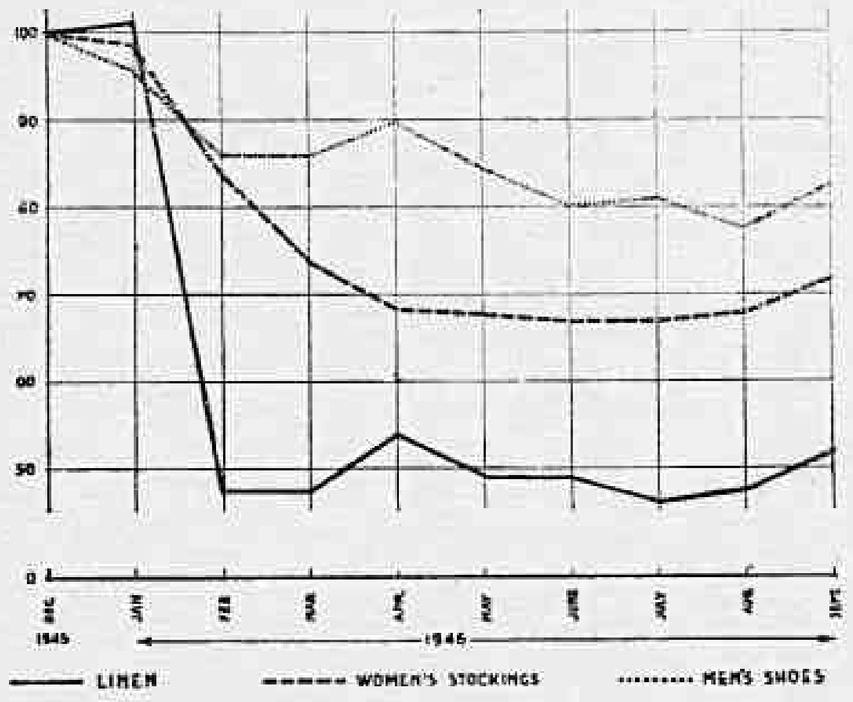
Commodities	Unit	Dec. 1945	January 1946	March 1946	May 1946	July 1946	Sept. 1946	January 1946	March 1946	May 1946	July 1946	Sept. 1946
Linen piece goods	meter	460	467	219	226	213	239	101.5	47.6	49.1	46.3	52.0
Bed sheeting	»	580	632	346	229	229	239	109.0	59.7	39.5	39.5	41.2
Thread	100 meters	220	220	147	117	116	116	100.0	66.8	53.2	52.7	52.7
Socks (men's)	pairs	432	434	369	238	238	268	100.5	85.4	55.1	55.1	62.0
Stockings	»	697	689	515	474	468	500	98.9	73.9	68.0	67.1	71.7
Socks (boys')	»	140	120	105	80	80	103	85.7	75.0	57.1	57.1	73.6
Men's shoes	»	6,057	5,800	5,214	5,117	4,913	5,006	95.8	86.1	84.5	81.1	82.6
Women's shoes	»	2,826	3,095	2,745	2,066	3,106	3,079	109.5	97.1	73.1	109.9	109.0
Boys' shoe repair (half soles)	»	750	745	710	581	550	550	99.3	94.7	77.5	73.3	73.3
Lining (for men's winter suitings)	meter	6,600	6,200	5,750	5,021	5,017	5,088	93.9	87.1	76.1	76.0	77.1

357. From July to September 1946, the retail prices of textiles have increased more than other items. These increases have been due in part to the reduced availability of textiles in the domestic market, owing to the appreciable revival of the export trade. These increases in price have caused discontent. The wear and tear of clothing during the war and immediate post-war period, have created an urgent need for replacements, which can only be satisfied if prices are low.

TABLE 68

INDICES OF PRICES

Retail price indices (December 1945=100) of haberdashery in Rome



358. To relieve this situation UNRRA has been importing in 1945-46 both used clothing for free distribution, and raw cotton and wool for the manufacture of new clothing-materials. Of the former 5,311,323 garments and 1,064,591 pairs of shoes were distributed between August 1, 1945, and November 15, 1946. Approximately 1,000 tons of raw cotton, imported under the 1945 programme, have already been manufactured into 1,500,000 articles of underwear which are now in the process of distribution free of charge. In accordance with the programme for 1946, the UNRRA Tessile (Textile) Committee arranged for the manufacture of a quantity of cotton textiles from 31,000 tons of UNRRA-imported raw cotton (see note to Table 47). These materials are being manufactured over a period of nine months commencing October, 1946. The schedule of deliveries by the mills forecast an output of 500,000 kilos in October, 1946, increasing to a maximum of 4,000,000 kilos in March and April, 1946. Distribution of approximately one third of the finished materials will be free, while the remaining two thirds will be sold at fixed low prices. The first free distribution will be made to hospitals and institutions only during the month of December. General distribution of low-priced goods will start in January 1947.

39,000 tons of raw wool and 10,000 tons of wool rags have been imported by UNRRA. Some part of these raw materials will be used for the manufacture of wool clothing-materials, but the quantity and the prices to be charged for its sale are still under discussion.

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State Monopolies

Salt.

359. As a result of war conditions, an acute shortage of salt was experienced throughout Italy after July 1943. The shortage was particularly severe in Northern Italy, because solar salt is mainly produced in Sicily and in Southern Italy. In 1944 and in 1945 when salt was rationed, the black market price of salt—especially north of the Gothic line—reached a very high peak (300 to 500 times the 1938 monopoly price). The black market was supplied by transitory producers along the coast and salt was frequently used in barter transactions. The situation showed an improvement when, in July 1945, controlled rationing (100 grams monthly per head against a pre-war consumption of about 200 grams) was introduced. In May 1946 salt rationing was repealed and salt was thereafter sold without restriction. (The production of edible salt during the first half of 1946 was 63 % that of the first half 1938). Retail salt prices, in September 1946, are below the index of inflation (see Table 69).

TABLE 69

Price of Salt in Italy: 1938 and 1944 to 1946

Date	Prices			Index numbers 1938 = 100	
				Prices	
	Official	Black Market	Index number (official price=1)	Official	Black market
	Lire per kilogram				
1938	1.50	1.50	1.0	100	100
January, 1944	10	240	24.0	667	16,000
April	10	160	16.0	667	10,667
July, 1945	20	45	2.5	1,333	3,000
August (1)	24	52	2.2	1,600	3,467
December	24	83	3.5	1,600	5,533
January, 1946	24	72	3.0	1,600	4,800
February	24	53	2.2	1,600	3,533
March	24	50	2.1	1,600	3,333
April	24	60	2.5	1,600	4,000
May	24	24	1.0	1,600	1,600
June	24	24	1.0	1,600	1,600

(1) In Central and Northern Italy, the black market price of salt was 150 to 160 lire per kilo.

Drugs.

The following were the official and black market prices of penicillin in Rome:

Date	Official price of UNRRA imported penicillin set in Sept. 1945	Black market price
	Lire per 100,000 units	
1944	—	10,000 to 20,000
1945, June - December	500	5,000 to 8,000
1946, January - May	500	5,000 to 8,000
1946, June	300	5,000 to 8,000
1946, August	—	700 to 800

The UNRRA import of 277,000 vials (of 100,000 units) in June and July 1946 was sufficient to meet requirements temporarily. The method of controlled distribution adopted, including the creation of stocks in the provinces for issue to hospitals and University centres, dealt a severe blow to the black market. The black market is now limited to purchases to meet exceptional cases. Some "stabilized" penicillin (not requiring special refrigerative treatment and not generally available) has recently appeared on the black market.

Tobacco.

361. Tobacco (especially cigarettes) has been, since July 1943 one of the principal products sold on the black market, and one of the most profitable—(American and British cigarettes arrived in large quantities on the black market). Table 70 shows the official and black market prices of cigarettes in Rome in October 1946.

The increase in prices of cigarettes, as compared with pre-war, is higher than the increase in the inflation index.

Public Utilities

362. Tables 71 and 72 (graph) show the trend of the prices of representative public utility and transport services. Here the prices are fixed by the State and there is little possibility of evasion. The increase in public utility rates from 1938 has been much less than the general increase in the retail price level and, except for telephone and telegram charges, is substantially below the increase in the currency circulation. Up to 1943 public utility charges were frozen at their pre-war level; in 1944 they were approximately doubled; in 1945 the

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The shortage was particularly severe in Northern Italy, because solar salt is mainly produced in Sicily and in Southern Italy. In 1944 and in 1945 when salt was rationed, the black market price of salt—especially north of the Gothic line—reached a very high peak (300 to 500 times the 1938 monopoly price). The black market was supplied by transitory producers along the coast and salt was frequently used in barter transactions. The situation showed an improvement when, in July 1945, controlled rationing (100 grams monthly per head against a pre-war consumption of about 200 grams) was introduced. In May 1946 salt rationing was repealed and salt was thereafter sold without restriction. (The production of edible salt during the first half of 1946 was 63 % that of the first half 1938). Retail salt prices, in September 1946, are below the index of inflation (see Table 69).

TABLE 69

Price of Salt in Italy: 1938 and 1944 to 1946

Date	Prices			Index numbers 1938 = 100	
				Prices	
	Official	Black Market	Index number (official price=1)	Official	Black market
	Lire per kilogram				
1938	1.50	1.50	1.0	100	100
January, 1944	10	240	24.0	667	16.000
April	10	160	16.0	667	10.667
July, 1945	20	45	2.5	1.333	3.000
August (1)	24	52	2.2	1.600	3.467
December	24	83	3.5	1.600	5.533
January, 1946	24	72	3.0	1.600	4.800
February	24	53	2.2	1.600	3.533
March	24	50	2.1	1.600	3.333
April	24	60	2.5	1.600	4.000
May	24	24	1.0	1.600	1.600
June	24	24	1.0	1.600	1.600

(1) In Central and Northern Italy, the black market price of salt was 150 to 160 lire per kilo.

Drugs.

360. The black market in medical drugs flourished in Italy from July 1943 till the close of 1945. The operators were mainly well-stocked wholesalers (especially in the North, where German stocks had accumulated), but pharmacists and other retailers and private speculators took part in the drugs black market, where even imported drugs were found. The highest peaks in price were obtained for insulin and penicillin.

	per ampoule set in Sept. 1945	
	Lire per 100,000 units	
1944	—	10,000 to 20,000
1945, June - December	500	5.000 to 8,000
1946, January - May	500	5.000 to 8,000
1946, June	300	5.000 to 8,000
1946, August	—	700 to 800

The UNRRA import of 277,000 vials (of 100,000 units) in June and July 1946 was sufficient to meet requirements temporarily. The method of controlled distribution adopted, including the creation of stocks in the provinces for issue to hospitals and University centres, dealt a severe blow to the black market. The black market is now limited to purchases to meet exceptional cases. Some "stabilized" penicillin (not requiring special refrigerative treatment and not generally available) has recently appeared on the black market.

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361. Tobacco (especially cigarettes) has been, since July 1943 one of the principal products sold on the black market, and one of the most profitable—(American and British cigarettes arrived in large quantities on the black market). Table 70 shows the official and black market prices of cigarettes in Rome in October 1946.

The increase in prices of cigarettes, as compared with pre-war, is higher than the increase in the inflation index.

PUBLIC UTILITIES

362. Tables 71 and 72 (graph) show the trend of the prices of representative public utility and transport services. Here the prices are fixed by the State and there is little possibility of evasion. The increase in public utility rates from 1938 has been much less than the general increase in the retail price level and, except for telephone and telegram charges, is substantially below the increase in the currency circulation. Up to 1943 public utility charges were frozen at their pre-war level; in 1944 they were approximately doubled; in 1945 the rates increased from 4 to 6 times. In 1946 public utility service charges departed from their pre-war interrelationship. Prices vary from about four times their 1938 level—for electric light, to 29 times—telegram rates. Most of these rates have, however, increased on the average to about 6 to 10 times the pre-war level. An increase in most public utility rates is to be anticipated in 1947.

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TABLE 70

Black Market Prices for Cigarettes in lire in Rome: 1938 and October 1946

Brand of cigarettes	Prices per 10 cigarettes				Index numbers (1938 = 100)	
	Official		Black market (Oct.)			
	1938	1946	October 1946	Official price = 1	Black Marcket Prices	Official Price
Italian:						
Nazionali	1.70	30	80	2.67	4,706	1,765
Macedonia	2.00	40	70	1.75	3,500	2,000
Giuba	2.50	50	100	2.00	4,000	2,000
Macedonia extra	3.20	60	110	1.83	3,438	1,875
Serraglio	3.50	75	120	1.60	3,429	2,143
American:						
Morris, Lucky Strike, Chesterfield, Old Gold	4.00	—	150	—	3,750	—
Pall Mall	—	—	165	—	—	—
English:						
Craven, Capstan and Gold Flake	4.00	—	125	—	3,125	—
Woodbine	—	—	100	—	—	—

TABLE 71

Rates in lire for Some Public Utility and Transport Services in Italy: 1938 to 1946

	Rates						Indices (1938 = 100)					
	Dec. 1938	Dec. 1942	Dec. 1944	Dec. 1945	Feb. 1946	Sept. 1946	Dec. 1938	Dec. 1942	Dec. 1944	Dec. 1945	Feb. 1946	Sept. 1946
1. *Postal rates:*												
Letter	0.50	0.50	1.00	2.00	4.00	4.00	100	100	200	400	800	800
Post-card	0.30	0.30	0.60	1.20	3.00	3.00	100	100	200	400	1,000	1,000
2. *Telegram* (10 words)	2.10	2.10	4.00	30.00	61.25	61.25	100	100	190	1,429	2,917	2,917
3. *Railway fares and rates* (1):												
Passengers 1st class	63.00	63.00	126.00	252.00	504.00	504.00	100	100	200	400	800	800
" 2nd "	43.00	43.00	86.00	172.00	258.00	258.00	100	100	200	400	600	600
" 3rd "	26.00	26.00	52.00	104.00	156.00	156.00	100	100	200	400	600	600
Goods (2):												
Wheat	28.64	28.64	68.74	137.47	297.84	297.84	100	100	240	480	1,040	1,040
Coal	26.16	26.16	62.64	125.28	261.76	261.76	100	100	240	480	1,003	1,003
Gasoline	56.65	56.65	135.96	271.92	553.04	553.04	100	100	240	480	976	976
Cement	30.59	30.59	73.42	146.83	315.12	315.12	100	100	240	480	1,030	1,030
Non-wrought iron in bars	36.85	36.85	88.44	176.88	366.56	366.56	100	100	240	480	995	995
4. *Yearly charge for use of radio*	81.00	81.00	81.00	162.00	420.00	420.00	100	100	100	200	519	519
5. *Electric power in Rome* (per kwh)	1.941	2.001	4.625	6.251	6.771	8.376	100	103	238	322	349	432
6. *Gas* Rome (per mc.)	0.777	0.817	0.977	4.650	5.650	5.650	100	105	126	598	727	727
Milan (per mc.)	0.670	—	—	7.666	7.660	8.320	100	—	—	1,143	1,143	1,242
7. *Streetcar fares*												

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			1946	price = 1		
Italian :						
Nazionali	1.70	30	80	2.67	4.706	1,765
Macedonia	2.00	40	70	1.75	3,500	2,000
Giuba	2.50	50	100	2.00	4,000	2,000
Macedonia extra	3.20	60	110	1.83	3.438	1,875
Serraglio	3.50	75	120	1.60	3,429	2,143
American :						
Morris, Lucky Strike, Chesterfield, Old Gold.	4.00	—	150	—	3,750	—
Pall Mall	—	—	165	—	—	—
English :						
Craven, Capstan and Gold Flake	4.00	—	125	—	3,125	—
Woodbine	—	—	100	—	—	—

TABLE 71

Rates in lire for Some Public Utility and Transport Services in Italy: 1938 to 1946

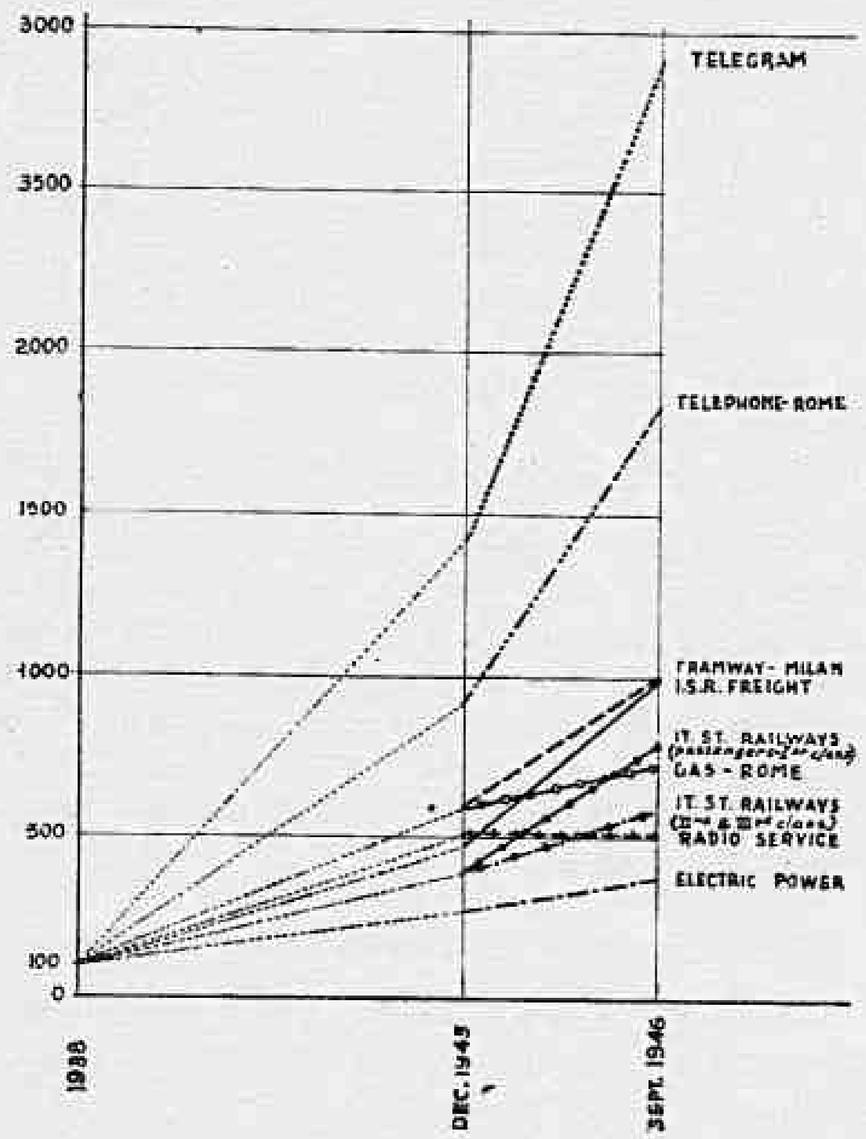
	Rates						Indices (1938 = 100)					
	Dec. 1938	Dec. 1942	Dec. 1944	Dec. 1945	Feb. 1946	Sept. 1946	Dec. 1938	Dec. 1942	Dec. 1944	Dec. 1945	Feb. 1946	Sept. 1946
1. *Postal rates :*												
Letter	0.50	0.50	1.00	2.00	4.00	4.00	100	100	200	400	800	800
Post-card	0.30	0.30	0.60	1.20	3.00	3.00	100	100	200	400	1,000	1,000
2. *Telegram* (10 words)	2.10	2.10	4.00	30.00	61.25	61.25	100	100	190	1,429	2,917	2,917
3. *Railway fares and rates* (1) :												
Passengers 1st class	63.00	63.00	126.00	252.00	504.00	504.00	100	100	200	400	800	800
» 2nd »	43.00	43.00	86.00	172.00	258.00	258.00	100	100	200	400	600	600
» 3rd »	26.00	26.00	52.00	104.00	156.00	156.00	100	100	200	400	600	600
Goods (2) :												
Wheat	28.61	28.61	68.74	137.47	297.81	297.84	100	100	240	480	1,040	1,040
Coal	26.10	26.10	62.64	125.28	261.76	261.76	100	100	240	480	1,003	1,003
Gasoline	56.65	56.65	135.96	271.92	553.04	553.04	100	100	240	480	976	976
Cement	30.59	30.59	73.42	146.83	315.12	315.12	100	100	240	480	1,030	1,030
Non-wrought iron in bars	36.85	36.85	88.44	176.88	366.56	366.56	100	100	240	480	995	995
4. *Yearly charge for use of radio*	81.00	81.00	81.00	162.00	420.00	420.00	100	100	100	200	519	519
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6. *Gas* Rome (per mc.)	0.777	0.817	0.977	4.650	5.650	5.650	100	105	126	598	727	727
Milan (per mc.)	0.670	—	—	7.660	7.660	8.320	100	—	—	1,143	1,143	1,242
7. *Street-car fares :*												
Milan	0.50	0.50	1.00	3.00	5.00	5.00	100	100	200	600	1,000	1,000
Rome	0.50	—	—	4.00	5.00	5.00	100	—	—	800	1,000	1,000
8. *Telephone* (Rome) (3)	586.50	586.50	598.00	5,429.00	5,429.00	10,858.00	100	100	102	926	926	1,851
9. *Taxi fares* (Rome) (4)	3.70	—	—	—	—	120.00	100	—	—	—	—	3,243

(1) Fare for 100 km. — (2) Rate for one ton for 100 km. — (3) Annual rate on the basis of 10 telephone calls per day for business organizations and 4 for homes. — (4) Two persons for two kilometers.
(See also table 72 (graph.).

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TABLE 72

PRICE INDICES OF SOME PUBLIC UTILITY SERVICES



GENERAL CONCLUSIONS

363. An examination of individual commodity prices and inter-price relationships and comparison with pre-war, throw light on the price distortions during the recent difficult period of Italian history. A most striking feature has been the occurrence, side by side with the official market, of an illegal market and of an open market. A black market exists for goods the prices and distribution of which are under Government control—for some commodities this market became even more important than the official market. There is also

be considered as of secondary importance during the war and up to July 1943, owing to the increasing importance of State-controlled distribution. From July 1943 up to the liberation of the North of Italy in April 1945 the black market (i.e. the market for goods for which official prices had been set), except for a few agricultural products and rationed foodstuffs was in Central and Southern Italy—the normal market for all transactions. The immediate after-liberation period saw the resumed intervention of the Government in price policy, but price fixing was confined to a limited number of commodities. With the setting up of the Republic, the Government extended the control over prices and distribution, including (in conjunction with UNRRA) goods imported by UNRRA, and took steps to limit the black market.

365. This situation, and the reduced possibilities of satisfactory statistical analysis owing to less organized collection of data, have made it difficult to follow closely price changes in the official, open and black markets, for individual commodities, groups of commodities or the position of all commodities taken together.

366. On the basis, however, of the data available, incomplete due to absence of records for a sufficient number of commodities and particularly because of the limited areas covered by the surveys made, the following points are of note:

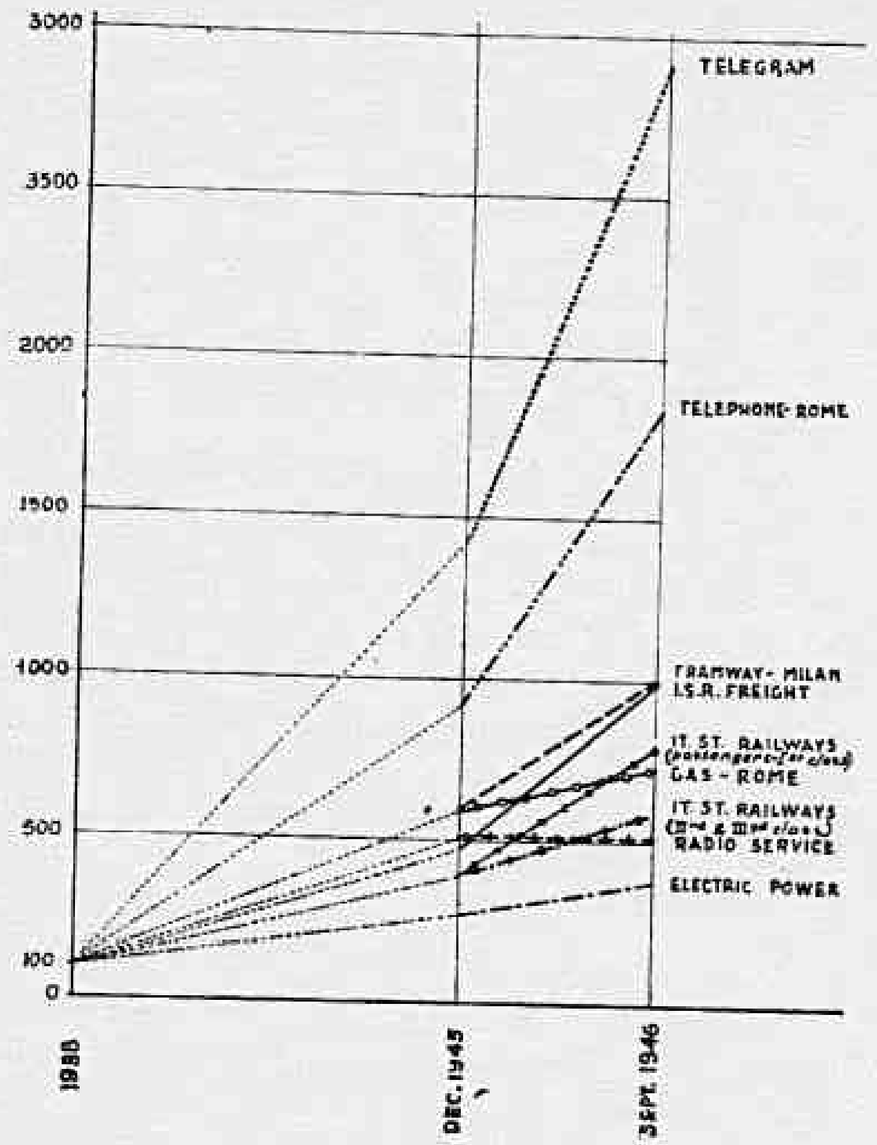
Wholesale Prices.

(a) *For Individual Commodities.*

(i) After December 1945 the margin between official and black market prices has tended to narrow as a result of the increase in official prices and the fall in black market prices. This adjustment, due mainly to larger imports, was clearly visible up to July 1946. Then came a reversal of the trend, which is still under way and is characterized by an upward movement of prices.

(ii) As regards prices of agricultural products and fertilizers—the position is as follows: (a) official prices keep in line, generally, with the level of the currency circulation (about 20 times over pre-war); and (b) free prices are at a level of about 40 to 50 times pre-war.

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GENERAL CONCLUSIONS

363. An examination of individual commodity prices and inter-price relationships and comparison with pre-war, throw light on the price distortions during the recent difficult period of Italian history. A most striking feature has been the occurrence, side by side with the official market, of an illegal market and of an open market. A black market exists for goods the prices and distribution of which are under Government control—for some commodities this market became even more important than the official market. There is also an open market for commodities not included in the Government's distribution control system.

364. A black market was present in Italy even prior to the war. It became more prominent during the war in that its operations extended to a larger number of commodities. The role of the black market in relation to the total volume of transactions can, however, when official prices had been set), except for a few agricultural products and rationed foodstuffs was in Central and Southern Italy—the normal market for all transactions. The immediate after-liberation period saw the resumed intervention of the Government in price policy, but price fixing was confined to a limited number of commodities. With the setting up of the Republic, the Government extended the control over prices and distribution, including (in conjunction with UNRRA) goods imported by UNRRA, and took steps to limit the black market.

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(ii) As regards prices of agricultural products and fertilizers—the position is as follows: (a) official prices keep in line, generally, with the level of the currency circulation (about 20 times over pre-war); and (b) free prices are at a level of about 40 to 50 times pre-war.

(iii) For prices of raw materials and of industrial products: (a) official prices are at about the level of the currency circulation; and (b) free prices are at 20 to 40 times the pre-war level.

(iv) The costs of building and house repair have increased over pre-war by about 26 times.

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(b) *For Groups of Commodities.*

Comparison of the movement of selling prices and the movement of costs shows that the situation of agricultural producers has improved substantially as compared with pre-war. The indications are that a similar improvement has occurred in industry.

(c) *For all commodities together* (index number of wholesale prices) sold at official and at free prices, it can be estimated roughly that the prices in September 1946 stood at a level of 32 to 38 times pre-war. The general index showed a marked rise in 1945 (in January 1945 it was 30 times over pre-war, while in November it was 37 times), followed by a consistent decline up to July 1946 (to a level of 29.5 times over 1938). This new level was near to January 1945 level and resulted from a readjustment of prices (official, black market and free prices) resulting partly from the import of UNRRA goods and partly from the expected more favourable financial, economic and political outlook for Italy.

(d) UNRRA price policy for UNRRA-imported goods (about two-thirds of the total value of Italian imports up to end October 1946) contributed towards reducing costs of production from imported raw materials. The fall in the level of prices did not result solely from the flow to the Italian market of commodities subject to price control but was also the result of indirect psychological influences favorable to price reduction. When it was generally known that the UNRRA program would be completed within a short time an upward movement of prices commenced which offset the effect of the larger UNRRA arrivals after August, 1946.

(e) The distributive margin between wholesale and retail prices, mainly of imported goods of which distribution is controlled, is higher than before the war. This is due to increase in taxes and in transportation and risk charges. Profits of intermediaries handling controlled commodities have been set officially at percentages not greatly differing from pre-war. Margins on uncontrolled goods sold at free prices on the open market have increased substantially.

Retail Prices.

(a) Foodstuffs

National Prices.

28 times for olive oil. The black market prices had increased from 44 times for bread, 68 for olive oil to 123 times for sugar.

(ii) The average national prices of commodities sold on the open market up to March 1946 increased from 30 to 86 times.

Prices in the Individual Communes in September 1946.

(i) The official prices of rationed foods had increased over pre-war: from 9 times (subsidized price of bread) to 43 times (olive oil).

(ii) The black market prices increased: from 32 times (bread) to 152 times (sugar).

(iii) The regional differences in retail prices declined substantially during 1946 up to July; afterwards they showed a tendency to increase.

(b) Prices of Commodities other than Food

Clothing and footwear in Rome: the price of footwear increased to December 1945 by about 55 times over pre-war and then fell to 47 times in June 1946. For other items of wearing apparel no comparison can be drawn with 1938 owing to changes in quality of the products. From December 1945 to September 1946 a substantial decline occurred in haberdashery, ranging from 20 % to 60 %.

(c) State Monopolies

The price of salt increased 16 times over pre-war. The official prices of cigarettes of indigenous production increased over pre-war: from 18 to 21 times. Black market prices increased from 34 to 47 times for Italian cigarettes and for American and British 31 to 38 times over pre-war.

(d) Public Utilities (Position in September 1946)

Public utilities rates are all official. They have, in general (except taxicab fares, which increased by 32 times over pre-war, and telegram rates, which increased by 22 times), maintained a lower level than the currency circulation. Electric power rates increased 4.3 times, postal tariff 8 to 10 times, railway fares 6 to 8, railway goods rates 9 to 10 times.

The variations in retail prices of all products and services follow the same trend as the wholesale prices but at a higher level.

Summary.

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improvement has occurred in industry.

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(e) The distributive margin between wholesale and retail prices, mainly of imported goods of which distribution is controlled, is higher than before the war. This is due to increase in taxes and in transportation and risk charges. Profits of intermediaries handling controlled commodities have been set officially at percentages not greatly differing from pre-war. Margins on uncontrolled goods sold at free prices on the open market have increased substantially.

Retail Prices.

(a) Foodstuffs

National Prices.

(i) The average national prices of rationed foods were published up to March 1946. Since then the prices in Italian cities only are available. Up to March 1946 official prices had increased over pre-war: from 10 times for bread (subsidized price) and 13 times for sugar, up to

Prices in the Individual Communes in September 1946.

(i) The official prices of rationed foods had increased over pre-war: from 9 times (subsidized price of bread) to 43 times (olive oil).

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The variations in retail prices of all products and services follow the same trend as the wholesale prices but at a higher level.

Summary.

367. As a general statement it can be said that the average level of prices for money transactions in all commodities and services from the end of 1945 to August 1946 has moved in harmony with the level of the currency circulation. This is a favorable element in any judgment made on the general situation.

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368. In August 1946 internal and international factors and the announcement of the termination of the UNRRA program caused a reversal of the trend. (In November 1946 the wholesale price index stands at about 35 times over pre-war). This noteworthy increase has probably resulted from a more unfavorable outlook and from the threat of inflation. The movement does not appear, however, to be gathering momentum.

369. The Italian economic situation, as a result of concomitant favorable circumstances, UNRRA assistance in 1946 and Italy's own efforts, is ready for recovery. The position in agricultural and industrial production and international trade suggests that after the signature of the peace treaty and with Italy's re-entry into the international monetary system, danger of a monetary and economic breakdown will have been definitely averted. Prices will, no doubt, increase further in the near future. Assuming reasonably normal conditions, prices should be capable of being adjusted, in 1947, to a level not very different from their level in November 1946.

30 November 1946.

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30 November 1946.

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NOTE REGARDING THE NINTH SUPPLEMENT IN THE SURVEY OF ITALY'S ECONOMY IN 1946

Section 3 of the Economic Supplements on Labor, Prices, Cost of Living and Wages in Italy, will include part four — Cost of Living and Wages in Italy. The tenth and Eleventh (i. e. the final) Supplements in the 1946 Economic Survey Series will deal with Italy's Foreign Trade.

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UNRRA MEDICAL PROGRAMME GOES WELL

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

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

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

Largest Distribution

The second and third general distributions, totalling 604 tons and 521 tons respectively, were completed last August (see *Economic*

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

23 More Laboratory Units

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

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ECONOMIC NOTES

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UNRRA MEDICAL PROGRAMME GOES WELL

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

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

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

Largest Distribution

The second and third general distributions, totalling 604 tons and 521 tons respectively, were completed last August (see *Economic Notes* No. 31, of 16 August, 1946). The first part of the fourth general distribution was completed in October, and delivery of the second, third and fourth parts is now proceeding. The fourth general distribution is the largest yet to be made. It comprises in all 1,836 tons of supplies, worth approximately 2,125,000 dollars (£531,250 sterling).

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

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

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

National Health Improves

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

	Death Rate per 1,000 population	Infant Mortality Rate per 1,000 live births	Tuberculosis Death Rate per 10,000 population
1940 . . .	11.61	75.13	12.21
1941 . . .	11.01	69.93	12.77
1942 . . .	12.29	83.84	17.25
1943 . . .	12.27	88.54	20.42
1944 . . .	19.52	121.40	25.01
1945 . . .	12.54	108.95	18.05
1946 . . .	11.18	75.15	17.45

Supplies for the fight against tuberculosis are still coming in. Distribution of 962 dozen X-ray films, chest size, valued at approximately 34,400 dollars (£8,600 sterling) has been completed, and the High Commissioner for Public Health and Hygiene has been requested to submit a distribution plan for a further 2,520 dozen X-ray films. So far 14 X-ray sets have been distributed.

With regard to penicillin and insulin, every and Hygiene has arranged for crystalline insulin imported by UNRRA to be processed and packed for future distribution, in order to maintain the supply of this essential drug.

Penicillin Supplies

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

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

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

Disinfestation Programme

The UNRRA national disinfestation programme for prisons and penitentiaries, and institutions for the sick, the aged and the poor, is making good progress in the majority of provinces. The work is being carried out, under the medici provinciali, by squads trained

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

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Disinfestation Programme

The UNRRA national disinfestation programme for prisons and penitentiaries, and institutions for the sick, the aged and the poor, is making good progress in the majority of provinces. The work is being carried out, under the medici provinciali, by squads trained by engineers of the Sanitary Section of the UNRRA Health Division. The Division has distributed to the medici provinciali 20 tons of 100 per cent. DDT, 40 tons of 10 per cent. DDT powder, and 400 sprayers. In certain provinces, Rome for instance, the disinfestation programme has already been completed, with satisfactory results.

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

Trachoma Control

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

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

UNRRA EXHIBITION IN ROME

An exhibition of UNRRA activities in Italy, sponsored by the UNRRA Italy Mission and the Italian Government Delegation for Relations with UNRRA, was opened at the Palazzo Venezia, in Rome, last Sunday, and will remain open until 15 January. Admission is free and the exhibition is open daily (including Sundays) from 10 o'clock in the [illegible] o'clock in the evening. At-

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

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

INDUSTRIAL RAW MATERIALS

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

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

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

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

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

RUBBER MANUFACTURE AND SUNDRY

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

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Rubber Manufacture and Sundry

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

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

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

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Lumber:
3,578 tons.

Fire clay:
3,000 tons of the following types:— Type V2, containing 37.23 % Al_2O_3 and 2.03 % Fe_2O_3; Type V3, containing 33.5 % Al_2O_3 and 2.06 % Fe_2O_3.

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

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

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

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

Shellac:
62 tons.

Petroleum coke calcined:
4,312 tons.

Colophony:
900 tons.

Magnesite bricks:
417 tons.

Pharmaceutical

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

CHESTNUT BLIGHT

If the chestnut blight now spreading through Italian woods causes as much damage propor-

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

Yearly Food Production

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

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

Long-Term Plans

The Experimental Forestry Station in Florence, working in conjunction with the Vegetable Pathology Station in Rome, has

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Fe_2O_3.

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Liver extract	897	..
Belladonna leaves	1,015	..
Belladonna roots	191.5	..
Methyl alcohol	7,380	..
Ethyl alcohol	800	quintals
Ascorbic acid	50	..

CHESTNUT BLIGHT

If the chestnut blight now spreading through Italian woods causes as much damage proportionately, as it has in the United States, Italy will be faced with an annual loss of food and timber estimated at some 14,500 million lire. This is the conclusion reached by Professor Aldo Pavari, Director of the Experimental Forestry Station of Florence, who has lately returned from a tour of research and inspection in the United States, carried out under the auspices of the UNRRA Italy Mission.

ally wiped out indigenous chestnut trees in the United States during the last 30 years, has made its appearance in several Regions of Italy. It is worst in Liguria, where it first appeared in its most virulent form, and it is now spreading to Piedmont. There have been outbreaks also in Campania (between Nola and Avellino), Udine province and the Pistoiese Appennines (between Florence and Bologna).

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

Long-Term Plans

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

Continued on Page 6

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(29 NOVEMBER - 1 DECEMBER INCLUSIVE)

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

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

LATEST COAL SHIPMENTS

(29 NOVEMBER - 5 DECEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Benjamin H. Bristow	Savona	29 November	United States	UNRRA	8,782
Lesvos	Genoa	» »	» »	»	8,586
Nachman Syrkin	Savona	30 »	» »	Swiss	9,445
James K. Paulding	Genoa	» »	» »	UNRRA	8,889
Harry Kirby	Naples / Torre Annunziata	» »	» »	UNRRA & It. Govt.	13,758
Robert R. McBurney	Genoa	5 December	» »	UNRRA	8,944
Charles A. Dana (1)	Leghorn	1 »	» »	»	7,112
Richard J. Hopkins	Civitavecchia	» »	» »	It. Govt.	9,328
Fort McMurray	Ancona	» »	South Africa	UNRRA	7,599
Frederic A. Kummer	Genoa / Leghorn	2 »	United States	»	15,705
	Venice	4 »	» »	»	8,889
		2 »	» »	»	9,151

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(29 NOVEMBER - 5 DECEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Benjamin H. Bristow	Savona	29 November	United States	UNRRA	8,782
Lesvos	Genoa	" "	" "	"	8,586
Nachman Syrkin	Savona	30 "	" "	Swiss	9,445
James K. Paulding	Genoa	" "	" "	UNRRA	8,889
Harry Kirby	Naples / Torre Annunziata	" "	" "	UNRRA & It. Govt.	13,758
Robert R. McBurney	Genoa	5 December	" "	UNRRA	8,944
Charles A. Dana (1)	Leghorn	1 "	" "	"	7,112
Richard J. Hopkins	Civitavecchia	" "	" "	It. Govt.	9,328
Fort McMurray	Ancona	" "	South Africa	UNRRA	7,599
Frederic A. Kummer	Genoa / Leghorn	" "	United States	"	15,705
Seaman A. Knapp	Venice	2 "	" "	"	8,889
Francis D. Culkin	"	" "	" "	"	9,151
Charles Lykes	"	" "	" "	Commercial	3,525
Walker D. Hines	Messina	" "	" "	UNRRA	9,164
William Terry Howell	Naples	4 "	" "	"	9,370
Nathan Clifford	Venice	" "	" "	"	8,655
Lunsford Richardson	Savona	5 "	" "	Swiss	9,410
Panaghiotis	"	" "	Turkey	"	5,750
Morris C. Feinstone	Genoa	" "	United States	UNRRA	8,506

NOTE: (1) Also discharged at Civitavecchia.

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TRACTOR IMPORTS

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

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

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

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

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

Continued from Page 4

CHESTNUT BLIGHT

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

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

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December 13, 1946 Vol. I, No. 48

ECONOMIC NOTES

Published Weekly in English and Italian

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

CONTENTS

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

UNRRA MEDICAL PROGRAMME GOES WELL

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

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

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

Largest Distribution

The second and third general distributions, totalling 604 tons and 521 tons respectively, were completed last August (see *Economic*

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

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

23 More Laboratory Units

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

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Largest Distribution

The second and third general distributions, totalling 604 tons and 521 tons respectively, were completed last August (see *Economic Notes* No. 31, of 16 August, 1946). The first part of the fourth general distribution was completed in October, and delivery of the second, third and fourth parts is now proceeding. The fourth general distribution is the largest yet to be made. It comprises in all 1,836 tons of supplies, worth approximately 2,125,000 dollars (£531,250 sterling).

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

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

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

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

National Health Improves

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

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

Supplies for the fight against tuberculosis are still coming in. Distribution of 962 dozen X-ray films, chest size, valued at approximately 34,400 dollars (£8,660 sterling) has been completed, and the High Commissioner for Public Health and Hygiene has been requested to submit a distribution plan for a further 2,529 dozen X-ray films. So far 14 X-ray sets have been distributed.

With regard to penicillin and insulin, every effort has been made to procure sufficient and Hygiene has arranged for crystalline insulin imported by UNRRA to be processed and packed for future distribution, in order to maintain the supply of this essential drug.

Penicillin Supplies

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

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

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

Disinfestation Programme

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

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

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

Trachoma Control

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

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

UNRRA EXHIBITION IN ROME

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

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

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

INDUSTRIAL RAW MATERIALS

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

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

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

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

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

RUBBER MANUFACTURE AND SUNDRY

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improvement and development of nurses' training schools.

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

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Rubber Manufacture and Sundry

Sanocure:

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

Crude rubber:

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

Carbon black:

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

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Lumber:
3,578 tons.

Fire clay:
3,690 tons of the following types:— Type V2, containing 37.23 % Al_2O_3 and 2.33 % Fe_2O_3; Type V3, containing 33.5 % Al_2O_3 and 2.06 % Fe_2O_3.

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

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

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

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

Shellac:
62 tons.

Petroleum coke calcined:
4,312 tons.

Colophony:
900 tons.

Magnesite bricks:
417 tons.

PHARMACEUTICAL

Acetone	6,531	kilograms
Codeine phosphate	23.68	,,
Codeine sulphate	50.7	,,
Corn syrup	3,451	,,
Opium blocks	1,814	,,
Emetina	10	,,
Theobromine	100	,,
Toluol	2,133.7	,,
Progesterone	1	,,
Papaverine	90.7	,,
Liver extract	897	,,
Belladonna leaves	1,015	,,
Belladonna roots	191.5	,,
Methyl alcohol	7,380	,,
Ethyl alcohol	800	quintals
Ascorbic acid	50	,,

CHESTNUT BLIGHT

If the chestnut blight now spreading through Italian woods causes as much damage proportionately, as it has in the United States, Italy will be faced with an annual loss of food and

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

Yearly Food Production

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

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

Long-Term Plans

The Experimental Forestry Station in Florence, working in conjunction with the Vegetable Pathology Station in Rome, has drawn up a plan for long-term control of chest-

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Fe_2O_3.

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Kaolin:

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62 tons.

Petroleum coke calcined:

4,312 tons.

Colophony:

900 tons.

Magnesite bricks:

417 tons.

Pharmaceutical.

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

CHESTNUT BLIGHT

If the chestnut blight now spreading through Italian woods causes as much damage proportionately, as it has in the United States, Italy will be faced with an annual loss of food and timber estimated at some 14,500 million lire. This is the conclusion reached by Professor Aldo Pavari, Director of the Experimental Forestry Station of Florence, who has lately returned from a tour of research and inspection in the United States, carried out under the auspices of the UNRRA Italy Mission.

of food as well. This blight, which has virtually wiped out indigenous chestnut trees in the United States during the last 30 years, has made its appearance in several Regions of Italy. It is worst in Liguria, where it first appeared in its most virulent form, and it is now spreading to Piedmont. There have been outbreaks also in Campania (between Nola and Avellino), Udine province and the Pistoiese Appennines (between Florence and Bologna).

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

Long-Term Plans

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

Continued on Page 6

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(29 NOVEMBER - 1 DECEMBER INCLUSIVE)

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

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

LATEST COAL SHIPMENTS

(29 NOVEMBER - 5 DECEMBER INCLUSIVE)

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

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Seaman A. Knapp	Venice	2 »	» »	»	8,889
Francis D. Culkin	»	» »	» »	»	9,151
Charles Lykes	»	» »	» »	Commercial	3,525
Walker D. Hines	Messina	» »	» »	UNRRA	9,164
William Terry Howell	Naples	4 »	» »	»	9,370
Nathan Clifford	Venice	» »	» »	»	8,655
Lunsford Richardson	Savona	5 »	» »	Swiss	9,410
Panaghiotis	»	» »	Turkey	»	5,750
Morris C. Feinstone	Genoa	» »	United States	UNRRA	8,506

NOTE: (1) Also discharged at Civitavecchia.

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December 6, 1946 Vol. I, No. 47

ECONOMIC NOTES

Published Weekly in English and Italian

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

PRICE POLICY FOR UNRRA GOODS

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

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

Supplies and Prices

This clause in the agreement is itself based on UNRRA Resolution No. 7 (governing UNRRA policy throughout the world) which prescribes that "prices should be set at such [illegible] the flow of supplies into

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

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

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This clause in the agreement is itself based on UNRRA Resolution No. 7 (governing UNRRA policy throughout the world) which prescribes that "prices should be set at such levels as to facilitate the flow of supplies into the proper hands, and to avoid maladjustments in the price structure"; and that "distribution of relief and rehabilitation supplies should take place under effective rationing and price controls."

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

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Payments to Lire Fund

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

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

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

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

Handling Charges

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

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

Several factors govern the fixing of prices for UNRRA imports. These imports can be divided into two large categories—consumer supplies (including durable goods like agricultural machinery) and raw materials for processing in the industrial rehabilitation programs. The general principle followed by the Government is that the prices of similar or equal goods already on the market should be taken into consideration, to avoid a dual pricing system and the danger of speculative resale and disruption of organized distribution.

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

Reducing Domestic Prices

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

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

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

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

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Fund from the sale of UNRRA commodities.

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

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Control of Profits

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

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

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

Smooth Transition

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

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

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

COAL OUTLOOK

Coal allocations for Italy from Eastern Hemisphere sources of supply are to be agreed in London this week by the European Coal

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

December Allocations

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

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

Preferential Consumers

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

Should the strike in the United States end early in December, shipments to Italy could

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

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

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

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FOOD PRICES FIXED

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

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

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

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

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

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

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

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

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

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

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

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

UNRRA Sugar Imports

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

Some 2,415 tons of candy bars are covered by the Price Committee's recommendation. Approximately 791 tons will be distributed as a free issue through UNRRA Welfare channels on a scale of 100 grams (a little under 1 lb.) per person to all recipients of UNRRA assistance. Some 144 tons will be available for free issue, on the same ration scale, to sick persons in hospital. This distribution, spread over a period of three months, will be under the control of SEPRAL (Sezione Provinciale per l'Alimentazione).

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

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

ALLOCATIONS TO INDUSTRY

The Central Industrial Commission announces that 9,500 tons of steel, 7,700 tons of pig-iron and 15,300 tons of other essential metals and ores, imported by UNRRA, will be available for January allocation by the Italian Government to industries requiring these materials for essential production.

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

Industrialists may now make bids for allocations on a total of more than 45,000 tons of 39 different essential industrial materials. This is the second major series of industrial allocations. The first, in November, covered a total of 70,000 tons of raw materials. These materials are part of the UNRRA raw material

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Chicken haddie and ground fish, including ground pilchards, will be issued only to approved industrial and communal messes in urban centres. The other fish and the meat products will be issued only to special classes, on authorized ration scales.

1 lb.) per person to all recipients of UNRRA assistance. Some 144 tons will be available for free issue, on the same ration scale, to sick persons in hospital. This distribution, spread over a period of three months, will be under the control of SEPRAL (Sezione Provinciale per l'Alimentazione).

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

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

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

Continued on Page 6

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(23 - 28 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Sfinge	Venice	23 November	It. Government	Minerals	4,200
Adjutant (1)	Naples	24 »	UNRRA	General	350
Alisa	»	» »	»	»	1,332
Olancho	Catania	» »	»	Cereals	5,399
Ulisse	Palermo	» »	It. Government	Minerals	3,430
Bestik	Leghorn	25 »	UNRRA	»	3,612
Halaula Victory	Naples	» »	»	General	2,983
Mont Alta	Bari	» »	»	»	2,547
Katoomba	Genoa	» »	»	Minerals	803
Nereus	»	» »	Swiss	Cereals	8,690
City of Athens	»	26 »	UNRRA	General	11
Penelope	»	27 »	»	General Cereals	2,838 5,513
Cape Nun	»	» »	»	Wool	147
Burbank Victory	»	» »	»	General	1,773
Meridian Victory	»	» »	»	»	1,385
Bravo	Genoa	28 »	»	»	120
American Press	Venice	» »	»	»	1,207
Cervino	La Spezia	» »	It. Government	Minerals	7,300

NOTE: (1) Also discharged at Genoa.

LATEST COAL SHIPMENTS

(22 - 27 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Arunah S. Abell	Venice	22 November	United States	UNRRA	9,305
Teresa Schiaffino	Savona	24 »	Germany	»	7,118
Charles N. Cole	»	» »	United States	Swiss	9,608
Florence Martus	Genoa	» »	» »	UNRRA	9,342
Chem Jones	Venice	» »	» »	It. Gov.	8,667
Hollypark (1)	Ancona	» »	South Africa	UNRRA	5,080
	Bagnoli	25 »	Germany	»	7,504
					9,564

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Sfinge	Venice	23 November	It. Government	Minerals	4,200
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SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Arunah S. Abell	Venice	22 November	United States	UNRRA	9,365
Teresa Schiaffino	Savona	24 »	Germany	»	7,10[illegible]
Charles N. Cole	»	» »	United States	Swiss	9,608
Florence Martus	Genoa	» »	» »	UNRRA	9,342
Chem Jones	Venice	» »	» »	It. Gov.	8,667
Hollypark (1)	Ancona	» »	South Africa	UNRRA	5,080
Nirvo	Bagnoli	25 »	Germany	»	7,504
Joseph C. Lincoln	Genoa	26 »	United States	»	9,364
Bullaren	»	27 »	South Africa	»	5,028
Charles A. Dana	Civitavecchia	» »	United States	»	9,435
Baron Stranraer	Leghorn	» »	South Africa	»	5,350

NOTE: (1) Also discharged at Bari.

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December 6, 1946 Vol. I, No. 47

ECONOMIC NOTES

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

PRICE POLICY FOR UNRRA GOODS

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

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

Supplies and Prices

This clause in the agreement is itself based on UNRRA Resolution No. 7 (governing UNRRA policy throughout the world) which prescribes that "prices should be set at such

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

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

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Supplies and Prices

This clause in the agreement is itself based on UNRRA Resolution No. 7 (governing UNRRA policy throughout the world) which prescribes that "prices should be set at such levels as to facilitate the flow of supplies into the proper hands, and to avoid maladjustments in the price structure"; and that "distribution of relief and rehabilitation supplies should take place under effective rationing and price controls."

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

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

Payments to Lire Fund

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

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

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

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

Handling Charges

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

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

Several factors govern the fixing of prices for UNRRA imports. These imports can be divided into two large categories—consumer supplies (including durable goods like agricultural machinery) and raw materials for processing in the industrial rehabilitation pro-

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

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

Reducing Domestic Prices

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

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

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

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

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

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Control of Profits

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

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

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

Smooth Transition

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

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

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

COAL OUTLOOK

Coal allocations for Italy from Eastern Hemisphere sources of supply are to be agreed [illegible] by the European Coal

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

December Allocations

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

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

Preferential Consumers

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

Should the strike in the United States end

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COAL OUTLOOK

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

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

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

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FOOD PRICES FIXED

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

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

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

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

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

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

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

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

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

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

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

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

UNRRA Sugar Imports

The sugar to which the above price decision refers consists of UNRRA-imported supplies. The figure of 115 lire per kilogram fixed by the Price Committee is the same as the con-

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

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

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

ALLOCATIONS TO INDUSTRY

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

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

Industrialists may now make bids for allocations on a total of more than 45,000 tons of 30 different essential industrial materials. This is the second major series of industrial allocations. The first, in November, covered a

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

Chicken haddie and ground fish, including ground pilchards, will be issued only to approved industrial and communal messes in urban centres. The other fish and the meat products will be issued only to special classes, on authorized ration scales.

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Continued on Page 6

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Ulisse	Palermo	» »	It. Government	Minerals	3,430
Bestik	Leghorn	25 »	UNRRA	»	3,612
Halaula Victory	Naples	» »	»	General	2,983
Mont Alta	Bari	» »	»	»	2,547
Katoomba	Genoa	» »	»	Minerals	803
Nereus	»	» »	Swiss	Cereals	8,690
City of Athens	»	26 »	UNRRA	General	11
Penelope	»	27 »	»	General Cereals	2,838 5,513
Cape Nun	»	» »	»	Wool	147
Burbank Victory	»	» »	»	General	1,773
Meridian Victory	»	» »	»	»	1,385
Bravo	Genoa	28 »	»	»	120
American Press	Venice	» »	»	»	1,207
Cervino	La Spezia	» »	It. Government	Minerals	7,300

NOTE: (1) Also discharged at Genoa.

LATEST COAL SHIPMENTS

(22 - 27 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Arunah S. Abell	Venice	22 November	United States	UNRRA	9,305
Teresa Schiaffino	Savona	24 »	Germany	»	7,148
Charles N. Cole	»	» »	United States	Swiss	5,415
Florence Martus	Genoa	» »	» »	UNRRA	9,342
Chem Jones	Venice	» »	» »	It. Gov.	8,667
Hollyark (1)	Ancona	» »	South Africa	UNRRA	5,080
				»	7,504

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SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Sfinge	Venice	23 November	It. Government	Minerals	4,200
Adjutant (1)	Naples	24 »	UNRRA	General	350
Alisa	»	» »	»	»	1,332
Olancho	Catania	» »	»	Cereals	5,399
Ulisse	Palermo	» »	It. Government	Minerals	3,430
Bestik	Leghorn	25 »	UNRRA	»	3,612
Halaula Victory	Naples	» »	»	General	2,983
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Chem Jones	Venice	» »	» »	It. Gov.	8,667
Hollypark (1)	Ancona	» »	South Africa	UNRRA	5,080
Nirvo	Bagnoli	25 »	Germany	»	7,504
Joseph C. Lincoln	Genoa	26 »	United States	»	9,364
Bullaren	»	27 »	South Africa	»	5,028
Charles A. Dana	Civitavecchia	» »	United States	»	9,435
Baron Stranraer	Leghorn	» »	South Africa	»	5,350

NOTE: (1) Also discharged at Bari.

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December 6, 1946 Vol. I, No. 47

ECONOMIC NOTES

Published Weekly in English and Italian

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

CONTENTS

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

PRICE POLICY FOR UNRRA GOODS

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

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

Supplies and Prices

This clause in the agreement is itself based on UNRRA Resolution No. 7 (governing UNRRA policy throughout the world) which [illegible] that "prices should be set at such

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

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

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Supplies and Prices

This clause in the agreement is itself based on UNRRA Resolution No. 7 (governing UNRRA policy throughout the world) which prescribes that "prices should be set at such levels as to facilitate the flow of supplies into the proper hands, and to avoid maladjustments in the price structure"; and that "distribution of relief and rehabilitation supplies should take place under effective rationing and price controls."

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

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Payments to Lire Fund

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

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

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

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

Handling Charges

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

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

Several factors govern the fixing of prices for UNRRA imports. These imports can be divided into two large categories—consumer supplies (including durable goods like agricultural machinery) and raw materials for the Government is that the prices of similar or equal goods already on the market should be taken into consideration, to avoid a dual pricing system and the danger of speculative resale and disruption of organized distribution.

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

Reducing Domestic Prices

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

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

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

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

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

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Control of Profits

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

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

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

Smooth Transition

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

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

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

COAL OUTLOOK

Coal allocations for Italy from Eastern Hemisphere sources of supply are to be agreed in London this week by the European Coal very large. Production in the Ruhr has declined—owing, chiefly, to food shortage. Deliveries from Silesia are restricted, because of the limited number of railway wagons which Italy has available at the present time.

December Allocations

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

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

Preferential Consumers

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

Should the strike in the United States end [illegible] December, shipments to Italy could

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COAL OUTLOOK

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

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

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

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FOOD PRICES FIXED

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

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

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

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

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

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

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

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

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

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

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

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

UNRRA Sugar Imports

The sugar to which the above price decision refers consists of UNRRA-imported supplies. The figure of 115 lire per kilogram fixed by the Price Committee is the same as the con-

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

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

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

ALLOCATIONS TO INDUSTRY

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

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

Industrialists may now make bids for allocations on a total of more than 45,000 tons of 30 different essential industrial materials. This is the second major series of industrial allocations. The first, in November, covered a total of 70,000 tons of raw materials. These

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Committee.

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

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

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

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

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

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

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

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

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

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

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

UNRRA Sugar Imports

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

Chicken haddie and ground fish, including ground pilchards, will be issued only to approved industrial and communal messes in urban centres. The other fish and the meat products will be issued only to special classes, on authorized ration scales.

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Continued on Page 6

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(23 - 28 NOVEMBER INCLUSIVE)

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Sfinge	Venice	23 November	It. Government	Minerals	4,200
Adjutant (1)	Naples	24 »	UNRRA	General	350
Alisa	»	» »	»	»	1,332
Olancho	Catania	» »	»	Cereals	5,399
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SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Sfinge	Venice	23 November	It. Government	Minerals	4,200
Adjutant (1)	Naples	24 »	UNRRA	General	350
Alisa	»	» »	»	»	1,332
Olancho	Catania	» »	»	Cereals	5,399
Ulisse	Palermo	» »	It. Government	Minerals	3,430
Bestik	Leghorn	25 »	UNRRA	»	3,612
Halaula Victory	Naples	» »	»	General	2,983
Mont Alta	Bari	» »	»	»	2,547
Katoomba	Genoa	» »	»	Minerals	803
Nereus	»	» »	Swiss	Cereals	8,690
City of Athens	»	26 »	UNRRA	General	11
Penelope	»	27 »	»	General Cereals	2,838 5,513
Cape Nun	»	» »	»	Wool	147
Burbank Victory	»	» »	»	General	1,773
Meridian Victory	»	» »	»	»	1,385
Bravo	Genoa	28 »	»	»	120
American Press	Venice	» »	»	»	1,207
Cervino	La Spezia	» »	It. Government	Minerals	7,300

NOTE: (1) Also discharged at Genoa.

LATEST COAL SHIPMENTS

(22 - 27 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Arunah S. Abell	Venice	22 November	United States	UNRRA	9,305
Teresa Schiaffino	Savona	24 »	Germany	»	7,748
Charles N. Cole	»	» »	United States	Swiss	9,608
Florence Martus	Genoa	» »	» »	UNRRA	9,342
Chem Jones	Venice	» »	» »	It. Gov.	8,667
Hollypark (1)	Ancona	» »	South Africa	UNRRA	5,080
Nirvo	Bagnoli	25 »	Germany	»	7,504
Joseph C. Lincoln	Genoa	26 »	United States	»	9,364
Bullaren	»	27 »	South Africa	»	5,028
Charles A. Dana	Civitavecchia	» »	United States	»	9,435
Baron Stanraer	Leghorn	» »	South Africa	»	5,350

NOTE: (1) Also discharged at Bari.

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November 29, 1946

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ECONOMIC NOTES

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2. More Steel Produced
3. Steel Price Decisions
4. Movements of Ships

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The Washington Conferences were concerned with plans for the completion of UNRRA's world-wide programme of relief and rehabilitation. The aim was to prepare an accurate picture of what supplies Italy, and the other countries receiving UNRRA aid, would, and would not, get. In general, the results for Italy were good. There was in Washington real understanding and sympathy for Italy's economic burdens, and an atmosphere which promises well for Italy's future.

Deliveries Beyond December

It was confirmed in Washington that [illegible] would not stop on 31 December. At the outset the Government provided the specifications for the kinds and quantities of supplies needed under the expanded UNRRA programme in Italy, which began early this year. UNRRA undertook to procure those goods in so far as world supply conditions and available funds permitted, and to deliver them to Italian ports. The Government assumed responsibility for the methods of distribution, with the advice of UNRRA.

Towards National Reconstruction

A first objective was to bring in the immediate necessities of food and medical supplies. More important, from a long-range point of view, was to lay a foundation upon which Italian industry and agriculture could take over the task of providing for the Italian people, and make a good start towards national reconstruction. That has been done.

Of the total of 10,000,000 tons of supplies programmed for Italy by UNRRA, 7,000,000 tons, worth about 275,000,000 dollars (£68,750,000 sterling), have already reached Italian ports. Those supplies, contributed free to the Italian Government by the 48 United [illegible] members of UNRRA, have

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Deliveries Beyond December

It was confirmed in Washington that UNRRA aid should not stop on 31 December. Assistance will not end until all the UNRRA funds allocated for Italy are spent. UNRRA supplies will continue to arrive at least through the first quarter of 1947, and probably even a little later.

UNRRA aid to Italy has been a jointly planned enterprise, between the Italian Government and the UNRRA Italy Mission. At the outset the Government provided the specifications for the kinds and quantities of supplies needed under the expanded UNRRA programme in Italy, which began early this year. UNRRA undertook to procure those goods in so far as world supply conditions and available funds permitted, and to deliver them to Italian ports. The Government assumed responsibility for the methods of distribution, with the advice of UNRRA.

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Aid to Italy, over the entire period of UNRRA assistance, will total the equivalent of over 400,000,000 dollars, more than 100,000

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million lire, plus the very large freight costs, which UNRRA also pays. This assistance comes from more than 20 different countries, the gift of the United Nations as a whole. Because of rising costs, this money is not buying as much food and fuel and raw materials as had been hoped. But it is still buying tremendous quantities of supplies which Italy vitally needs—grain, petroleum products, coal, medicines, fertilizers, cotton, wool and many others.

The task of procuring those supplies has been great. UNRRA is not a gigantic world warehouse from which supplies can be called forward at will. UNRRA is one applicant among many for supplies, and is completely dependent upon those supplies which the contributing nations are willing to release for export. From the beginning, military requirements have had a higher priority than UNRRA. In this period of post-war reconstruction, many countries need identically the same goods as Italy. Demands are greater than ever before, and supplies less.

Shortage of Shipping

Supplies and funds available have not been the only problem. There is also the key problem of shipping. UNRRA must depend upon the shipping space available. Until mid-year, this was still difficult to get. The recent maritime strikes caused a recurrence of the shipping shortage for two months and resulted in a delay of many weeks in the arrival of some UNRRA imports. But, provided there are no more strikes, shipping should not be a major problem again.

In spite of unexpected difficulties, delays and strikes, UNRRA has already brought in almost three-quarters of the supplies programmed for Italy. During October, for example, in spite of the United States maritime strike, UNRRA goods made up nearly 400,000 tons of about 600,000 tons actually discharged. UNRRA brought in almost 90 per cent. of the October coal imports.

Almost 75,000,000 dollars' worth of UNRRA bread-cereals, not including freight costs, have been delivered to Italy to date. This means that about one-fourth of the bread purchased on Italian ration cards this year has by value, of UNRRA food supplies programmed for Italy have arrived and the great bulk of these have already been eaten. This represents food for the general population, as well as special assistance for the needy children and mothers.

In fulfilment of its medical programme, UNRRA has delivered more than 6,000 tons of hospital equipment, penicillin, DDT, ambulances and drugs—more than two-thirds, by value, of the programme of medical and sanitation supplies.

Industrial Production Doubled

During the period of UNRRA assistance, Italian industrial production has about doubled and now stands at about 65 per cent. of the pre-war level—though naturally, the effect of the maritime and coal strikes will temporarily reduce this level.

Among recent UNRRA deliveries has been the arrival during the past month of 4,500 more tons of rubber. Factories and homes in heavily damaged areas are being reconstructed with building materials produced and transported, thanks to UNRRA-imported fuel. During November, the Government allocated to industrial users 70,000 tons of strategic UNRRA materials—including pig-iron, manganese and chromite for steel-making; colophony for soap, paper and other industries; coal tar solvents for a wide range of essential industrial processes; and copper for the railways. Additional quantities of key industrial materials have arrived and will shortly be available for allocation.

Of the total industrial rehabilitation supplies scheduled for Italy, substantially more than 3,000,000 tons have already arrived and the programme is about 70 per cent. complete.

Help for Agriculture

In the agricultural programme, 14,000 tons of seed, notably potato and forage seed, have already reached Italy. UNRRA has provided pesticides, and more than 50,000 tons of fertilizer. Of about 300 tractors scheduled for Italy, half have already arrived and have been turned over to the Government for use in the proposed tractor-pool programme. That plan,

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Almost 75,000,000 dollars' worth of UNRRA bread-cereals, not including freight costs, have been delivered to Italy to date. This means that about one-fourth of the bread purchased on Italian ration cards this year has come from UNRRA cereals.

Of the edible fats and oils programmed for Italy, 34,000 tons have already been delivered. Fifty-three thousand tons of sugar were brought in during the deficiency period prior to the harvest. In general, about 65 per cent.,

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domestic tractor production and these machines will not be available for private purchase.

To help to provide clothing and blankets for Italians who need them most—at prices they can afford to pay—UNRRA has delivered almost 35,000 tons of raw cotton and more than half of a scheduled programme of 39,000 tons of raw wool. Under the plan now being administered by the Government's newly-created UNRRA-Tessili organization, some of these textiles are already in production. About one-third of the cotton goods will be distributed to the neediest, free of charge. The remainder will be sold at very low prices, based solely on the cost of manufacture, and not including the cost of raw materials. A plan for wool textiles is also being developed by the Government.

Special praise is due to Italy's dock and railway workers for the speed with which they have unloaded and moved UNRRA supplies. At peak, Italy's ports have handled more than a million tons a month, equalling and exceeding pre-war records with far less equipment. Some 4,000 tons of port equipment purchased by UNRRA from military surplus, are now beginning to arrive and should facilitate port operations.

Grain a World Problem

The world grain situation is causing concern throughout both hemispheres. There is not, and will not be, enough grain to meet all the world's demands in the coming months.

The Italian Government and UNRRA are working in the closest co-operation to promote the earliest possible arrival of bread cereals, and to put Italy in the best possible position to continue to procure cereals between the end of the UNRRA programme and the next harvest. The Government, on its own account, is in direct contact with grain supplying countries. The amassing returns show great improvement over last year, although the results are still not good enough in the light of the world grain shortage. As a result of new ammasi enforcement measures, UNRRA is hopeful that the collection goals will soon be met, at least in most provinces.

UNRRA wishes to compliment the Government on the new programme to control the

UNRRA—have differed somewhat on account of strikes in the United States—first, the coal strike in April, then the maritime strikes in September and October and now the new coal strike. UNRRA had hoped to have the entire UNRRA coal programme—more than 5,500,000 tons—delivered to Italy by January. With the end of the maritime strikes, it looked as if UNRRA could complete those imports some time in February. Now the most that can be said is that UNRRA coal will continue to arrive for two or three months *after* the end of the United States coal strike.

200,000 Tons of Coal in November

The remaining UNRRA coal imports scheduled for Italy are somewhat more than 1,000,000 tons. At the moment, and probably for the duration of the coal strike, there is an embargo on coal exports from the United States. It must be pointed out, however, that UNRRA succeeded in loading more than 200,000 tons from the United States for Italy this month before the embargo was imposed. The Mission is fairly confident of getting between 100,000 and 150,000 tons monthly from non-United States sources. At the same time, UNRRA is calling upon the European Coal Organization to review the effects of the United States coal strike on Italy's position, and this may possibly result in slightly increased allocations from European sources. Orders have gone to UNRRA offices in all coal-producing countries to try to get more coal for Italy from anywhere in the world.

With coal, as with grain, UNRRA and the Italian Government are taking joint action to minimize the harmful effects of present shortages. It is clear that rigid conservation measures will be necessary in Italy for the duration of the strike. The situation will not be good, but by careful husbanding and utilization of coal reserves on an emergency basis, Italy's industrial economy will pull through. All industrial coal users are urged to re-examine the possibility of converting to fuel-oil wherever possible, especially since from the long view, it may be more economical to look to fuel-oil rather than coal as a continuing source of fuel.

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UNRRA wishes to compliment the Government on the new programme to control the collection and distribution of olive oil and some animal fats. The Mission is hopeful that these measures will make possible some improvement in the outlook for fats.

Coal imports—the great bulk of which during the past year have been provided by 5,500,000 tons—delivered to Italy by railway. With the end of the maritime strikes, it looked as if UNRRA could complete those imports some time in February. Now the most that can be said is that UNRRA coal will continue to arrive for two or three months *after* the end of the United States coal strike.

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Adequate Supplies of Liquid Fuel

With the end of the shipping strike, liquid fuels are arriving in Italy in substantial quantities once more, and it is likely that adequate supplies will be available for essential

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purposes in December and January. According to present plans, in February the Government will begin to take over from UNRRA the delivery of petroleum for civilian requirements, and UNRRA imports will cease completely shortly thereafter.

More and more, UNRRA petroleum imports will be crude oil, now beginning to be processed in the refineries at Bari and Naples. It is expected that by the end of the UNRRA programme, Italy's refineries will be producing a substantial percentage of the country's petroleum needs. This important step forward in Italy's industrial rehabilitation has already resulted in savings of foreign exchange, since crude oil is less expensive and, therefore, saves the Government's money.

Transition Period

In the transition period, when UNRRA imports cease and Italy takes over the task of providing its own essential supplies, UNRRA's primary concern is to try to avoid any break in the supply line—at least to the extent that the supply line is controlled by the Italian Government and UNRRA.

Obtaining supplies during this transition period involves not only finding the necessary foreign exchange and shipping, but also finding the supplies. As a result of several months of joint planning by the Government and UNRRA, the administrative machinery and the organization of shipping during the transition period are well in hand. Financially, it appears likely that the Government, through its careful planning, will be able to cover the three basic commodities of grain, coal and petroleum products. The real problem for the Italian Government will be, as it has been for UNRRA, to find the supplies in the world's granaries, mines and storehouses at a time when the demand will still be in excess of what is available.

Imports to Meet Essential Needs

In UNRRA's view, there should be no relaxation in the care taken in the distribution and utilization of UNRRA imports, to ensure that these are used for the purpose for which given to Italy—to move food, and for essential services—not for pleasure driving and motor races.

Misuse of UNRRA imports does not hurt UNRRA; it hurts the Italian people and Italy. There is no surer way to alienate friendly world opinion than by misuse of supplies contributed for relief and reconstruction.

UNRRA imports are not only providing jobs and goods for Italians, but by providing a "floor" for the Italian economy, they have also made it possible for Italian industry to build up its production capacity for export, and thereby to augment its foreign exchange and credit position.

To retain, and further improve, that position during 1947, Italy will need some outside assistance to meet its food bill, to avoid using for food such foreign exchange as will be available. If that exchange capacity is exhausted in the purchase of food, it will mean an inevitable retardation of industrial recovery. As much as possible, those foreign earnings will need to be put back into industrial production. If this can be achieved, the prospects are good that Italy will by the end of 1947 be in a sound position to make its bids in international markets for a continuing supply of essential imports.

MORE STEEL PRODUCED

In spite of short supplies, the Italian steel industry has shown marked progress throughout the first three-quarters of the year. The monthly output of steel more than doubled from only 55,529 tons in January to 123,782 tons in September. Production of pig iron, which was only 3,429 tons in January, increased to 29,724 tons. Output of ferro-alloys, which amounted to no more than 257 tons in January and ceased completely in February, had, in September, risen to an estimated 4,900 tons.

The September figures for steel output were lower by 50,000 tons—or approximately 29 per cent.—than the pre-war (1935-37) average of 175,000 tons a month. Pig iron production was a little under half.

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Imports to Meet Essential Needs

In UNRRA's view, there should be no relaxation in the care taken in the distribution and utilization of UNRRA imports, to ensure that these are used for the purpose for which they were intended. Nitrates have been given to Italy by the United Nations for bread cereals, not for tobacco and luxury crops. Grain has been provided for rationed bread, to be used in accordance with Government regulations and legal extraction ratios—not for white bread and pastries. Gasoline has been friendly world opinion than by misuse of supplies contributed for relief and reconstruction.

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During 1935-37, production averaged 2,104,000 tons, and consumption 2,313,871 tons a year. The average production of pig iron for the same period was 721,000 tons. Some 370 plants were producing iron and steel, giving employment to over 56,000 workers.

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Production fell in 1945 to no more than 15 per cent. of this pre-war average—partly on account of war damage to plant, but chiefly on account of the shortage of supplies, particularly coal, and shortage of hydro-electric power. Over-all war damage was approximately 25 per cent. During 1945-46, however, rebuilding and reconstruction have restored the industry to 85 per cent. of its pre-war capacity.

Steady Rise in Production

The following table shows, month by month, the steady rise, since the beginning of the year, in the production of steel, pig iron, and ferro-alloys. The slight set-backs in the output of steel and pig iron in August and of ferro-alloys in July and August were due to summer holidays. As will be seen, production of ferro-alloys was negligible for the first three months of the year.

	Steel Tons	Pig Iron Tons	Ferro-Alloys Tons
January	55,529	3,429	257
February	57,207	2,265	—
March	69,847	2,438	399
April	81,633	9,812	2,262
May	95,867	16,068	4,009
June	101,313	20,508	4,064
July	112,951	28,817	3,230
August	111,163	26,217	3,680
September	123,782	29,724	4,960 *

* *Note*: September production of ferro-alloys is estimated.

Plans drawn up last year by the Allied Commission and the Italian Government to restore the steel industry could not become effective until very late in 1945. Since then, UNRRA has rendered considerable assistance in the re-establishment of Italy's steel industry, which is to a very high degree dependent upon imports. For every ton of steel produced, one ton of raw material must be imported from abroad.

Pre-War Consumption

During the years before the war in which steel production was highest, the industry [illegible] annually about 1,600,000 tons of were 915,000 tons in 1935; but fell to 365,000 tons in 1936.

Most of the other basic commodities essential to the steel and ferro-alloy industry, such as manganese ore, wolframite, molybdenite, chromite, chromium, graphite, tin, copper and nickel have always had to be imported. Italy, too, has always had to import foreign finished steel products to supplement home production. In 1938, semi-finished products for industry—most of which went into iron and steel processing—represented 22 per cent. of the country's total imports.

To meet Italy's requirements of steel, semi-finished steel and raw materials for steel production, UNRRA had up to 31 October, imported the following:—

	Tons
Coal	454,000
Pig iron	12,770
Fuel oil	12,500
Lubricants	1,285
Semi-finished steel	1,707
Manganese ore	10,000
Tin	20
Copper	500
Nickel	1,056
Petroleum coke	5,000
Anthracite	8,000

Note: Arrivals during November include 7,800 tons of pig iron, 1,000 tons of chromite and 100 tons of wolframite.

The prices fixed by the Price Committee for pig-iron, and a range of finished and semi-finished steel products are published in this issue, together with the prices for nickel, ferro tungsten and graphite for steel-making. The prices fixed for manganese ore and chrome ore were published in *Economic Notes* No. 42, of 1 November.

Pig Iron and Steel

World shortages, strikes, and readjustment of import priorities to meet more pressing needs, have resulted in very considerable changes in the programme originally put forward by UNRRA for the rehabilitation of the steel industry. UNRRA has contracted for a total of 53,845 tons of pig iron for Italy; and it is hoped to secure a further 94,640 tons from Australia, but negotiations are not yet

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mately 25 per cent. During 1945-46, however, rebuilding and reconstruction have restored the industry to 85 per cent. of its pre-war capacity.

Steady Rise in Production

The following table shows, month by month, the steady rise, since the beginning of the year, in the production of steel, pig iron, and ferro-alloys. The slight set-backs in the output of steel and pig iron in August and of ferro-alloys in July and August were due to summer holidays. As will be seen, production of ferro-alloys was negligible for the first three months of the year.

	Steel Tons —	Pig Iron Tons —	Ferro-Alloys Tons —
January	55,529	3,420	257
February	57,207	2,265	—
March	69,847	2,438	399
April	81,033	9,812	2,262
May	95,867	16,068	4,009
June	101,313	20,508	4,064
July	112,954	28,817	3,230
August	111,163	26,217	3,680
September	123,782	29,724	4,960 *

* *Note*: September production of ferro-alloys is estimated.

Plans drawn up last year by the Allied Commission and the Italian Government to restore the steel industry could not become effective until very late in 1945. Since then, UNRRA has rendered considerable assistance in the re-establishment of Italy's steel industry, which is to a very high degree dependent upon imports. For every ton of steel produced, one ton of raw material must be imported from abroad.

Pre-War Consumption

During the years before the war in which steel production was highest, the industry consumed annually about 1,600,000 tons of imported coal, and 300,000 tons of coal (in the form of lignite and anthracite) from home sources, including coal from the Arsa mines in Istria, which are now under Yugoslav control. Yearly imports of pig iron ranged from as much as 153,000 tons in 1935 to only 30,000 tons in 1937. Imports of iron and steel scrap nickel have always had to be imported. Italy, too, has always had to import foreign finished steel products to supplement home production. In 1938, semi-finished products for industry—most of which went into iron and steel processing—represented 22 per cent. of the country's total imports.

To meet Italy's requirements of steel, semi-finished steel and raw materials for steel production, UNRRA had up to 31 October, imported the following:—

	Tons
Coal	454,000
Pig iron	12,770
Fuel oil	12,500
Lubricants	1,285
Semi-finished steel	1,707
Manganese ore	10,000
Tin	20
Copper	500
Nickel	1,050
Petroleum coke	5,000
Anthracite	8,000

Note: Arrivals during November include 7,800 tons of pig iron, 1,000 tons of chromite and 100 tons of wolframite.

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Pig Iron and Steel

World shortages, strikes, and readjustment of import priorities to meet more pressing needs, have resulted in very considerable changes in the programme originally put forward by UNRRA for the rehabilitation of the steel industry. UNRRA has contracted for a total of 52,845 tons of pig iron for Italy; and it is hoped to secure a further 94,640 tons from Australia, but negotiations are not yet complete. Approximately two-thirds of the steel which UNRRA is sending to Italy has already been shipped.

It is thanks to the timely delivery by UNRRA of 7,000 tons of anthracite for the manufacture of electrodes between March and September that 400,000 tons of steel could be

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produced in electric steel furnaces during the period of excess hydro-electric power in the summer months. In spite, therefore, of coal shortage due to the coal strike in the United States last spring, steel production steadily increased.

Full use, also, of hydro-electric power for pig iron production in electric furnaces has helped to overcome the delays in importing the programmed amounts of pig iron, on account of world shortages.

The allocation of fuel oil to steel works has permitted the conversion of plant, on a small scale, from coal; and has thus, to some extent, reduced the short-fall in production due to inadequate coal supplies.

10,000 Tons of Manganese Ore

UNRRA's programme includes 10,000 tons of manganese ore required for steel making. Approximately 50 per cent. of the available supplies are being converted to ferro-manganese at once, and will be utilized in steel production up to the end of the year. The balance will be converted during the new hydro-electric power season, beginning in March, 1947, for use later in the year.

Large supplies of fuel and raw materials have still to be imported on the UNRRA steel rehabilitation programme. Further development of Italy's hydro-electric resources will provide cheap power during the high-water season of the year, and enable industry partly to dispense with coal. It is estimated that in 1938, the output of hydro-electric power for all uses (including industry) was roughly equal to the power output from coal. Home production of pig-iron calls for the import of only a small proportion of high-grade coal and high-grade iron ore. Italy normally produces 75 per cent. of its ore requirements in the form of pyrites ash or mineral ore.

STEEL PRICE DECISIONS

The following prices for steel, pig iron, nickel and graphite have been agreed by the Italian Government and the UNRRA Italy Mission in accordance with the recommenda-

Ferro tungsten:
12 lire per kilogram per 1 per cent. contained tungsten, ex consignee's warehouse.

Special Graphite (for steel making):
32 lire per kilogram ex consignee's warehouse.

Pig iron - refining grade:
17.50 lire per kilogram ex consignee's warehouse.

Pig iron - foundry and hematite grades:
18.50 lire per kilogram ex consignee's warehouse.

Semi finished steel:

Ingots:
19.30 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Blooms and slabs:
20.80 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Billets and steel bars:
27.30 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Finished Steel:
(Sold to Ministries and Italian State Railways, for consumption in their own plants):

Corrugated sheet:
30.60 lire per kilogram ex consignee's warehouse.

Galvanized steel sheet:
30.75 lire per kilogram ex consignee's warehouse.

Reinforcing rods:
21.80 lire per kilogram ex consignee's warehouse.

Steel bars:
20.80 lire per kilogram ex consignee's warehouse.

Black steel sheets:
16.40 lire per kilogram ex consignee's warehouse.

Steel sheets:
28.75 lire per kilogram ex consignee's warehouse.

Finished Steel:
(For all consumers other than Ministries and Italian State Railways):

Hot rolled sheet:
32.50 lire per kilogram ex consignee's warehouse.

Wire rod:
34.68 lire per kilogram ex consignee's warehouse.

Plate and heavy sheet:
40.45 lire per kilogram ex consignee's warehouse.

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STEEL PRICE DECISIONS

The following prices for steel, pig iron, nickel and graphite have been agreed by the Italian Government and the UNRRA Italy Mission, in accordance with the recommendations passed by the Price Committee at its meetings on 24 and 31 October, and 11 November, 1946:

Nickel:
435 lire per kilogram ex consignee's warehouse, including handling charges.

17.50 lire per kilogram ex consignee's warehouse.

Pig iron - foundry and hematite grades:
18.50 lire per kilogram ex consignee's warehouse.

Semi finished steel:

Ingots:
19.30 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Blooms and slabs:
20.80 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

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Finished Steel:
(Sold to Ministries and Italian State Railways, for consumption in their own plants):

Corrugated sheet:
30.00 lire per kilogram ex consignee's warehouse.

Galvanized steel sheet:
30.75 lire per kilogram ex consignee's warehouse.

Reinforcing rods:
21.80 lire per kilogram ex consignee's warehouse.

Steel bars:
20.80 lire per kilogram ex consignee's warehouse.

Black steel sheets:
16.40 lire per kilogram ex consignee's warehouse.

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28.75 lire per kilogram ex consignee's warehouse.

Finished Steel:
(For all consumers other than Ministries and Italian State Railways):

Hot rolled sheet:
32.50 lire per kilogram ex consignee's warehouse.

Wire rod:
34.68 lire per kilogram ex consignee's warehouse.

Plate and heavy sheet:
40.45 lire per kilogram ex consignee's warehouse.

Thin sheet and black sheet:
49.30 lire per kilogram ex consignee's warehouse.

Tubes - base 1 inch:
55.55 lire per kilogram ex consignee's warehouse.

Products derived from wire rod:
46.20 lire per kilogram ex consignee's warehouse.

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Mushroom rail:
30.00 lire per kilogram ex consignee's warehouse.

Shaped rails:
41.70 lire per kilogram ex consignee's warehouse.

Cold rolled strip:
67.00 lire per kilogram ex consignee's warehouse.

All sections:
57.00 lire per kilogram ex consignee's warehouse.

The above prices for finished steel are exclusive of extras for thickness, size and quality, as shown in the Standard Government List for Extras.

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(17 - 22 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Sfinge	Ancona	17 November	It. Government	Minerals	7,100
Benny Skou	Genoa	18 »	UNRRA	General	5,000
Scotland	»	» »	»	Wolfram Basic Slag	100 2,075
Pearl Harbor	»	20 »	»	General	2,120
Joseph N. Dinand	»	22 »	»	»	2,206
Heron	»	» »	»	»	1,039
Exiria (1)	»	» »	»	»	627

NOTE: (1) Also discharged at Leghorn, but not on UNRRA Account

LATEST COAL SHIPMENTS

(17 - 22 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Josiah Tattnall	Genoa	17 November	United States	UNRRA	9,325
Gallia	»	» »	United Kingdom	»	2,002
Marshfield Victory	La Spezia	18 »	United States	»	8,091
Jacob Chandler Harper	Savona	19 »	» »	Swiss	8,903
Norruna	Bagnoli	» »	Germany	UNRRA	4,131
Hollypark	Bari	» »	South Africa	»	8,877
George Vickers	Genoa	20 »	United States	Italian Government	8,858
John G. Carlisle	Civitavecchia	» »	» »	UNRRA	9,388
Hermada	Venice	» »	Germany	»	6,700
Grover C. Hutcherson	Bari	» »	United States	»	8,763
Harold Dossett	Palermo	» »	» »	»	9,346
F. Scott Fitzgerald	Naples	21 »	» »	»	9,312
Kragujivak	Venice	» »	Yugoslavia	Commercial	4,896
		22 »	United States	UNRRA	11,168

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F. Scott Fitzgerald	Naples	21 "	" "	"	9,312
Kragujivak	Venice	" "	Yugoslavia	Commercial	4,896
Orata	Genoa	22 "	United States	UNRRA	11,168
Andalusia	Leghorn	" "	" "	"	6,543
William Cushing	Civitavecchia	" "	Bahrein	Italian Government	8,240
Nathaniel Silsbee	Naples	" "	United States	UNRRA	8,582
Milton H. Smith	Catania	" "	" "	"	8,708

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November 29, 1946 Vol. I, No. 46

ECONOMIC NOTES

Published Weekly in English and Italian

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1. Progress of UNRRA Supply Programme
2. More Steel Produced
3. Steel Price Decisions
4. Movements of Ships

PROGRESS OF UNRRA SUPPLY PROGRAMME

A progress report on the UNRRA supply programme for Italy is issued this week by the UNRRA Italy Mission, in connection with the UNRRA Supply Conferences held during October and November in Washington. The Italy Mission was represented at the Conferences by the Deputy Chief of Mission for Requirements and Distribution, Mr. Harlan Cleveland, who was accompanied by Mr. B. Luzzatto, Director of the Sub-Bureau of Industrial Rehabilitation.

The Washington Conferences were concerned with plans for the completion of UNRRA's world-wide programme of relief and rehabilitation. The aim was to prepare an accurate picture of what supplies Italy, and the other countries receiving UNRRA aid, would, and would not, get. In general, the results for Italy were good. There was in Washington real understanding and sympathy for Italy's economic burdens, and an atmosphere which promises well for Italy's future.

Deliveries Beyond December

It was confirmed in Washington that UNRRA aid should not stop on 31 December. Assistance will not end until all the UNRRA

At the outset the Government provided the specifications for the kinds and quantities of supplies needed under the expanded UNRRA programme in Italy, which began early this year. UNRRA undertook to procure those goods in so far as world supply conditions and available funds permitted, and to deliver them to Italian ports. The Government assumed responsibility for the methods of distribution, with the advice of UNRRA.

Towards National Reconstruction

A first objective was to bring in the immediate necessities of food and medical supplies. More important, from a long-range point of view, was to lay a foundation upon which Italian industry and agriculture could take over the task of providing for the Italian people, and make a good start towards national reconstruction. That has been done.

Of the total of 10,000,000 tons of supplies programmed for Italy by UNRRA, 7,000,000 tons, worth about 275,000,000 dollars (£68,750,000 sterling), have already reached Italian ports. Those supplies, contributed free to the Italian Government by the 48 United Nations which are members of UNRRA, have been converted into power for Italian indust-

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Deliveries Beyond December

It was confirmed in Washington that UNRRA aid should not stop on 31 December. Assistance will not end until all the UNRRA funds allocated for Italy are spent. UNRRA supplies will continue to arrive at least through the first quarter of 1947, and probably even a little later.

UNRRA aid to Italy has been a jointly planned enterprise, between the Italian Government and the UNRRA Italy Mission. At the outset the Government provided the specifications for the kinds and quantities of supplies needed under the expanded UNRRA programme in Italy, which began early this year. UNRRA undertook to procure those goods in so far as world supply conditions and available funds permitted, and to deliver them to Italian ports. The Government assumed responsibility for the methods of distribution, with the advice of UNRRA.

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Aid to Italy, over the entire period of UNRRA assistance, will total the equivalent of over 400,000,000 dollars, more than 100,000

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million lire, plus the very large freight costs, which UNRRA also pays. This assistance comes from more than 20 different countries, the gift of the United Nations as a whole. Because of rising costs, this money is not buying as much food and fuel and raw materials as had been hoped. But it is still buying tremendous quantities of supplies which Italy vitally needs—grain, petroleum products, coal, medicines, fertilizers, cotton, wool and many others.

The task of procuring those supplies has been great. UNRRA is not a gigantic world warehouse from which supplies can be called forward at will. UNRRA is one applicant among many for supplies, and is completely dependent upon those supplies which the contributing nations are willing to release for export. From the beginning, military requirements have had a higher priority than UNRRA. In this period of post-war reconstruction, many countries need identically the same goods as Italy. Demands are greater than ever before, and supplies less.

Shortage of Shipping

Supplies and funds available have not been the only problem. There is also the key problem of shipping. UNRRA must depend upon the shipping space available. Until midyear, this was still difficult to get. The recent maritime strikes caused a recurrence of the shipping shortage for two months and resulted in a delay of many weeks in the arrival of some UNRRA imports. But, provided there are no more strikes, shipping should not be a major problem again.

In spite of unexpected difficulties, delays and strikes, UNRRA has already brought in almost three-quarters of the supplies programmed for Italy. During October, for example, in spite of the United States maritime strike, UNRRA goods made up nearly 400,000 tons of about 600,000 tons actually discharged. UNRRA brought in almost 90 per cent. of the October coal imports.

Almost 75,000,000 dollars' worth of UNRRA bread-cereals, not including freight costs, have been delivered to Italy to date. [illegible] means that about one-fourth of the bread

by value, of UNRRA food supplies programmed for Italy have arrived and the great bulk of these have already been eaten. This represents food for the general population, as well as special assistance for the needy children and mothers.

In fulfilment of its medical programme, UNRRA has delivered more than 6,000 tons of hospital equipment, penicillin, DDT, ambulances and drugs—more than two-thirds, by value, of the programme of medical and sanitation supplies.

Industrial Production Doubled

During the period of UNRRA assistance, Italian industrial production has about doubled and now stands at about 65 per cent. of the pre-war level—though naturally, the effect of the maritime and coal strikes will temporarily reduce this level.

Among recent UNRRA deliveries has been the arrival during the past month of 4,500 more tons of rubber. Factories and homes in heavily damaged areas are being reconstructed with building materials produced and transported, thanks to UNRRA-imported fuel. During November, the Government allocated to industrial users 70,000 tons of strategic UNRRA materials—including pig-iron, manganese and chromite for steel-making; colophony for soap, paper and other industries; coal tar solvents for a wide range of essential industrial processes; and copper for the railways. Additional quantities of key industrial materials have arrived and will shortly be available for allocation.

Of the total industrial rehabilitation supplies scheduled for Italy, substantially more than 5,000,000 tons have already arrived and the programme is about 70 per cent. complete.

Help for Agriculture

In the agricultural programme, 14,000 tons of seed, notably potato and forage seed, have already reached Italy. UNRRA has provided pesticides, and more than 50,000 tons of fertilizer. Of about 300 tractors scheduled for Italy, half have already arrived and have been turned over to the Government for use in the

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Almost 75,000,000 dollars' worth of UNRRA bread-cereals, not including freight costs, have been delivered to Italy to date. This means that about one-fourth of the bread purchased on Italian ration cards this year has come from UNRRA cereals.

Of the edible fats and oils programmed for Italy, 34,000 tons have already been delivered. Fifty-three thousand tons of sugar were brought in during the deficiency period prior to the harvest. In general, about 65 per cent., of hospital equipment, penicillin, DDT, ambulances and drugs—more than two-thirds, by value, of the programme of medical and sanitation supplies.

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domestic tractor production a[illegible] these machines will not be available for private purchase.

To help to provide clothing and blankets for Italians who need them most—at prices they can afford to pay—UNRRA has delivered almost 35,000 tons of raw cotton and more than half of a scheduled programme of 39,000 tons of raw wool. Under the plan now being administered by the Government's newly-created UNRRA-Tessili organization, some of these textiles are already in production. About one-third of the cotton goods will be distributed to the neediest, free of charge. The remainder will be sold at very low prices, based solely on the cost of manufacture, and not including the cost of raw materials. A plan for wool textiles is also being developed by the Government.

Special praise is due to Italy's dock and railway workers for the speed with which they have unloaded and moved UNRRA supplies. At peak, Italy's ports have handled more than a million tons a month, equalling and exceeding pre-war records with far less equipment. Some 4,000 tons of port equipment purchased by UNRRA from military surplus, are now beginning to arrive and should facilitate port operations.

Grain a World Problem

The world grain situation is causing concern throughout both hemispheres. There is not, and will not be, enough grain to meet all the world's demands in the coming months.

The Italian Government and UNRRA are working in the closest co-operation to promote the earliest possible arrival of bread cereals, and to put Italy in the best possible position to continue to procure cereals between the end of the UNRRA programme and the next harvest. The Government, on its own account, is in direct contact with grain supplying countries. The amassing returns show great improvement over last year, although the results are still not good enough in the light of the world grain shortage. As a result of new ammassi enforcement measures, UNRRA is hopeful that the collection goals will soon be met, at least in most provinces.

UNRRA—have suffered somewhat on account of strikes in the United States—first, the coal strike in April, then the maritime strikes in September and October and now the new coal strike. UNRRA had hoped to have the entire UNRRA coal programme—more than 5,500,000 tons—delivered to Italy by January. With the end of the maritime strikes, it looked as if UNRRA could complete those imports some time in February. Now the most that can be said is that UNRRA coal will continue to arrive for two or three months *after* the end of the United States coal strike.

200,000 Tons of Coal in November

The remaining UNRRA coal imports scheduled for Italy are somewhat more than 1,000,000 tons. At the moment, and probably for the duration of the coal strike, there is an embargo on coal exports from the United States. It must be pointed out, however, that UNRRA succeeded in loading more than 200,000 tons from the United States for Italy this month before the embargo was imposed. The Mission is fairly confident of getting between 100,000 and 150,000 tons monthly from non-United States sources. At the same time, UNRRA is calling upon the European Coal Organization to review the effects of the United States coal strike on Italy's position, and this may possibly result in slightly increased allocations from European sources. Orders have gone to UNRRA offices in all coal-producing countries to try to get more coal for Italy from anywhere in the world.

With coal, as with grain, UNRRA and the Italian Government are taking joint action to minimize the harmful effects of present shortages. It is clear that rigid conservation measures will be necessary in Italy for the duration of the strike. The situation will not be good, but by careful husbanding and utilization of coal reserves on an emergency basis, Italy's industrial economy will pull through. All industrial coal users are urged to re-examine the possibility of converting to fuel-oil wherever possible, especially since from the long view, it may be more economical to look to fuel-oil rather than coal as a continuing

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of raw wool. Under the plan now being administered by the Government's newly-created UNRRA-Tessili organization, some of these textiles are already in production. About one-third of the cotton goods will be distributed to the neediest, free of charge. The remainder will be sold at very low prices, based solely on the cost of manufacture, and not including the cost of raw materials. A plan for wool textiles is also being developed by the Government.

Special praise is due to Italy's dock and railway workers for the speed with which they have unloaded and moved UNRRA supplies. At peak, Italy's ports have handled more than a million tons a month, equalling and exceeding pre-war records with far less equipment. Some 4,000 tons of port equipment purchased by UNRRA from military surplus, are now beginning to arrive and should facilitate port operations.

Grain a World Problem

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UNRRA wishes to compliment the Government on the new programme to control the collection and distribution of olive oil and some animal fats. The Mission is hopeful that these measures will make possible some improvement in the outlook for fats.

Coal imports—the great bulk of which during the past year have been provided by [illegible] With the end of the maritime strikes, it looked as if UNRRA could complete those imports some time in February. Now the most that can be said is that UNRRA coal will continue to arrive for two or three months *after* the end of the United States coal strike.

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Adequate Supplies of Liquid Fuel

With the end of the shipping strike, liquid fuels are arriving in Italy in substantial quantities once more, and it is likely that adequate supplies will be available for essential

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purposes in December and January. According to present plans, in February the Government will begin to take over from UNRRA the delivery of petroleum for civilian requirements, and UNRRA imports will cease completely shortly thereafter.

More and more, UNRRA petroleum imports will be crude oil, now beginning to be processed in the refineries at Bari and Naples. It is expected that by the end of the UNRRA programme, Italy's refineries will be producing a substantial percentage of the country's petroleum needs. This important step forward in Italy's industrial rehabilitation has already resulted in savings of foreign exchange, since crude oil is less expensive and, therefore, saves the Government's money.

Transition Period

In the transition period, when UNRRA imports cease and Italy takes over the task of providing its own essential supplies, UNRRA's primary concern is to try to avoid any break in the supply line—at least to the extent that the supply line is controlled by the Italian Government and UNRRA.

Obtaining supplies during this transition period involves not only finding the necessary foreign exchange and shipping, but also finding the supplies. As a result of several months of joint planning by the Government and UNRRA, the administrative machinery and the organization of shipping during the transition period are well in hand. Financially, it appears likely that the Government, through its careful planning, will be able to cover the three basic commodities of grain, coal and petroleum products. The real problem for the Italian Government will be, as it has been for UNRRA, to find the supplies in the world's granaries, mines and storehouses at a time when the demand will still be in excess of what is available.

Imports to Meet Essential Needs

In UNRRA's view, there should be no relaxation in the care taken in the distribution and utilization of UNRRA imports, to ensure that they are used for the purpose for which [illegible] Nitrates have been given to Italy to move food, and for essential services—not for pleasure driving and motor races.

Misuse of UNRRA imports does not hurt UNRRA; it hurts the Italian people and Italy. There is no surer way to alienate friendly world opinion than by misuse of supplies contributed for relief and reconstruction.

UNRRA imports are not only providing jobs and goods for Italians, but by providing a "floor" for the Italian economy, they have also made it possible for Italian industry to build up its production capacity for export, and thereby to augment its foreign exchange and credit position.

To retain, and further improve, that position during 1947, Italy will need some outside assistance to meet its food bill, to avoid using for food such foreign exchange as will be available. If that exchange capacity is exhausted in the purchase of food, it will mean an inevitable retardation of industrial recovery. As much as possible, those foreign earnings will need to be put back into industrial production. If this can be achieved, the prospects are good that Italy will by the end of 1947 be in a sound position to make its bids in international markets for a continuing supply of essential imports.

MORE STEEL PRODUCED

In spite of short supplies, the Italian steel industry has shown marked progress throughout the first three-quarters of the year. The monthly output of steel more than doubled from only 55,529 tons in January to 123,782 tons in September. Production of pig iron, which was only 3,429 tons in January, increased to 29,724 tons. Output of ferro-alloys, which amounted to no more than 257 tons in January and ceased completely in February, had, in September, risen to an estimated 4,960 tons.

The September figures for steel output were lower by 50,000 tons—or approximately 29 per cent.—than the pre-war (1935-37) average of 175,000 tons a month. Pig iron production was a little under half.

During 1935-37, production averaged

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Imports to Meet Essential Needs

In UNRRA's view, there should be no relaxation in the care taken in the distribution and utilization of UNRRA imports, to ensure that these are used for the purpose for which they were intended. Nitrates have been given to Italy by the United Nations for bread cereals, not for tobacco and luxury crops. Grain has been provided for rationed bread, to be used in accordance with Government regulations and legal extraction ratios—not for white bread and pastries. Gasoline has been plies contributed for relief and reconstruction.

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The September figures for steel output were lower by 50,000 tons—or approximately 29 per cent.—than the pre-war (1935-37) average of 175,000 tons a month. Pig iron production was a little under half.

During 1935-37, production averaged 2,104,000 tons, and consumption 2,313,871 tons a year. The average production of pig iron for the same period was 721,000 tons. Some 370 plants were producing iron and steel, giving employment to over 56,000 workers.

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Production fell in 1945 to no more than 15 per cent. of this pre-war average—partly on account of war damage to plant, but chiefly on account of the shortage of supplies, particularly coal, and shortage of hydro-electric power. Over-all war damage was approximately 25 per cent. During 1945-46, however, rebuilding and reconstruction have restored the industry to 85 per cent. of its pre-war capacity.

Steady Rise in Production

The following table shows, month by month, the steady rise, since the beginning of the year, in the production of steel, pig iron, and ferro-alloys. The slight set-backs in the output of steel and pig iron in August and of ferro-alloys in July and August were due to summer holidays. As will be seen, production of ferro-alloys was negligible for the first three months of the year.

	Steel Tons	Pig Iron Tons	Ferro-Alloys Tons
January	55,529	3,429	257
February	57,207	2,265	—
March	69,847	2,438	399
April	81,633	9,812	2,262
May	95,867	16,068	4,009
June	101,313	20,508	4,064
July	112,954	28,817	3,230
August	111,163	26,217	3,680
September	123,782	29,724	4,960 *

* *Note*: September production of ferro-alloys is estimated.

Plans drawn up last year by the Allied Commission and the Italian Government to restore the steel industry could not become effective until very late in 1945. Since then, UNRRA has rendered considerable assistance in the re-establishment of Italy's steel industry, which is to a very high degree dependent upon imports. For every ton of steel produced, one ton of raw material must be imported from abroad.

Pre-War Consumption

During the years before the war in which steel production was highest, the industry consumed annually about 1,600,000 tons of

were 915,000 tons in 1935; but fell to 365,000 tons in 1936.

Most of the other basic commodities essential to the steel and ferro-alloy industry, such as manganese ore, wolframite, molybdenite, chromite, chromium, graphite, tin, copper and nickel have always had to be imported. Italy, too, has always had to import foreign finished steel products to supplement home production. In 1938, semi-finished products for industry—most of which went into iron and steel processing—represented 22 per cent. of the country's total imports.

To meet Italy's requirements of steel, semi-finished steel and raw materials for steel production, UNRRA had up to 31 October, imported the following:—

	Tons
Coal	454,000
Pig iron	12,770
Fuel oil	12,500
Lubricants	1,285
Semi-finished steel	1,707
Manganese ore	10,000
Tin	20
Copper	500
Nickel	1,056
Petroleum coke	5,000
Anthracite	8,000

Note: Arrivals during November include 7,800 tons of pig iron, 1,000 tons of chromite and 100 tons of wolframite.

The prices fixed by the Price Committee for pig-iron, and a range of finished and semi-finished steel products are published in this issue, together with the prices for nickel, ferro tungsten and graphite for steel-making. The prices fixed for manganese ore and chrome ore were published in *Economic Notes* No. 42, of 1 November.

Pig Iron and Steel

World shortages, strikes, and readjustment of import priorities to meet more pressing needs, have resulted in very considerable changes in the programme originally put forward by UNRRA for the rehabilitation of the steel industry. UNRRA has contracted for a total of 52,845 tons of pig iron for Italy; and it is hoped to secure a further 94,640 tons from Australia, but negotiations are [illegible]

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Pre-War Consumption

During the years before the war in which steel production was highest, the industry consumed annually about 1,600,000 tons of imported coal, and 300,000 tons of coal (in the form of lignite and anthracite) from home sources, including coal from the Arsa mines in Istria, which are now under Yugoslav control. Yearly imports of pig iron ranged from as much as 153,000 tons in 1935 to only 30,000 tons in 1937. Imports of iron and steel scrap nickel have always had to be imported. Italy, too, has always had to import foreign finished steel products to supplement home production. In 1938, semi-finished products for industry—most of which went into iron and steel processing—represented 22 per cent. of the country's total imports.

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It is thanks to the timely delivery by UNRRA of 7,000 tons of anthracite for the manufacture of electrodes between March and September that 400,000 tons of steel could be

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produced in electric steel furnaces during the period of excess hydro-electric power in the summer months. In spite, therefore, of coal shortage due to the coal strike in the United States last spring, steel production steadily increased.

Full use, also, of hydro-electric power for pig iron production in electric furnaces has helped to overcome the delays in importing the programmed amounts of pig iron, on account of world shortages.

The allocation of fuel oil to steel works has permitted the conversion of plant, on a small scale, from coal; and has thus, to some extent, reduced the short-fall in production due to inadequate coal supplies.

10,000 Tons of Manganese Ore

UNRRA's programme includes 10,000 tons of manganese ore required for steel making. Approximately 50 per cent. of the available supplies are being converted to ferro-manganese at once, and will be utilized in steel production up to the end of the year. The balance will be converted during the new hydro-electric power season, beginning in March, 1947, for use later in the year.

Large supplies of fuel and raw materials have still to be imported on the UNRRA steel rehabilitation programme. Further development of Italy's hydro-electric resources will provide cheap power during the high-water season of the year, and enable industry partly to dispense with coal. It is estimated that in 1938, the output of hydro-electric power for all uses (including industry) was roughly equal to the power output from coal. Home production of pig-iron calls for the import of only a small proportion of high-grade coal and high-grade iron ore. Italy normally produces 75 per cent. of its ore requirements in the form of pyrites ash or mineral ore.

STEEL PRICE DECISIONS

The following prices for steel, pig iron, nickel and graphite have been agreed by the

Ferro tungsten:

12 lire per kilogram per 1 per cent. contained tungsten, ex consignee's warehouse.

Special Graphite (for steel making):

32 lire per kilogram ex consignee's warehouse.

Pig iron - refining grade:

17.50 lire per kilogram ex consignee's warehouse.

Pig iron - foundry and hematite grades:

18.50 lire per kilogram ex consignee's warehouse.

Semi finished steel:

Ingots:

19.30 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Blooms and slabs:

20.80 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Billets and steel bars:

27.30 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Finished Steel:

(Sold to Ministries and Italian State Railways, for consumption in their own plants):

Corrugated sheet:

30.60 lire per kilogram ex consignee's warehouse.

Galvanized steel sheet:

30.75 lire per kilogram ex consignee's warehouse.

Reinforcing rods:

21.80 lire per kilogram ex consignee's warehouse.

Steel bars:

20.80 lire per kilogram ex consignee's warehouse.

Black steel sheets:

16.40 lire per kilogram ex consignee's warehouse.

Steel sheets:

28.75 lire per kilogram ex consignee's warehouse.

Finished Steel:

(For all consumers other than Ministries and Italian State Railways):

Hot rolled sheet:

32.50 lire per kilogram ex consignee's warehouse.

Wire rod:

34.68 lire per kilogram ex consignee's warehouse.

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STEEL PRICE DECISIONS

The following prices for steel, pig iron, nickel and graphite have been agreed by the Italian Government and the UNRRA Italy Mission, in accordance with the recommendations passed by the Price Committee at its meetings on 24 and 31 October, and 11 November, 1946:

Nickel:
435 lire per kilogram ex consignee's warehouse, including handling charges.

Pig iron - foundry and hematite grades:
18.50 lire per kilogram ex consignee's warehouse.

Semi finished steel:

Ingots:
10.30 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Blooms and slabs:
20.80 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

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Corrugated sheet:
30.00 lire per kilogram ex consignee's warehouse.

Galvanized steel sheet:
30.75 lire per kilogram ex consignee's warehouse.

Reinforcing rods:
21.80 lire per kilogram ex consignee's warehouse.

Steel bars:
20.80 lire per kilogram ex consignee's warehouse.

Black steel sheets:
16.40 lire per kilogram ex consignee's warehouse.

Steel sheets:
28.75 lire per kilogram ex consignee's warehouse.

Finished Steel:
(For all consumers other than Ministries and Italian State Railways):

Hot rolled sheet:
32.50 lire per kilogram ex consignee's warehouse.

Wire rod:
34.68 lire per kilogram ex consignee's warehouse.

Plate and heavy sheet:
40.45 lire per kilogram ex consignee's warehouse.

Thin sheet and black sheet:
49.30 lire per kilogram ex consignee's warehouse.

Tubes - base 1 inch:
55.55 lire per kilogram ex consignee's warehouse.

Products derived from wire rod:
46.20 lire per kilogram ex consignee's warehouse.

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Mushroom rail:
39.00 lire per kilogram ex consignee's warehouse.

Shaped rails:
41.70 lire per kilogram ex consignee's warehouse.

Cold rolled strip:
67.00 lire per kilogram ex consignee's warehouse.

All sections:
57.00 lire per kilogram ex consignee's warehouse.

The above prices for finished steel are exclusive of extras for thickness, size and quality, as shown in the Standard Government List for Extras.

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(17 - 22 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Sfinge	Ancona	17 November	It. Government	Minerals	7,100
Benny Skou	Genoa	18 »	UNRRA	General	5,000
Scotland	»	» »	»	Wolfram Basic Slag	100 2,075
Pearl Harbor	»	20 »	»	General	2,420
Joseph N. Dinand	»	22 »	»	»	2,206
Heron	»	» »	»	»	1,039
Exiria (1)	»	» »	»	»	627

NOTE: (1) Also discharged at Leghorn, but not on UNRRA Account

LATEST COAL SHIPMENTS

(17 - 22 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Josiah Tattnall	Genoa	17 November	United States	UNRRA	9,325
Gallia	»	» »	United Kingdom	»	2,002
Marshfield Victory	La Spezia	18 »	United States	»	8,091
Jacob Chandler Harper	Savona	19 »	» »	Swiss	8,903
Norruna	Bagnoli	» »	Germany	UNRRA	4,131
Hollypark	Bari	» »	South Africa	»	8,877
George Vickers	Genoa	20 »	United States	Italian Government	8,858
John G. Carlisle	Civitavecchia	» »	» »	UNRRA	9,388
Hermada	Venice	» »	Germany	»	6,700
Grover C. Hutcherson	Bari	» »	United States	»	8,763
Harold Dossett	Palermo	» »	» »	»	9,346
F. Scott Fitzgerald	Naples	21 »	» »	»	5,116
[illegible]	Venice	» »	Yugoslavia	Commercial	4,896

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67.00 lire per kilogram ex consignee's warehouse. | ment List for Extras.

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(17 - 22 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Josiah Tattnall	Genoa	17 November	United States	UNRRA	9,325
Gallia	"	" "	United Kingdom	"	2,002
Marshfield Victory	La Spezia	18 "	United States	"	8,091
Jacob Chandler Harper	Savona	19 "	" "	Swiss	8,903
Norruna	Bagnoli	" "	Germany	UNRRA	4,131
Hollypark	Bari	" "	South Africa	"	8,877
George Vickers	Genoa	20 "	United States	Italian Government	8,858
John G. Carlisle	Civitavecchia	" "	" "	UNRRA	9,388
Hermada	Venice	" "	Germany	"	6,700
Grover C. Hutcherson	Bari	" "	United States	"	8,763
Harold Dossett	Palermo	" "	" "	"	9,346
F. Scott Fitzgerald	Naples	21 "	" "	"	5,416
Kragujivak	Venice	" "	Yugoslavia	Commercial	4,896
Orata	Genoa	22 "	United States	UNRRA	11,168
Andalusia	Leghorn	" "	" "	"	6,543
William Cushing	Civitavecchia	" "	Bahrein	Italian Government	8,240
Nathaniel Silsbee	Naples	" "	United States	UNRRA	8,582
Milton H. Smith	Catania	" "	" "	"	8,708

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November 29, 1946 Vol. I, No. 46

ECONOMIC NOTES

Published Weekly in English and Italian

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

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1. Progress of UNRRA Supply Programme
2. More Steel Produced
3. Steel Price Decisions
4. Movements of Ships

PROGRESS OF UNRRA SUPPLY PROGRAMME

A progress report on the UNRRA supply programme for Italy is issued this week by the UNRRA Italy Mission, in connection with the UNRRA Supply Conferences held during October and November in Washington. The Italy Mission was represented at the Conferences by the Deputy Chief of Mission for Requirements and Distribution, Mr. Harlan Cleveland, who was accompanied by Mr. B. Luzzatto, Director of the Sub-Bureau of Industrial Rehabilitation.

The Washington Conferences were concerned with plans for the completion of UNRRA's world-wide programme of relief and rehabilitation. The aim was to prepare an accurate picture of what supplies Italy, and the other countries receiving UNRRA aid, would, and would not, get. In general, the results for Italy were good. There was in Washington real understanding and sympathy for Italy's economic burdens, and an atmosphere which promises well for Italy's future.

Deliveries Beyond December

It was confirmed in Washington that UNRRA aid should not stop on 31 December. At the outset the Government provided the specifications for the kinds and quantities of supplies needed under the expanded UNRRA programme in Italy, which began early this year. UNRRA undertook to procure those goods in so far as world supply conditions and available funds permitted, and to deliver them to Italian ports. The Government assumed responsibility for the methods of distribution, with the advice of UNRRA.

Towards National Reconstruction

A first objective was to bring in the immediate necessities of food and medical supplies. More important, from a long-range point of view, was to lay a foundation upon which Italian industry and agriculture could take over the task of providing for the Italian people, and make a good start towards national reconstruction. That has been done.

Of the total of 10,000,000 tons of supplies programmed for Italy by UNRRA, 5,000,000 tons, worth about 275,000,000 dollars (£68,750,000 sterling), have already reached Italian ports. Those supplies, contributed free to the Italian Government by the 48 United Nations which are members of UNRRA, have

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Deliveries Beyond December

It was confirmed in Washington that UNRRA aid should not stop on 31 December. Assistance will not end until all the UNRRA funds allocated for Italy are spent. UNRRA supplies will continue to arrive at least through the first quarter of 1947, and probably even a little later.

UNRRA aid to Italy has been a jointly planned enterprise, between the Italian Government and the UNRRA Italy Mission. At the outset the Government provided the specifications for the kinds and quantities of supplies needed under the expanded UNRRA programme in Italy, which began early this year. UNRRA undertook to procure those goods in so far as world supply conditions and available funds permitted, and to deliver them to Italian ports. The Government assumed responsibility for the methods of distribution, with the advice of UNRRA.

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Aid to Italy, over the entire period of UNRRA assistance, will total the equivalent of over 400,000,000 dollars, more than 100,000

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million lire, plus the very large freight costs, which UNRRA also pays. This assistance comes from more than 20 different countries, the gift of the United Nations as a whole. Because of rising costs, this money is not buying as much food and fuel and raw materials as had been hoped. But it is still buying tremendous quantities of supplies which Italy vitally needs—grain, petroleum products, coal, medicines, fertilizers, cotton, wool and many others.

The task of procuring those supplies has been great. UNRRA is not a gigantic world warehouse from which supplies can be called forward at will. UNRRA is one applicant among many for supplies, and is completely dependent upon those supplies which the contributing nations are willing to release for export. From the beginning, military requirements have had a higher priority than UNRRA. In this period of post-war reconstruction, many countries need identically the same goods as Italy. Demands are greater than ever before, and supplies less.

Shortage of Shipping

Supplies and funds available have not been the only problem. There is also the key problem of shipping. UNRRA must depend upon the shipping space available. Until mid-year, this was still difficult to get. The recent maritime strikes caused a recurrence of the shipping shortage for two months and resulted in a delay of many weeks in the arrival of some UNRRA imports. But, provided there are no more strikes, shipping should not be a major problem again.

In spite of unexpected difficulties, delays and strikes, UNRRA has already brought in almost three-quarters of the supplies programmed for Italy. During October, for example, in spite of the United States maritime strike, UNRRA goods made up nearly 400,000 tons of about 600,000 tons actually discharged. UNRRA brought in almost 90 per cent. of the October coal imports.

Almost 75,000,000 dollars' worth of UNRRA bread-cereals, not including freight costs, have been delivered to Italy to date. This means that about one-fourth of the bread

by value, of UNRRA food supplies programmed for Italy have arrived and the great bulk of these have already been eaten. This represents food for the general population, as well as special assistance for the needy children and mothers.

In fulfilment of its medical programme, UNRRA has delivered more than 6,000 tons of hospital equipment, penicillin, DDT, ambulances and drugs—more than two-thirds, by value, of the programme of medical and sanitation supplies.

Industrial Production Doubled

During the period of UNRRA assistance, Italian industrial production has about doubled and now stands at about 65 per cent. of the pre-war level—though naturally, the effect of the maritime and coal strikes will temporarily reduce this level.

Among recent UNRRA deliveries has been the arrival during the past month of 4,500 more tons of rubber. Factories and homes in heavily damaged areas are being reconstructed with building materials produced and transported, thanks to UNRRA-imported fuel. During November, the Government allocated to industrial users 70,000 tons of strategic UNRRA materials—including pig-iron, manganese and chromite for steel-making; colophony for soap, paper and other industries; coal tar solvents for a wide range of essential industrial processes; and copper for the railways. Additional quantities of key industrial materials have arrived and will shortly be available for allocation.

Of the total industrial rehabilitation supplies scheduled for Italy, substantially more than 5,000,000 tons have already arrived and the programme is about 70 per cent. complete.

Help for Agriculture

In the agricultural programme, 14,000 tons of seed, notably potato and forage seed, have already reached Italy. UNRRA has provided pesticides, and more than 50,000 tons of fertilizer. Of about 300 tractors scheduled for Italy, half have already arrived and have been turned over to the Government for use in the

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as had been hoped. But it is still buying tremendous quantities of supplies which Italy vitally needs—grain, petroleum products, coal, medicines, fertilizers, cotton, wool and many others.

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Almost 75,000,000 dollars' worth of UNRRA bread-cereals, not including freight costs, have been delivered to Italy to date. This means that about one-fourth of the bread purchased on Italian ration cards this year has come from UNRRA cereals.

Of the edible fats and oils programmed for Italy, 34,000 tons have already been delivered. Fifty-three thousand tons of sugar were brought in during the deficiency period prior to the harvest. In general, about 65 per cent., UNRRA has delivered more than 6,000 tons of hospital equipment, penicillin, DDT, ambulances and drugs—more than two-thirds, by value, of the programme of medical and sanitation supplies.

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domestic tractor production [illegible] these machines will not be available for private purchase.

To help to provide clothing and blankets for Italians who need them most—at prices they can afford to pay—UNRRA has delivered almost 35,000 tons of raw cotton and more than half of a scheduled programme of 39,000 tons of raw wool. Under the plan now being administered by the Government's newly-created UNRRA-Tessili organization, some of these textiles are already in production. About one-third of the cotton goods will be distributed to the neediest, free of charge. The remainder will be sold at very low prices, based solely on the cost of manufacture, and not including the cost of raw materials. A plan for wool textiles is also being developed by the Government.

Special praise is due to Italy's dock and railway workers for the speed with which they have unloaded and moved UNRRA supplies. At peak, Italy's ports have handled more than a million tons a month, equalling and exceeding pre-war records with far less equipment. Some 4,000 tons of port equipment purchased by UNRRA from military surplus, are now beginning to arrive and should facilitate port operations.

Grain a World Problem

The world grain situation is causing concern throughout both hemispheres. There is not, and will not be, enough grain to meet all the world's demands in the coming months.

The Italian Government and UNRRA are working in the closest co-operation to promote the earliest possible arrival of bread cereals, and to put Italy in the best possible position to continue to procure cereals between the end of the UNRRA programme and the next harvest. The Government, on its own account, is in direct contact with grain supplying countries. The amassing returns show great improvement over last year, although the results are still not good enough in the light of the world grain shortage. As a result of new amassi enforcement measures, UNRRA is hopeful that the collection goals will soon be met, at least in most provinces.

UNRRA wishes to compliment the Government on the new programme to control the

UNRRA—have suffered somewhat on account of strikes in the United States—first, the coal strike in April, then the maritime strikes in September and October and now the new coal strike. UNRRA had hoped to have the entire UNRRA coal programme—more than 5,500,000 tons—delivered to Italy by January. With the end of the maritime strikes, it looked as if UNRRA could complete those imports some time in February. Now the most that can be said is that UNRRA coal will continue to arrive for two or three months *after* the end of the United States coal strike.

200,000 Tons of Coal in November

The remaining UNRRA coal imports scheduled for Italy are somewhat more than 1,000,000 tons. At the moment, and probably for the duration of the coal strike, there is an embargo on coal exports from the United States. It must be pointed out, however, that UNRRA succeeded in loading more than 200,000 tons from the United States for Italy this month before the embargo was imposed. The Mission is fairly confident of getting between 100,000 and 150,000 tons monthly from non-United States sources. At the same time, UNRRA is calling upon the European Coal Organization to review the effects of the United States coal strike on Italy's position, and this may possibly result in slightly increased allocations from European sources. Orders have gone to UNRRA offices in all coal-producing countries to try to get more coal for Italy from anywhere in the world.

With coal, as with grain, UNRRA and the Italian Government are taking joint action to minimize the harmful effects of present shortages. It is clear that rigid conservation measures will be necessary in Italy for the duration of the strike. The situation will not be good, but by careful husbanding and utilization of coal reserves on an emergency basis, Italy's industrial economy will pull through. All industrial coal users are urged to re-examine the possibility of converting to fuel-oil wherever possible, especially since from the long view, it may be more economical to look to fuel-oil rather than coal as a continuing source of fuel.

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UNRRA wishes to compliment the Government on the new programme to control the collection and distribution of olive oil and some animal fats. The Mission is hopeful that these measures will make possible some improvement in the outlook for fats.

Coal imports—the great bulk of which during the past year have been provided by 5,500,000 tons—delivered to Italy by January. With the end of the maritime strikes, it looked as if UNRRA could complete those imports some time in February. Now the most that can be said is that UNRRA coal will continue to arrive for two or three months *after* the end of the United States coal strike.

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Adequate Supplies of Liquid Fuel

With the end of the shipping strike, liquid fuels are arriving in Italy in substantial quantities once more, and it is likely that adequate supplies will be available for essential

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purposes in December and January. According to present plans, in February the Government will begin to take over from UNRRA the delivery of petroleum for civilian requirements, and UNRRA imports will cease completely shortly thereafter.

More and more, UNRRA petroleum imports will be crude oil, now beginning to be processed in the refineries at Bari and Naples. It is expected that by the end of the UNRRA programme, Italy's refineries will be producing a substantial percentage of the country's petroleum needs. This important step forward in Italy's industrial rehabilitation has already resulted in savings of foreign exchange, since crude oil is less expensive and, therefore, saves the Government's money.

Transition Period

In the transition period, when UNRRA imports cease and Italy takes over the task of providing its own essential supplies, UNRRA's primary concern is to try to avoid any break in the supply line—at least to the extent that the supply line is controlled by the Italian Government and UNRRA.

Obtaining supplies during this transition period involves not only finding the necessary foreign exchange and shipping, but also finding the supplies. As a result of several months of joint planning by the Government and UNRRA, the administrative machinery and the organization of shipping during the transition period are well in hand. Financially, it appears likely that the Government, through its careful planning, will be able to cover the three basic commodities of grain, coal and petroleum products. The real problem for the Italian Government will be, as it has been for UNRRA, to find the supplies in the world's granaries, mines and storehouses at a time when the demand will still be in excess of what is available.

Imports to Meet Essential Needs

In UNRRA's view, there should be no relaxation in the care taken in the distribution and utilization of UNRRA imports, to ensure that these are used for the purpose for which [illegible] given to Italy to move food, and for essential services—not for pleasure driving and motor races.

Misuse of UNRRA imports does not hurt UNRRA: it hurts the Italian people and Italy. There is no surer way to alienate friendly world opinion than by misuse of supplies contributed for relief and reconstruction.

UNRRA imports are not only providing jobs and goods for Italians, but by providing a "floor" for the Italian economy, they have also made it possible for Italian industry to build up its production capacity for export, and thereby to augment its foreign exchange and credit position.

To retain, and further improve, that position during 1947, Italy will need some outside assistance to meet its food bill, to avoid using for food such foreign exchange as will be available. If that exchange capacity is exhausted in the purchase of food, it will mean an inevitable retardation of industrial recovery. As much as possible, those foreign earnings will need to be put back into industrial production. If this can be achieved, the prospects are good that Italy will by the end of 1947 be in a sound position to make its bids in international markets for a continuing supply of essential imports.

MORE STEEL PRODUCED

In spite of short supplies, the Italian steel industry has shown marked progress throughout the first three-quarters of the year. The monthly output of steel more than doubled from only 55,529 tons in January to 123,782 tons in September. Production of pig iron, which was only 3,429 tons in January, increased to 29,724 tons. Output of ferro-alloys, which amounted to no more than 257 tons in January and ceased completely in February, had, in September, risen to an estimated 4,960 tons.

The September figures for steel output were lower by 50,000 tons—or approximately 29 per cent.—than the pre-war (1935-37) average of 175,000 tons a month. Pig iron production was a little under half.

During 1935-37, production averaged [illegible] consumption 2,313,871

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Imports to Meet Essential Needs

In UNRRA's view, there should be no relaxation in the care taken in the distribution and utilization of UNRRA imports, to ensure that these are used for the purpose for which they were intended. Nitrates have been given to Italy by the United Nations for bread cereals, not for tobacco and luxury crops. Grain has been provided for rationed bread, to be used in accordance with Government regulations and legal extraction ratios—not for white bread and pastries. Gasoline has been friendly world opinion than by misuse of supplies contributed for relief and reconstruction.

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The September figures for steel output were lower by 50,000 tons—or approximately 29 per cent.—than the pre-war (1935-37) average of 175,000 tons a month. Pig iron production was a little under half.

During 1935-37, production averaged 2,104,000 tons, and consumption 2,313,871 tons a year. The average production of pig iron for the same period was 721,000 tons. Some 370 plants were producing iron and steel, giving employment to over 56,000 workers.

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Production fell in 1945 to no more than 15 per cent. of this pre-war average—partly on account of war damage to plant, but chiefly on account of the shortage of supplies, particularly coal, and shortage of hydro-electric power. Over-all war damage was approximately 25 per cent. During 1945-46, however, rebuilding and reconstruction have restored the industry to 85 per cent. of its pre-war capacity.

Steady Rise in Production

The following table shows, month by month, the steady rise, since the beginning of the year, in the production of steel, pig iron, and ferro-alloys. The slight set-backs in the output of steel and pig iron in August and of ferro-alloys in July and August were due to summer holidays. As will be seen, production of ferro-alloys was negligible for the first three months of the year.

	Steel Tons	Pig Iron Tons	Ferro-Alloys Tons
January	55,529	3,429	257
February	57,207	2,265	—
March	69,847	2,438	399
April	81,633	9,812	2,262
May	95,867	16,068	4,009
June	101,313	20,508	4,064
July	112,954	28,817	3,230
August	111,163	26,217	3,680
September	123,782	29,724	4,960 *

* *Note*: September production of ferro-alloys is estimated.

Plans drawn up last year by the Allied Commission and the Italian Government to restore the steel industry could not become effective until very late in 1945. Since then, UNRRA has rendered considerable assistance in the re-establishment of Italy's steel industry, which is to a very high degree dependent upon imports. For every ton of steel produced, one ton of raw material must be imported from abroad.

Pre-War Consumption

During the years before the war in which steel production was highest, the industry consumed annually about 1,600,000 tons of imported coal and 800,000 tons of coal (in the

were 915,000 tons in 1935: but fell to 365,000 tons in 1936.

Most of the other basic commodities essential to the steel and ferro-alloy industry, such as manganese ore, wolframite, molybdenite, chromite, chromium, graphite, tin, copper and nickel have always had to be imported. Italy, too, has always had to import foreign finished steel products to supplement home production. In 1938, semi-finished products for industry—most of which went into iron and steel processing—represented 22 per cent. of the country's total imports.

To meet Italy's requirements of steel, semi-finished steel and raw materials for steel production, UNRRA had up to 31 October, imported the following:—

	Tons
Coal	454,000
Pig iron	12,770
Fuel oil	12,500
Lubricants	1,285
Semi-finished steel	1,707
Manganese ore	10,000
Tin	20
Copper	300
Nickel	1,056
Petroleum coke	5,000
Anthracite	8,000

Note: Arrivals during November include 7,800 tons of pig iron, 1,000 tons of chromite and 100 tons of wolframite.

The prices fixed by the Price Committee for pig-iron, and a range of finished and semi-finished steel products are published in this issue, together with the prices for nickel, ferro tungsten and graphite for steel-making. The prices fixed for manganese ore and chrome ore were published in *Economic Notes* No. 42, of 1 November.

Pig Iron and Steel

World shortages, strikes, and readjustment of import priorities to meet more pressing needs, have resulted in very considerable changes in the programme originally put forward by UNRRA for the rehabilitation of the steel industry. UNRRA has contracted for a total of 53,845 tons of pig iron for Italy and it is hoped to secure a further 94,640 tons from Australia, but negotiations are not yet

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January	55,529	3,429	257
February	57,207	2,265	—
March	69,847	2,138	399
April	81,633	9,812	2,262
May	93,867	16,068	4,009
June	101,313	20,508	4,064
July	112,954	28,817	3,230
August	111,163	26,217	3,680
September	128,782	29,724	4,960 *

* *Note*: September production of ferro-alloys is estimated.

Plans drawn up last year by the Allied Commission and the Italian Government to restore the steel industry could not become effective until very late in 1945. Since then, UNRRA has rendered considerable assistance in the re-establishment of Italy's steel industry, which is to a very high degree dependent upon imports. For every ton of steel produced, one ton of raw material must be imported from abroad.

Pre-War Consumption

During the years before the war in which steel production was highest, the industry consumed annually about 1,600,000 tons of imported coal, and 300,000 tons of coal (in the form of lignite and anthracite) from home sources, including coal from the Arsa mines in Istria, which are now under Yugoslav control. Yearly imports of pig iron ranged from as much as 153,000 tons in 1935 to only 30,000 tons in 1937. Imports of iron and steel scrap too, has always had to import foreign finished steel products to supplement home production. In 1938, semi-finished products for industry—most of which went into iron and steel processing—represented 22 per cent. of the country's total imports.

To meet Italy's requirements of steel, semi-finished steel and raw materials for steel production, UNRRA had up to 31 October, imported the following:—

	Tons
Coal	154,000
Pig iron	12,770
Fuel oil	12,500
Lubricants	1,285
Semi-finished steel	1,707
Manganese ore	10,000
Tin	20
Copper	500
Nickel	1,056
Petroleum coke	5,000
Anthracite	8,000

Note: Arrivals during November include 7,800 tons of pig iron, 1,000 tons of chromite and 100 tons of wolframite.

The prices fixed by the Price Committee for pig-iron, and a range of finished and semi-finished steel products are published in this issue, together with the prices for nickel, ferro tungsten and graphite for steel-making. The prices fixed for manganese ore and chrome ore were published in *Economic Notes* No. 42, of 1 November.

Pig Iron and Steel

World shortages, strikes, and readjustment of import priorities to meet more pressing needs, have resulted in very considerable changes in the programme originally put forward by UNRRA for the rehabilitation of the steel industry. UNRRA has contracted for a total of 53,845 tons of pig iron for Italy and it is hoped to secure a further 94,640 tons from Australia, but negotiations are not yet complete. Approximately two-thirds of the steel which UNRRA is sending to Italy has already been shipped.

It is thanks to the timely delivery by UNRRA of 7,000 tons of anthracite for the manufacture of electrodes between March and September that 400,000 tons of steel could be

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produced in electric steel furnaces during the period of excess hydro-electric power in the summer months. In spite, therefore, of coal shortage due to the coal strike in the United States last spring, steel production steadily increased.

Full use, also, of hydro-electric power for pig iron production in electric furnaces has helped to overcome the delays in importing the programmed amounts of pig iron, on account of world shortages.

The allocation of fuel oil to steel works has permitted the conversion of plant, on a small scale, from coal: and has thus, to some extent, reduced the short-fall in production due to inadequate coal supplies.

10,000 Tons of Manganese Ore

UNRRA's programme includes 10,000 tons of manganese ore required for steel making. Approximately 50 per cent. of the available supplies are being converted to ferro-manganese at once, and will be utilized in steel production up to the end of the year. The balance will be converted during the new hydro-electric power season, beginning in March, 1947, for use later in the year.

Large supplies of fuel and raw materials have still to be imported on the UNRRA steel rehabilitation programme. Further development of Italy's hydro-electric resources will provide cheap power during the high-water season of the year, and enable industry partly to dispense with coal. It is estimated that in 1938, the output of hydro-electric power for all uses (including industry) was roughly equal to the power output from coal. Home production of pig-iron calls for the import of only a small proportion of high-grade coal and high-grade iron ore. Italy normally produces 75 per cent. of its ore requirements in the form of pyrites ash or mineral ore.

STEEL PRICE DECISIONS

The following prices for steel, pig iron, nickel and graphite have been agreed by the Italian Government and the UNRRA Italy [illegible] with the recommenda-

Ferro tungsten:
12 lire per kilogram per 1 per cent. contained tungsten, ex consignee's warehouse.

Special Graphite (for steel making):
32 lire per kilogram ex consignee's warehouse.

Pig iron - refining grade:
17.50 lire per kilogram ex consignee's warehouse.

Pig iron - foundry and hematite grades:
18.50 lire per kilogram ex consignee's warehouse.

Semi finished steel:
Ingots:
19.30 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Blooms and slabs:
20.80 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Billets and steel bars:
27.30 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Finished Steel:
(Sold to Ministries and Italian State Railways, for consumption in their own plants):

Corrugated sheet:
30.00 lire per kilogram ex consignee's warehouse.

Galvanized steel sheet:
30.75 lire per kilogram ex consignee's warehouse.

Reinforcing rods:
21.80 lire per kilogram ex consignee's warehouse.

Steel bars:
20.80 lire per kilogram ex consignee's warehouse.

Black steel sheets:
16.40 lire per kilogram ex consignee's warehouse.

Steel sheets:
28.75 lire per kilogram ex consignee's warehouse.

Finished Steel:
(For all consumers other than Ministries and Italian State Railways):

Hot rolled sheet:
32.50 lire per kilogram ex consignee's warehouse.

Wire rod:
31.68 lire per kilogram ex consignee's warehouse.

Plate and heavy sheet:
40.45 lire per kilogram ex consignee's warehouse.

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STEEL PRICE DECISIONS

The following prices for steel, pig iron, nickel and graphite have been agreed by the Italian Government and the UNRRA Italy Mission, in accordance with the recommendations passed by the Price Committee at its meetings on 24 and 31 October, and 11 November, 1946:

Nickel:
435 lire per kilogram ex consignee's warehouse, including handling charges.

17.50 lire per kilogram ex consignee's warehouse.

Pig iron - foundry and hematite grades:
18.50 lire per kilogram ex consignee's warehouse.

Semi finished steel:

Ingots:
19.30 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

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20.80 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

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Corrugated sheet:
30.00 lire per kilogram ex consignee's warehouse.

Galvanized steel sheet:
30.75 lire per kilogram ex consignee's warehouse.

Reinforcing rods:
21.80 lire per kilogram ex consignee's warehouse.

Steel bars:
20.80 lire per kilogram ex consignee's warehouse.

Black steel sheets:
16.40 lire per kilogram ex consignee's warehouse.

Steel sheets:
28.75 lire per kilogram ex consignee's warehouse.

Finished Steel:
(For all consumers other than Ministries and Italian State Railways):

Hot rolled sheet:
32.50 lire per kilogram ex consignee's warehouse.

Wire rod:
34.68 lire per kilogram ex consignee's warehouse.

Plate and heavy sheet:
40.45 lire per kilogram ex consignee's warehouse.

Thin sheet and black sheet:
49.30 lire per kilogram ex consignee's warehouse.

Tubes - base 1 inch:
55.55 lire per kilogram ex consignee's warehouse.

Products derived from wire rod:
46.20 lire per kilogram ex consignee's warehouse.

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Mushroom rail:
30.00 lire per kilogram ex consignee's warehouse.

Shaped rails:
41.70 lire per kilogram ex consignee's warehouse.

Cold rolled strip:
67.00 lire per kilogram ex consignee's warehouse.

All sections:
57.00 lire per kilogram ex consignee's warehouse.

The above prices for finished steel are exclusive of extras for thickness, size and quality, as shown in the Standard Government List for Extras.

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(17 - 22 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Sfinge	Ancona	17 November	It. Government	Minerals	7,100
Benny Skou	Genoa	18 »	UNRRA	General	5,000
Scotland	»	» »	»	Wolfram Basic Slag	100 2,075
Pearl Harbor	»	20 »	»	General	2,420
Joseph N. Dinand	»	22 »	»	»	2,206
Heron	»	» »	»	»	1,039
Exiria (1)	»	» »	»	»	627

NOTE: (1) Also discharged at Leghorn, but not on UNRRA Account

LATEST COAL SHIPMENTS

(17 - 22 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Josiah Tattnall	Genoa	17 November	United States	UNRRA	9,325
Gallia	»	» »	United Kingdom	»	2,002
Marshfield Victory	La Spezia	18 »	United States	»	8,091
Jacob Chandler Harper	Savona	19 »	» »	Swiss	8,903
Norruna	Bagnoli	» »	Germany	UNRRA	4,131
Hollypark	Bari	» »	South Africa	»	8,877
George Vickers	Genoa	20 »	United States	Italian Government	8,858
John G. Carlisle	Civitavecchia	» »	» »	UNRRA	9,388
Hermada	Venice	» »	Germany	»	6,700
Grover C. Hutcherson	Bari	» »	United States	»	8,763
Harold Dossett	Palermo	» »	» »	»	9,346
F. Scott Fitzgerald	Naples	21 »	» »	»	9,312
Kragujivak	Venice	» »	Yugoslavia	Commercial	4,896

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67.00 lire per kilogram ex consignee's warehouse. | ment List for Extras.

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Harold Dossett	Palermo	» »	» »	»	9,346
F. Scott Fitzgerald	Naples	21 »	» »	»	9,312
Kragujivak	Venice	» »	Yugoslavia	Commercial	4,896
Orata	Genoa	22 »	United States	UNRRA	11,168
Andalusia	Leghorn	» »	» »	»	6,543
William Cushing	Civitavecchia	» »	Bahrein	Italian Government	8,240
Nathaniel Silsbee	Naples	» »	United States	UNRRA	8,582
Milton H. Smith	Catania	» »	» »	»	8,708

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ECONOMIC NOTES

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LIRE FUND TO HELP HOUSING

Recommendations for an additional allocation of more than 1,000 million lire from the Lire Fund, to speed up CASAS (Comitato Amministrativo Soccorsi ai Senzatetto) housing reconstruction projects in war devastated areas, have been made by the Lire Fund Control Committee, composed of Italian Government and UNRRA representatives.

This grant is supplementary to the 1,167 million lire which have already been allocated from the Lire Fund to CASAS. It will enable immediate loans to be made to finance the repair of a further 20,000 rooms—in addition to the 78,000 rooms scheduled for repair in the first phase of the CASAS operation, which also includes the construction of 840 new family apartments.

Emergency Measures

The present grant is purely an emergency measure to overcome delays, pending the inauguration of a very much larger programme. Its purpose is to finance a new "anticipated" labour and materials plan developed by CASAS and the Special Relief Projects Division of

grant for which they are eligible under the Government's War Damage Contribution Scheme.

A further 12,000,000 lire will be allocated to CASAS to provide for the appointment of paid CASAS representatives in the communes in which CASAS operates. The function of these CASAS communal representatives will be to stimulate the activities of the communal reconstruction committees, supervise the speedy handling of all matters connected with the *perizie* (estimates of war damage) and operate, at communal level, the CASAS "anticipated" labour and materials plan.

Proposals have been put forward by CASAS to amend the Decree (No. 305, of 9 June, 1945), under which the War Damage Contribution Scheme operates, to give CASAS legal authority to buy in advance materials for which payment will be deducted from the *perizie*. It is proposed also that, since the CASAS programme is expressly directed towards helping the most needy among homeless war-displaced Italians, priority should be given to the settlement of the war damage grants awarded to those who have received financial help from CASAS.

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Emergency Measures

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Funds Available Immediately

In view, however, of the urgent need to provide shelter quickly for as many people as possible, the Lire Fund Control Committee

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has agreed to make the funds available immediately, without waiting for the formal legislative amendments; and the Minister of Public Works has undertaken to reimburse CASAS for advances in respect of "anticipated" labour and material, made in the interim period. Such reimbursements will be made at the time of settlement of the war damage claims of the persons assisted.

"Anticipated" Materials and Labour

The purpose of the Lire Fund advances, all of which will ultimately be recoverable, is twofold. (See the preliminary reference to the plan in Issue No. 39 of *Economic Notes*, of 11 October.)

The Fund will be used to purchase "anticipated" materials. The Genio Civile (whose functions correspond broadly with those of a Borough Surveyor in English Local Government administration) is empowered, by Article 18 of the Decree relating to war damage claims, to purchase building materials for needy householders on account of the eventual 60 per cent. war damage grant. In practice, however, serious difficulties have arisen. By using the fund for the purchase of materials in those instances where the Genio Civile is temporarily unable to do so, CASAS hopes to ensure a steady flow of building materials to all needy persons entitled to them in its areas of operations.

But provision of "anticipated" building materials represents only half the problem: for even where materials have been "anticipated" and delivered free of any charge for road haulage by CASAS trucks, the householder has still to pay for the necessary skilled labour before he can repair his war-damaged home. Payment for a proportion of this labour can ultimately be recovered through the 60 per cent. Government grant, but thousands of householders are far too poor to pay for this labour out of their own resources in the meantime.

Needs of the Very Poor

This problem grows progressively more serious. As houses with comparatively light damage are repaired, the proportion of those remaining which require skilled labour increases, both for labour and materials. CASAS estimates that approximately 55 per cent. of the needy homeless fall within this category.

Tragedy of Unfinished Work

"It is a tragedy to think of houses that are built half way up and then abandoned—at least for the time being—because the 'little people'—artisans, labourers and the like—whose homes they are to be, cannot find the money or the credit to finish the job," said Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, who has just completed a personal tour of some of the CASAS operations in the Abruzzi.

"This is a tragedy which is, in fact, happening. In one badly shattered village I saw eight houses that could be finished with a few truckloads of materials. Work has stopped because a very small additional sum of money is not forthcoming. We have made special plans to get over that particular difficulty, and I hope that the advances from the Lire Fund to CASAS will help to prevent this in the future.

"I talked with one poor man who had managed to raise the money to buy the necessary materials to repair his cottage and had then persuaded a mason friend to do the job for him—on credit. That was months ago. He has his cottage, but he owes his friend 30,000 lire, which he cannot possibly pay until he receives his war damage grant—and in the meantime the mason, himself a man in a small way of business, has to carry his friend's bad debt."

CASAS is now able to make cash advances (up to 18 per cent. of the total war damage claim) to those who are unable to provide the essential skilled labour. Such advances will be strictly controlled, and will be specifically earmarked for skilled labour charges.

Mr. Keeny Tours Abruzzi

In the course of a three-days tour of the Abruzzi, Mr. Keeny visited Ortona, Orsogna, Colledimacine, Roccaraso and Castel di Sangro. It was at Colledimacine, which was 90 per cent. destroyed, that the Friends' Devastated Areas Group, 16 months ago,

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Needs of the Very Poor

This problem grows progressively more serious. As houses with comparatively light damage are repaired, the proportion of those which need virtually to be rebuilt becomes steadily higher. Again, the number of householders who can afford somehow to find the money in advance for repairs or reconstruction is steadily being reduced, leaving a "hard core" of the very poor who need loans to pay

built half way up and then abandoned—at least for the time being—because the 'little people'—artisans, labourers and the like—whose homes they are to be, cannot find the money or the credit to finish the job," said Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, who has just completed a personal tour of some of the CASAS operations in the Abruzzi.

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Throughout the Abruzzi, up to date, CASAS has already repaired, or reconstructed 10,215 rooms, and work is in progress on the repair, or reconstruction of another 6,190 rooms. Entirely new homes now in course of construction will provide another 794 rooms.

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In all, it is estimated that CASAS will have rehoused approximately 20,000 people in the Abruzzi before Christmas.

Approximately one-third of the entire CASAS programme is at present concentrated in the Abruzzi. CASAS has, throughout Italy, in the course of the first phase of its operations, so far repaired 39,427 rooms and built 704 new apartments. In all, 63,610 people have been rehoused. This represents only a small part of what needs to be done. As stated in *Economic Notes* (No. 39, of 11 October, 1946), 4,026,081 rooms were damaged or destroyed in the war. Of these, 1,154,000 rooms were totally destroyed, 645,400 heavily damaged and 2,226,680 lightly damaged.

Transport Problem

In the Abruzzi, the number of rooms on which repair work is still in progress is large—partly because of the large amount of reconstruction required and partly because of delivery delays owing to truck shortage. CASAS truck operations have been seriously curtailed on account of the hold-up in motor fuel supplies caused by the maritime strikes in the United States.

Transport is a factor of exceptional importance in the Abruzzi, and in some cases represents as much as 25 per cent. of the total cost of reconstruction, as against a normal 10 or 15 per cent. It is one of the chief functions of CASAS to provide this road transport entirely free of charge to needy persons.

Houses Ready by Christmas

"I was glad to see the good progress that had everywhere been made," Mr. Keeny remarked. "I have every hope that practically all the new houses CASAS has started will be ready for occupation by Christmas. At Orsogna I found an amazing change since my last visit in the spring. The whole skyline has changed. Instead of jagged ruins, you see new roofs.

"The amount of work that has been done is surprisingly large in the light of the delays [illegible]

"I visited one of the brick works where UNRRA is helping indirectly in Italy's housing drive by providing the coal for the kilns. I heard the complaint that not enough coal was being allocated and that deliveries were irregular. It must not be forgotten that the rate of reconstruction in the war-damaged areas ultimately depends on the output of bricks."

Aid to Brick Works

An instance of the way in which CASAS is able to help to increase the output of bricks is the assistance it is giving to a brick works in the devastated Sangro Valley, where such works are few, where the devastated railway will probably take another two years to repair and where building materials have, in consequence, to be transported by trucks over great distances.

CASAS has here made a six months loan to the brick works of the small town of Castel del Giudice, enabling the works to replace its destroyed brick-moulding machinery. In return for this loan, CASAS is promised the full production of the factory for the period of the loan, plus repayment at the rate of one lira for each brick produced. Such forms of assistance will need to be increased, if repair and construction work in rural and remote districts is not to be held up by lack of building supplies.

"I hope that fuller use will be made of local brick works," said Mr. Keeny. "It is unfortunate that, in the Abruzzi, bricks have had sometimes to be carried 140 kilometres (more than 85 miles) over the mountains to villages as much as 4,000 feet, or more, above sea level, although there have been other brick kilns, which might have supplied requirements, much nearer at hand.

Need for Loans

"The chief weakness, however, in the present system of rehousing has been that of securing loans to enable the very poor to pay for the labour and materials they need to rebuild their homes—and that I hope will now be largely remedied through advances from the

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in the Abruzzi. CASAS has, throughout Italy, in the course of the first phase of its operations, so far repaired 39,427 rooms and built 704 new apartments. In all, 63,610 people have been rehoused. This represents only a small part of what needs to be done. As stated in *Economic Notes* (No. 39, of 11 October, 1946), 4,026,081 rooms were damaged or destroyed in the war. Of these, 1,154,000 rooms were totally destroyed, 645,400 heavily damaged and 2,226,680 lightly damaged.

Transport Problem

In the Abruzzi, the number of rooms on which repair work is still in progress is large—partly because of the large amount of reconstruction required and partly because of delivery delays owing to truck shortage. CASAS truck operations have been seriously curtailed on account of the hold-up in motor fuel supplies caused by the maritime strikes in the United States.

Transport is a factor of exceptional importance in the Abruzzi, and in some cases represents as much as 25 per cent. of the total cost of reconstruction, as against a normal 10 or 15 per cent. It is one of the chief functions of CASAS to provide this road transport entirely free of charge to needy persons.

Houses Ready by Christmas

"I was glad to see the good progress that had everywhere been made," Mr. Keeny remarked. "I have every hope that practically all the new houses CASAS has started will be ready for occupation by Christmas. At Orsogna I found an amazing change since my last visit in the spring. The whole skyline has changed. Instead of jagged ruins, you see new roofs.

"The amount of work that has been done is surprisingly large in the light of the delays and difficulties that have had to be overcome. Not least among those difficulties has been the problem of producing the bricks and tiles. The brick kilns have themselves suffered war damage; they have been running on credit; and last spring they were severely handicapped owing to the coal shortage caused by the United States coal strike.

irregular. It must not be forgotten that the rate of reconstruction in the war-damaged areas ultimately depends on the output of bricks."

Aid to Brick Works

An instance of the way in which CASAS is able to help to increase the output of bricks is the assistance it is giving to a brick works in the devastated Sangro Valley, where such works are few, where the devastated railway will probably take another two years to repair and where building materials have, in consequence, to be transported by trucks over great distances.

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Need for Loans

"The chief weakness, however, in the present system of rehousing has been that of securing loans to enable the very poor to pay for the labour and materials they need to rebuild their homes—and that I hope will now be largely remedied through advances from the Lire Fund.

"I regret that what is being done now was not started earlier, and on a more comprehensive scale. Rebuilding a devastated area

Continued on Page 6

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STATISTICAL SURVEY — SEPTEMBER, 1946

Description	Unit of Measurement	1945 Jan.	1945 June	1945 Aug.	1945 Sept.	1946 Jan.	1946 June	1946 Aug.	1946 Sept.
CURRENCY, PRICES									
Currency circulation	1938=100	1,590	1,815	1,770	1,788	1,837	1,932	2,012	2,111
Current accounts and deposits	»	—	367	383	402	519	631	—	—
Fine gold price (open market)	»	3,108	3,527	3,665	3,581	2,981	2,673	3,254	3,642
Dollar:									
Legal rates–Official	»	526	526	526	526	526	526	526	526
» –Commercial	»	—	—	—	—	—	1,181	1,184	1,184
» –Export	»	—	—	—	—	—	1,984	2,642	3,132
Black market	»	1,758	1,532	1,503	1,752	2,011	1,926	2,195	2,616
Share prices (Milan)	»	733	673	518	508	445	574	781	786
Wholesale prices (Florence)	»	—	3,302	3,607	3,604	3,494	2,965	3,016	3,209
COST OF LIVING, WAGES, LABOUR									
Cost of living (Milan) Total	»	1,355	1,798	1,939	2,388	2,431	2,607	2,850	—
» » » Food	»	2,018	2,408	2,506	2,987	3,132	3,492	3,625	—
Wages in Milan:									
Skilled labour	»	423	498	915	1,033	1,182	1,410	1,501	—
Professional workers	»	298	324	470	588	762	898	929	—
Unemployed registered	Thousands	—	—	—	—	1,428	1,581	1,770	1,858
PRODUCTION									
Pig-iron (Northern Italy) (1)	1938=100	24	8	12	41	10	61	86	93
Steel (Northern Italy) (1)	»	19	15	14	24	36	53	65	75
Rolled steel (Northern Italy) (1)	»	17	9	10	25	39	57	54	65
Cotton yarns (1)	»	3	3	4	5	22	60	42	—
Artificial textile fibres	»	2	3	4	4	6	32	50	55
Mechanical (Fiat)	»	8	32	24	43	56	57	37	—
Chemical (Montecatini)	»	12	10	14	15	24	55	63	70
Electric power (2)	»	97	77	76	77	108	108	111	112
FOREIGN TRADE									
Imports (3) (4)	Dols. ('000)	—	—	—	—	33,845	376,302	553,627	657,361
Exports (3)	»	—	—	—	—	3,339	85,424	142,186	167,665
Wheat imports (4)	Tons ('000)	—	—	—	—	91	943	1,073	1,125
Coal imports (4)	»	—	—	—	—	459	2,627	3,370	4,162
POL imports (UNRRA) (5)	»	—	—	—	—	—	633	1,085	1,149
STATE RAILWAY TRAFFIC									
Passengers	Thousands	—	—	18,355	13,269	17,076	19,188	—	—

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	Measurement	Jan.	June	Aug.	Sept.	Jan.	June	Aug.	Sept.
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Currency circulation	1938=100	1,590	1,815	1,770	1,788	1,837	1,932	2,042	2,111
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Dollar:									
Legal rates–Official	»	526	526	526	526	526	526	526	526
» –Commercial	»	—	—	—	—	—	1,181	1,184	1,184
» –Export	»	—	—	—	—	—	1,984	2,642	3,132
Black market	»	1,758	1,532	1,363	1,752	2,011	1,926	2,495	2,616
Share prices (Milan)	»	733	673	518	508	445	574	781	786
Wholesale prices (Florence)	»	—	3,392	3,607	3,604	3,404	2,965	3,016	3,209
COST OF LIVING, WAGES, LABOUR									
Cost of living (Milan) Total	»	1,355	1,798	1,939	2,388	2,431	2,607	2,850	—
» » » Food	»	2,018	2,408	2,506	2,987	3,132	3,492	3,623	—
Wages in Milan:									
Skilled labour	»	423	498	915	1,033	1,182	1,410	1,501	—
Professional workers	»	298	324	470	588	762	898	929	—
Unemployed registered	Thousands	—	—	—	—	1,428	1,531	1,770	1,858
PRODUCTION									
Pig-iron (Northern Italy) (1)	1938=100	24	8	12	41	10	61	86	93
Steel (Northern Italy) (1)	»	19	15	14	24	36	53	65	75
Rolled steel (Northern Italy) (1)	»	17	9	10	25	39	57	54	65
Cotton yarns (1)	»	3	3	4	5	22	60	42	—
Artificial textile fibres	»	2	3	4	4	6	32	50	55
Mechanical (Fiat)	»	8	32	24	43	56	57	37	—
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Exports (3)	»	—	—	—	—	3,339	85,424	112,186	167,665
Wheat imports (4)	Tons ('000)	—	—	—	—	94	943	1,073	1,125
Coal imports (4)	»	—	—	—	—	459	2,627	3,370	4,162
POL imports (UNRRA) (5)	»	—	—	—	—	—	633	1,085	1,149
STATE RAILWAY TRAFFIC									
Passengers	Thousands	—	—	13,355	15,268	17,620	19,138	—	—
Goods	Tons ('000)	—	—	1,895	2,053	2,389	2,476	2,831	2,847

(For Explanatory Notes See Opposite Page)

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STATISTICAL SURVEY FOR SEPTEMBER

On the opposite page is a statistical survey of economic conditions in Italy up till September, 1946. The survey covers currency and prices; cost of living, wages and labour; production; foreign trade and State railway traffic. It has been prepared from information supplied by the Central Institute of Statistics in Rome, the Bank of Italy, the Italian State Railways and other official sources.

Stimulated by larger imports of fuel and raw materials, particularly by UNRRA imports, the Italian economy showed greater vitality in September than in previous months of 1946. There were clear signs of recovery in industrial production and of improvement in transport and foreign trade. Labour unrest, however, became more serious during September, largely owing to the increased cost of living.

While the currency circulation level was 21 times above 1938, free prices ranged from a minimum of 26 times pre-war (open market price of the dollar) up to a maximum of 36 times (price of fine gold). The level of bank deposits was still only six times pre-war. This mainly resulted from (a) the considerable decrease in the flow of savings from workers and fixed income categories (real wages and salaries, on the average, were about 50 per cent. of 1938); (b) hoarding of the lira, which was a noteworthy development, especially among farmers; (c) the many transactions (especially black market transactions) which took place outside the banks; (d) the disparity between the level of the currency circulation and the price level—which made it necessary to use, for the same volume of transactions, a proportionately greater amount of currency.

The outstanding factor in the Italian labour situation was the maladjustment of wages and salaries to the increase in the cost of living. Although the cost of living had by September increased 29-36 times, compared with pre-war, wages and salaries were only 10-18 times higher. The number of registered unemployed

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NOTES ON STATISTICAL SURVEY

(1) *Production*: Indices of production are still subject to a margin of error. An intensive study conducted through the UNRRA North Italy Office and the Comitato Industriale Alta Italia (C.I.A.I.) indicates the following discrepancies:

(MONTHLY AVERAGE: 1938 EQUALS 100)

	JANUARY, 1946		JUNE, 1946	
	Official	UNRRA	Official	UNRRA
Pig Iron (Northern Italy)	10	not available	61	not available
.. .. (all Italy)	3.6	4	27.8	22
Steel (Northern Italy)	36	not available	53	not available
.. (all Italy)	26.7	27	52.8	49
Rolled Steel (Northern Italy) . . .	39	not available	57	
.. .. (all Italy)	26.4	28	45.3	
Cotton Yarns	22	34	60	

Figures for artificial textile fibres agree; for the other series it is not possible to make a direct comparison. The index numbers for the mechanical and chemical industries refer to two companies which, though large, do not indicate the true status throughout the whole of these two industries.

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

(3) *Foreign Trade*: Figures are cumulative, beginning 1 January. Present statistics on exports and imports

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

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

(4) Cumulative, including UNRRA.

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

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workers (about three-fourths of the total number of people out of work) steadily increased from January to September, 1946.

This increase is mainly due to the return of large numbers of prisoners of war and deported workers, and to greater accuracy in registration (particularly in August and September), following the Government's decision to pay the "premium of the Republic" to unemployed registered at labour exchanges.

Output figures for some representative commodities and electric power support the official Government estimate that the general level of Italian production was approximately 65 per cent. of pre-war—the figure given by the Italian Prime Minister.

Exports Increase

Total Italian exports up to 31 August, 1946, amounted to about one-fourth of the imports. Exports, however, steadily increased up to 31 August. The table shows, by quantity, the imports of cereals, coal and petroleum products (POL) which form approximately 50 per cent. of the total value of all Italian imports. The official Italian figure of total imports from 1 January to 31 August, 1946, is 6,160,976 metric tons. UNRRA arrivals during this period were approximately 5,300,000 metric tons; it is known, however, that not all this quantity is included in the official Italian statistics. This is mainly because UNRRA goods are often recorded some time after the imports take place. UNRRA arrivals in this eight months period included 656,735 metric tons of wheat and 2,904,884 metric tons of coal.

Passenger and freight traffic on the Italian State Railways was steadily increasing, as a result of systematic rehabilitation of the Italian railway system, and repair and renewal of the rolling stock.

LIRE FUND TO HELP HOUSING

Continued from Page 3

is not like other rehousing schemes—such as

"The job is to repair where possible, rebuild where necessary, houses for people who have no homes at all. People crowded into the relatively few buildings that are habitable, or forced to live in shacks, cannot afford to wait four or five years. The moral effect of such delay will be appalling.

Homeless Cannot Wait

"I must emphasize, too, that this task of rebuilding heavily damaged war areas is not a local one. More and more, post-war reconstruction becomes a national problem. The easy repair work is largely done. What remains is the more expensive reconstruction where damage has been heavy—rebuilding, for example, a whole village, where the people always have been poor, and are poorer still today.

"There is, again, the serious problem of allocating, not only funds and materials, but also skilled labour. Sparsely inhabited mountain districts, where often the damage is relatively very high, just cannot find locally the masons, carpenters, tilers and plumbers needed to cope with the gigantic task of rehousing families now condemned to live in shacks."

Work Began in 1945

The first direct help by UNRRA in rehousing needy, homeless Italians was begun in April, 1945, by the UNRRA Italian Refugee Unit No. 2, staffed by voluntary members of the British Friends' Ambulance Unit attached to UNRRA, in the war devastated communes of Frosinone. This work was extended to the Abruzzi in August, 1945, by the establishment of an UNRRA Voluntary Society Unit, staffed by volunteer members of the International Voluntary Society for Peace.

At the same time the Friends' Devastated Areas Group (composed of volunteer members of the American Friends' Service Committee and the British Friends' Ambulance Unit) had been developing independently of UNRRA a similar, but smaller, assistance programme in the Aventino Valley; and subsequently the work of this Group was combined with the

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LIRE FUND TO HELP HOUSING

Continued from Page 3

is not like other rehousing schemes—such as slum clearance—where you can set the pace to suit administrative convenience. In the Abruzzi, and other areas where fighting was heavy, it is not a question of giving people *better* homes, but of meeting the elementary and urgent need for shelter.

four or five years. The moral effect of such delay will be appalling.

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(10 - 16 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Adjutant	Genoa	11 November	UNRRA	General	839
Bantria	»	» »	»	»	622
Andrea Contarini	Naples	12 »	It. Government	Minerals	1,900
Eskdalegate (1)	Leghorn	13 »	UNRRA	General	900
Francesca	Brindisi	» »	It. Government	Minerals	2,400
Apollo	Venice	14 »	» »	»	5,100
Isonzo	»	» »	» »	»	8,112
Sameden	Genoa	15 »	UNRRA	Pig Iron	3,499
Baalbek	»	» »	»	General	41
Richard Henry Lee	Venice	» »	»	Minerals	9,000
Merkland	Genoa	16 »	»	General	750
Jericho Victory	»	» »	»	»	115

NOTE: (1) Also discharged at Genoa.

LATEST COAL SHIPMENTS

(11 - 16 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Pelorum	Ancona	12 November	United States	UNRRA	7,082
William James	Civitavecchia Piombino	» » 16 »	» »	»	8,374
King James	Venice	12 »	South Africa	»	8,399
Ernesto	Savona	13 »	Germany	»	5396
Ines Corrado (1)	Reggio Calabria	» »	United States	»	4,000
Nicolaos G. Culucundis	Savona	14 »	Turkey	Swiss	4,648
Radmar	Naples	» »	Germany	UNRRA	5,524
Empire Copperfield	Venice	» »	South Africa	Br. Army	7,013
Samuel F. B. Morse	Genoa	16 »	United States	UNRRA	9,115

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NOTE: (1) Also discharged at Messina.

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ECONOMIC NOTES

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1. Lire Fund to Help Housing | 2. Statistical Survey - September, 1946
3. Movements of Ships

LIRE FUND TO HELP HOUSING

Recommendations for an additional allocation of more than 1,000 million lire from the Lire Fund, to speed up CASAS (Comitato Amministrativo Soccorsi ai Senzatetto) housing reconstruction projects in war devastated areas, have been made by the Lire Fund Control Committee, composed of Italian Government and UNRRA representatives.

This grant is supplementary to the 1,167 million lire which have already been allocated from the Lire Fund to CASAS. It will enable immediate loans to be made to finance the repair of a further 20,000 rooms—in addition to the 78,000 rooms scheduled for repair in the first phase of the CASAS operation, which also includes the construction of 840 new family apartments.

Emergency Measures

The present grant is purely an emergency measure to overcome delays, pending the inauguration of a very much larger programme. Its purpose is to finance a new "anticipated" labour and materials plan developed by CASAS and the Special Relief Projects Division of grant for which they are eligible under the Government's War Damage Contribution Scheme.

A further 12,000,000 lire will be allocated to CASAS to provide for the appointment of paid CASAS representatives in the communes in which CASAS operates. The function of these CASAS communal representatives will be to stimulate the activities of the communal reconstruction committees, supervise the speedy handling of all matters connected with the *perizie* (estimates of war damage) and operate, at communal level, the CASAS "anticipated" labour and materials plan.

Proposals have been put forward by CASAS to amend the Decree (No. 305, of 9 June, 1945), under which the War Damage Contribution Scheme operates, to give CASAS legal authority to buy in advance materials for which payment will be deducted from the *perizie*. It is proposed also that, since the CASAS programme is expressly designed towards helping the most needy among homeless war-displaced Italians, priority should be given to the settlement of the war damage grants awarded to those who have received financial help from CASAS.

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LIRE FUND TO HELP HOUSING

Recommendations for an additional allocation of more than 1,000 million lire from the Lire Fund, to speed up CASAS (Comitato Amministrativo Soccorsi ai Senzatetto) housing reconstruction projects in war devastated areas, have been made by the Lire Fund Control Committee, composed of Italian Government and UNRRA representatives.

This grant is supplementary to the 1,167 million lire which have already been allocated from the Lire Fund to CASAS. It will enable immediate loans to be made to finance the repair of a further 20,000 rooms—in addition to the 78,000 rooms scheduled for repair in the first phase of the CASAS operation, which also includes the construction of 840 new family apartments.

Emergency Measures

The present grant is purely an emergency measure to overcome delays, pending the inauguration of a very much larger programme. Its purpose is to finance a new "anticipated" labour and materials plan developed by CASAS and the Special Relief Projects Division of the UNRRA Italy Mission. A total of 1,012,500,000 lire will be allocated in the form of a recoverable advance to CASAS, to enable CASAS in its turn to make advances to needy persons who are too poor to provide either the materials or the labour they require to rebuild their homes, in anticipation of the 60 per cent. grant for which they are eligible under the Government's War Damage Contribution Scheme.

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Funds Available Immediately

In view, however, of the urgent need to provide shelter quickly for as many people as possible, the Lire Fund Control Committee

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has agreed to make the funds available immediately, without waiting for the formal legislative amendments; and the Minister of Public Works has undertaken to reimburse CASAS for advances in respect of "anticipated" labour and material, made in the interim period. Such reimbursements will be made at the time of settlement of the war damage claims of the persons assisted.

"Anticipated" Materials and Labour

The purpose of the Lire Fund advances, all of which will ultimately be recoverable, is twofold. (See the preliminary reference to the plan in Issue No. 39 of *Economic Notes*, of 11 October.)

The Fund will be used to purchase "anticipated" materials. The Genio Civile (whose functions correspond broadly with those of a Borough Surveyor in English Local Government administration) is empowered, by Article 18 of the Decree relating to war damage claims, to purchase building materials for needy householders on account of the eventual 60 per cent. war damage grant. In practice, however, serious difficulties have arisen. By using the fund for the purchase of materials in those instances where the Genio Civile is temporarily unable to do so, CASAS hopes to ensure a steady flow of building materials to all needy persons entitled to them in its areas of operations.

But provision of "anticipated" building materials represents only half the problem: for even where materials have been "anticipated" and delivered free of any charge for road haulage by CASAS trucks, the householder has still to pay for the necessary skilled labour before he can repair his war-damaged home. Payment for a proportion of this labour can ultimately be recovered through the 60 per cent. Government grant, but thousands of householders are far too poor to pay for this labour out of their own resources in the meantime.

Needs of the Very Poor

This problem grows progressively more serious. As houses with comparatively light both for labour and materials. CASAS estimates that approximately 55 per cent. of the needy homeless fall within this category.

Tragedy of Unfinished Work

"It is a tragedy to think of houses that are built half way up and then abandoned—at least for the time being—because the 'little people'—artisans, labourers and the like—whose homes they are to be, cannot find the money or the credit to finish the job," said Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, who has just completed a personal tour of some of the CASAS operations in the Abruzzi.

"This is a tragedy which is, in fact, happening. In one badly shattered village I saw eight houses that could be finished with a few truckloads of materials. Work has stopped because a very small additional sum of money is not forthcoming. We have made special plans to get over that particular difficulty, and I hope that the advances from the Lire Fund to CASAS will help to prevent this in the future.

"I talked with one poor man who had managed to raise the money to buy the necessary materials to repair his cottage and had then persuaded a mason friend to do the job for him—on credit. That was months ago. He has his cottage, but he owes his friend 30,000 lire, which he cannot possibly pay until he receives his war damage grant—and in the meantime the mason, himself a man in a small way of business, has to carry his friend's bad debt."

CASAS is now able to make cash advances (up to 18 per cent. of the total war damage claim) to those who are unable to provide the essential skilled labour. Such advances will be strictly controlled, and will be specifically earmarked for skilled labour charges.

Mr. Keeny Tours Abruzzi

In the course of a three-days tour of the Abruzzi, Mr. Keeny visited Ortona, Orsogna, Colledimacine, Roccaraso and Castel di Sangro. It was at Colledimacine, which was 90 per cent. destroyed, that the Friends' Devastated Areas Group, 16 months ago,

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Needs of the Very Poor

This problem grows progressively more serious. As houses with comparatively light damage are repaired, the proportion of those which need virtually to be rebuilt becomes steadily higher. Again, the number of householders who can afford somehow to find the money in advance for repairs or reconstruction is steadily being reduced, leaving a "hard core" of the very poor who need loans to pay

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Throughout the Abruzzi, up to date, CASAS has already repaired, or reconstructed 10,215 rooms, and work is in progress on the repair, or reconstruction of another 6,190 rooms. Entirely new homes now in course of construction will provide another 794 rooms.

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In all, it is estimated that CASAS will have rehoused approximately 20,000 people in the Abruzzi before Christmas.

Approximately one-third of the entire CASAS programme is at present concentrated in the Abruzzi. CASAS has, throughout Italy, in the course of the first phase of its operations, so far repaired 39,427 rooms and built 704 new apartments. In all, 63,610 people have been rehoused. This represents only a small part of what needs to be done. As stated in *Economic Notes* (No. 39, of 11 October, 1946), 4,026,081 rooms were damaged or destroyed in the war. Of these, 1,154,000 rooms were totally destroyed, 645,400 heavily damaged and 2,226,680 lightly damaged.

Transport Problem

In the Abruzzi, the number of rooms on which repair work is still in progress is large—partly because of the large amount of reconstruction required and partly because of delivery delays owing to truck shortage. CASAS truck operations have been seriously curtailed on account of the hold-up in motor fuel supplies caused by the maritime strikes in the United States.

Transport is a factor of exceptional importance in the Abruzzi, and in some cases represents as much as 25 per cent. of the total cost of reconstruction, as against a normal 10 or 15 per cent. It is one of the chief functions of CASAS to provide this road transport entirely free of charge to needy persons.

Houses Ready by Christmas

"I was glad to see the good progress that had everywhere been made," Mr. Keeny remarked. "I have every hope that practically all the new houses CASAS has started will be ready for occupation by Christmas. At Orsogna I found an amazing change since my last visit in the spring. The whole skyline has changed. Instead of jagged ruins, you see new roofs.

"The amount of work that has been done is surprisingly large in the light of the delays

"I visited one of the brick works where UNRRA is helping indirectly in Italy's housing drive by providing the coal for the kilns. I heard the complaint that not enough coal was being allocated and that deliveries were irregular. It must not be forgotten that the rate of reconstruction in the war-damaged areas ultimately depends on the output of bricks."

Aid to Brick Works

An instance of the way in which CASAS is able to help to increase the output of bricks is the assistance it is giving to a brick works in the devastated Sangro Valley, where such works are few, where the devastated railway will probably take another two years to repair and where building materials have, in consequence, to be transported by trucks over great distances.

CASAS has here made a six months loan to the brick works of the small town of Castel del Giudice, enabling the works to replace its destroyed brick-moulding machinery. In return for this loan, CASAS is promised the full production of the factory for the period of the loan, plus repayment at the rate of one lira for each brick produced. Such forms of assistance will need to be increased, if repair and construction work in rural and remote districts is not to be held up by lack of building supplies.

"I hope that fuller use will be made of local brick works," said Mr. Keeny. "It is unfortunate that, in the Abruzzi, bricks have had sometimes to be carried 140 kilometres (more than 85 miles) over the mountains to villages as much as 4,000 feet, or more, above sea level, although there have been other brick kilns, which might have supplied requirements, much nearer at hand.

Need for Loans

"The chief weakness, however, in the present system of rehousing has been that of securing loans to enable the very poor to pay for the labour and materials they need to rebuild their homes—and that I hope will now be largely remedied through advances from the

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"The amount of work that has been done is surprisingly large in the light of the delays and difficulties that have had to be overcome. Not least among those difficulties has been the problem of producing the bricks and tiles. The brick kilns have themselves suffered war damage; they have been running on credit; and last spring they were severely handicapped owing to the coal shortage caused by the United States coal strike.

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"I regret that what is being done now was not started earlier, and on a more comprehensive scale. Rebuilding a devastated area

Continued on Page 6

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STATISTICAL SURVEY — SEPTEMBER, 1946

Description	Unit of Measurement	1945 Jan.	1945 June	1945 Aug.	1945 Sept.	1946 Jan.	1946 June	1946 Aug.	1946 Sept.
CURRENCY, PRICES									
Currency circulation	1938=100	1,590	1,815	1,770	1,788	1,837	1,932	2,042	2,111
Current accounts and deposits	»	—	367	383	402	519	631	—	—
Fine gold price (open market)	»	3,108	3,527	3,605	3,581	2,981	2,673	3,254	3,642
Dollar:									
Legal rates-Official	»	526	526	526	526	526	526	526	526
» -Commercial	»	—	—	—	—	—	1,181	1,184	1,184
» -Export	»	—	—	—	—	—	1,984	2,642	3,132
Black market	»	1,758	1,532	1,563	1,752	2,011	1,926	2,495	2,616
Share prices (Milan)	»	733	673	518	508	445	574	781	786
Wholesale prices (Florence)	»	—	3,392	3,607	3,604	3,404	2,965	3,016	3,209
COST OF LIVING, WAGES, LABOUR									
Cost of living (Milan) Total	»	1,355	1,708	1,939	2,388	2,431	2,607	2,850	—
» » » Food	»	2,018	2,408	2,506	2,987	3,132	3,492	3,625	—
Wages in Milan:									
Skilled labour	»	423	498	915	1,033	1,182	1,410	1,501	—
Professional workers	»	298	321	470	588	762	898	929	—
Unemployed registered	Thousands	—	—	—	—	1,428	1,531	1,770	1,858
PRODUCTION									
Pig-iron (Northern Italy) (1)	1938=100	24	8	12	41	10	61	86	93
Steel (Northern Italy) (1)	»	19	15	14	24	36	53	65	75
Rolled steel (Northern Italy) (1)	»	17	9	10	25	39	57	54	65
Cotton yarns (1)	»	3	3	4	5	22	60	42	—
Artificial textile fibres	»	2	3	4	4	6	32	50	55
Mechanical (Fiat)	»	8	32	24	43	56	57	37	—
Chemical (Montecatini)	»	12	10	14	15	24	55	63	70
Electric power (2)	»	97	77	76	77	108	108	111	112
FOREIGN TRADE									
Imports (3) (4)	Dols. ('000)	—	—	—	—	33,845	376,302	553,627	657,361
Exports (3)	»	—	—	—	—	3,339	85,424	142,486	167,665
Wheat imports (4)	Tons ('000)	—	—	—	—	91	943	1,073	1,125
Coal imports (4)	»	—	—	—	—	459	2,627	3,370	4,162
POL imports (UNRRA) (5)	»	—	—	—	—	—	633	1,085	1,149
STATE RAILWAY TRAFFIC									
Passengers	Thousands			13,956	15,868	17,000	19,138		

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Fine gold price (open market)	»	3,108	3,527	3,665	3,581	2,981	2,673	3,254	3,642
Dollar:									
Legal rates–Official	»	526	526	526	526	526	526	526	526
» –Commercial	»		—	—	—	—	1,184	1,184	1,184
» –Export	»	—	—	—	—	—	1,984	2,642	3,132
Black market	»	1,758	1,532	1,563	1,752	2,011	1,926	2,195	2,616
Share prices (Milan)	»	733	673	518	508	445	574	781	786
Wholesale prices (Florence)	»	—	3,392	3,607	3,604	3,104	2,965	3,016	3,209
COST OF LIVING, WAGES, LABOUR									
Cost of living (Milan) Total	»	1,355	1,798	1,939	2,388	2,431	2,607	2,850	—
» » » Food	»	2,018	2,408	2,506	2,987	3,132	3,492	3,625	—
Wages in Milan:									
Skilled labour	»	423	498	915	1,033	1,182	1,410	1,501	—
Professional workers	»	298	324	470	588	762	898	929	—
Unemployed registered	Thousands	—	—	—	—	1,428	1,531	1,770	1,858
PRODUCTION									
Pig-iron (Northern Italy) (1)	1938=100	24	8	12	41	10	61	86	93
Steel (Northern Italy) (1)	»	19	15	14	24	36	53	65	75
Rolled steel (Northern Italy) (1)	»	17	9	10	25	39	57	54	65
Cotton yarns (1)	»	3	3	4	5	22	60	42	—
Artificial textile fibres	»	2	3	4	4	6	32	50	55
Mechanical (Fiat)	»	8	32	24	43	56	57	37	—
Chemical (Montecatini)	»	12	10	14	15	24	55	63	70
Electric power (2)	»	97	77	76	77	108	108	111	112
FOREIGN TRADE									
Imports (3) (4)	Dols. ('000)	—	—	—	—	33,845	370,302	553,627	657,361
Exports (3)	»	—	—	—	—	3,339	85,424	142,186	167,665
Wheat imports (4)	Tons ('000)	—	—	—	—	94	943	1,073	1,125
Coal imports (4)	»	—	—	—	—	459	2,627	3,370	4,162
POL imports (UNRRA) (5)	»	—	—	—	—	—	633	1,085	1,449
STATE RAILWAY TRAFFIC									
Passengers	Thousands	—	—	13,355	15,268	17,626	19,138	—	—
Goods	Tons ('000)	—	—	1,895	2,053	2,389	2,476	2,831	2,847

(For Explanatory Notes See Opposite Page)

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STATISTICAL SURVEY FOR SEPTEMBER

On the opposite page is a statistical survey of economic conditions in Italy up till September, 1946. The survey covers currency and prices: cost of living, wages and labour; production: foreign trade and State railway traffic. It has been prepared from information supplied by the Central Institute of Statistics in Rome, the Bank of Italy, the Italian State Railways and other official sources.

Stimulated by larger imports of fuel and raw materials, particularly by UNRRA imports, the Italian economy showed greater vitality in September than in previous months of 1946. There were clear signs of recovery in industrial production and of improvement in transport and foreign trade. Labour unrest, however, became more serious during September, largely owing to the increased cost of living.

While the currency circulation level was 21 times above 1938, free prices ranged from a minimum of 26 times pre-war (open market price of the dollar) up to a maximum of 36 times (price of fine gold). The level of bank deposits was still only six times pre-war. This mainly resulted from (a) the considerable decrease in the flow of savings from workers and fixed income categories (real wages and salaries, on the average, were about 50 per cent. of 1938): (b) hoarding of the lira, which was a noteworthy development, especially among farmers: (c) the many transactions (especially black market transactions) which took place outside the banks: (d) the disparity between the level of the currency circulation and the price level—which made it necessary to use, for the same volume of transactions, a proportionately greater amount of currency.

The outstanding factor in the Italian labour situation was the maladjustment of wages and salaries to the increase in the cost of living. Although the cost of living had by September increased 29-36 times, compared with pre-war, wages and salaries were only 10-18 times higher. The number of registered unemployed

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NOTES ON STATISTICAL SURVEY

(1) *Production*: Indices of production are still subject to a margin of error. An intensive study conducted through the UNRRA North Italy Office and the Comitato Industriale Alta Italia (C.I.A.I.) indicates the following discrepancies:

(MONTHLY AVERAGE: 1938 EQUALS 100)

	JANUARY, 1946		JUNE, 1946	
	Official	UNRRA	Official	UNRRA
Pig Iron (Northern Italy)	10	not available	61	not available
,, ,, (all Italy)	3.6	4	27.8	22
Steel (Northern Italy)	36	not available	53	not available
,, (all Italy)	26.7	27	32.8	40
Rolled Steel (Northern Italy) . . .	39	not available	57	
,, ,, (all Italy)	26.4	28	45.3	48
Cotton Yarns	22	34	66	85

Figures for artificial textile fibres agree; for the other series it is not possible to make a direct comparison. The index numbers for the mechanical and chemical industries refer to two companies which, though large, do not indicate the true status throughout the whole of these two industries.

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

(3) *Foreign Trade*: Figures are cumulative, beginning 1 January. Present statistics on exports and imports [illegible]. The tonnage import figures are uncertain because it is known that

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duction: foreign trade and State railway traffic. It has been prepared from information supplied by the Central Institute of Statistics in Rome, the Bank of Italy, the Italian State Railways and other official sources.

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Figures for artificial textile fibres agree; for the other series it is not possible to make a direct comparison. The index numbers for the mechanical and chemical industries refer to two companies which, though large, do not indicate the true status throughout the whole of these two industries.

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

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

(4) Cumulative, including UNRRA.

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

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workers (about three-fourths of the total number of people out of work) steadily increased from January to September, 1946.

This increase is mainly due to the return of large numbers of prisoners of war and deported workers, and to greater accuracy in registration (particularly in August and September), following the Government's decision to pay the "premium of the Republic" to unemployed registered at labour exchanges.

Output figures for some representative commodities and electric power support the official Government estimate that the general level of Italian production was approximately 65 per cent. of pre-war—the figure given by the Italian Prime Minister.

Exports Increase

Total Italian exports up to 31 August, 1946, amounted to about one-fourth of the imports. Exports, however, steadily increased up to 31 August. The table shows, by quantity, the imports of cereals, coal and petroleum products (POL) which form approximately 50 per cent. of the total value of all Italian imports. The official Italian figure of total imports from 1 January to 31 August, 1946, is 6,160,976 metric tons. UNRRA arrivals during this period were approximately 5,300,000 metric tons; it is known, however, that not all this quantity is included in the official Italian statistics. This is mainly because UNRRA goods are often recorded some time after the imports take place. UNRRA arrivals in this eight months period included 656,735 metric tons of wheat and 2,904,884 metric tons of coal.

Passenger and freight traffic on the Italian State Railways was steadily increasing, as a result of systematic rehabilitation of the Italian railway system, and repair and renewal of the rolling stock.

"The job is to repair where possible, rebuild where necessary, houses for people who have no homes at all. People crowded into the relatively few buildings that are habitable, or forced to live in shacks, cannot afford to wait four or five years. The moral effect of such delay will be appalling.

Homeless Cannot Wait

"I must emphasize, too, that this task of rebuilding heavily damaged war areas is not a local one. More and more, post-war reconstruction becomes a national problem. The easy repair work is largely done. What remains is the more expensive reconstruction where damage has been heavy—rebuilding, for example, a whole village, where the people always have been poor, and are poorer still today.

"There is, again, the serious problem of allocating, not only funds and materials, but also skilled labour. Sparsely inhabited mountain districts, where often the damage is relatively very high, just cannot find locally the masons, carpenters, tilers and plumbers needed to cope with the gigantic task of rehousing families now condemned to live in shacks."

Work Began in 1945

The first direct help by UNRRA in rehousing needy, homeless Italians was begun in April, 1945, by the UNRRA Italian Refugee Unit No. 2, staffed by voluntary members of the British Friends' Ambulance Unit attached to UNRRA, in the war devastated communes of Frosinone. This work was extended to the Abruzzi in August, 1945, by the establishment of an UNRRA Voluntary Society Unit, staffed by volunteer members of the International Voluntary Society for Peace.

At the same time the Friends' Devastated Areas Group (composed of volunteer members of the American Friends' Service Committee and the British Friends' Ambulance Unit) had been developing independently of UNRRA a similar, but smaller, assistance programme in the Aventino Valley; and subsequently the work of this Group was combined with the larger UNRRA effort. Throughout the

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LIRE FUND TO HELP HOUSING

Continued from Page 3

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LIRE FUND TO HELP HOUSING

Continued from Page 3

is not like other rehousing schemes—such as slum clearance—where you can set the pace to suit administrative convenience. In the Abruzzi, and other areas where fighting was heavy, it is not a question of giving people *better* homes, but of meeting the elementary and urgent need for shelter.

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Homeless Cannot Wait

"I must emphasize, too, that this task of rebuilding heavily damaged war areas is not a local one. More and more, post-war reconstruction becomes a national problem. The easy repair work is largely done. What remains is the more expensive reconstruction where damage has been heavy—rebuilding, for example, a whole village, where the people always have been poor, and are poorer still today.

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(10 - 16 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Adjutant	Genoa	11 November	UNRRA	General	839
Bantria	»	» »	»	»	622
Andrea Contarini	Naples	12 »	It. Government	Minerals	1,900
Eskdalegate (1)	Leghorn	13 »	UNRRA	General	900
Francesca	Brindisi	» »	It. Goverament	Minerals	2,400
Apollo	Venice	14 »	» »	»	5,100
Isonzo	»	» »	» »	»	8,112
Sameden	Genoa	15 »	UNRRA	Pig Iron	3,499
Baalbek	»	» »	»	General	41
Richard Henry Lee	Venice	» »	»	Minerals	9,000
Merkland	Genoa	16 »	»	General	750
Jericho Victory	»	» »	»	»	115

NOTE: (1) Also discharged at Genoa.

LATEST COAL SHIPMENTS

(11 - 16 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Pelorum	Ancona	12 November	United States	UNRRA	7,082
William James	Civitavecchia Piombino	» » 16 »	» »	»	8,374
King James	Venice	12 »	South Africa	»	8,399
Ernesto	Savona	13 »	Germany	»	11,696
Ines Corrado (1)	Reggio Calabria	» »	United States	»	4,000
Nicolaos G. Culucundis	Savona	14 »	Turkey	Swiss	4,648
Radmar	Naples	» »	Germany	UNRRA	5,524
Empire Copperfield	Venice	» »	South Africa	Br. Army	7,013
Samuel F. B. Morse	Genoa	16 »	United States	UNRRA	9,115

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November 15, 1946 Vol. I, No. 44

ECONOMIC NOTES

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

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UNRRA'S THREE YEARS OF WORK

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Mr. Keeny Reviews Italian Programme

"On 9 November," wrote Mr. Keeny, "the United Nations Relief and Rehabilitation Administration will be three years old. On 10 November, 1943, President Roosevelt convened the representatives of 44 nations (since increased to 48), who undertook on that day to establish the first International Organization of the kind, to help alleviate the sufferings of millions of people, victims of the second world war.

"Since that date, these countries have voted a total of nearly 3.750 million dollars (£937,500,000 sterling). These funds have been used to carry and expand relief previously [illegible] a-half ago—and provided for limited relief in the fields of child welfare, medical services and aid to refugees.

Second Agreement

"I recall with special pleasure the occasion of meeting with you personally to sign the second agreement on 19 January of this year. I was particularly impressed at that time by the promptness with which the discussions leading to the signing had been cleared, and since then, by the whole-hearted co-operation your Government has given in the development of the greatly enlarged supply programme which UNRRA then took over from the Allied Commission.

"Since 1 March, 1946, there have been brought into Italy more than 6,700,000 tons of supplies. There are still to come some 3,700,000 additional tons. Some of the supplies already imported are still in the process of distribution, so that the benefits of almost one-half of the entire programme of just over 10,000,000 tons have yet to be [illegible] the Italian people.

Maintaining Vital Supplies

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"Since that date, these countries have voted a total of nearly 3.750 million dollars (£937,500,000 sterling). These funds have been used to carry and expand relief previously rendered to the civilian population by the Military. Of this total, the allocation for the Italian Programme is approximately 425 million dollars, exclusive of shipping charges.

"On this anniversary I wish to thank the Italian Government for its excellent co-operation in the Italian Programme of UNRRA. The first agreement between UNRRA and Italy was signed in March, 1945—a year-and-a-half ago—and provided for limited relief in the fields of child welfare, medical services and aid to refugees.

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"Since 1 March, 1946, there have been brought into Italy more than 6,700,000 tons of supplies. There are still to come some 3,700,000 additional tons. Some of the supplies already imported are still in the process of distribution, so that the benefits of almost one-half of the entire programme of just over 10,000,000 tons have yet to be [redacted] the Italian people.

Maintaining Vital Supplies

"We trust that this large volume of supplies still to be distributed will help to continue the vital supply lines, especially of food, coal and oils, until arrangements have been completed for imports through normal peacetime procedure.

"In addition, the benefits of the UNRRA aid will continue to further the welfare of the

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Italian people through the wise expenditure by the Italian Government of the Lire Fund, which is being built up from the proceeds of those commodities which are sold through commercial channels. The funds already expended have given notable assistance in malarial control, in combating the grasshopper plague in Sardinia, in the repair of houses for the homeless—and 90 per cent. of these funds are still to be assigned.

"I should also like to congratulate the Italian people upon the progress that has been made, especially in the last year. Although conditions are still difficult, it is encouraging to note that industry is already operating at approximately 65 per cent. of the pre-war level, and that repairs now being made will result in still further progress as soon as more coal can be procured.

Health Figures Are Encouraging

"Even more encouraging are the figures on the health of the Italian people. It is a great tribute to all the forces working in this country on health and welfare that the total death-rate in communes of over 30,000 people has dropped from 13.8 per thousand for the first seven months of 1945 to 12.3 per thousand for the corresponding period of 1946. Deaths from tuberculosis in 19 Italian cities with a population of more than 100,000 fell from a total of 7,250 in the first six months of 1945 to 6,026 in the same 19 Italian cities in the first six months of 1946.

"Particularly outstanding has been the achievement in the reduction of infant mortality, where the death-rate in 67 cities of more than 30,000 has fallen from 104 per thousand live births in the first half of 1945 to 82 per thousand live births in the first half of 1946—a drop of 20 per cent. in a single year. UNRRA is glad for any part it has played in this improvement, but the major credit belongs to the Italian people.

"This year's programme has not gone forward without serious difficulties—but most of them have arisen outside Italy. Industrial rehabilitation was seriously delayed by the United States coal strike, of last spring and by two

Atlantic and other ships are being loaded as rapidly as possible by people who appreciate how urgent is the need here. Within the next few weeks, we hope that the temporary shortages will have been adjusted.

Future Grain Supplies

"It would be unrealistic to overlook the fact that some commodities are still extremely difficult to procure, even when the money is available. Chief among these is wheat. UNRRA is working daily with the international allocating authorities and the Italian Government to ensure that Italy gets as much grain as possible and gets it as soon as possible.

"As you know UNRRA funds have all been assigned and UNRRA supplies are being delivered as fast as they can be procured. These supplies will continue to arrive throughout the early months of next year. All of the supplies should have arrived and been distributed by the middle of the year—by which time this Mission will have completed its programme.

"In the latter stages of our work we are bending every effort, in collaboration with the Government, to plan in such a way that our withdrawal will not interrupt the progress which is now taking place. Careful plans are being worked out—commodity by commodity—in order that the pipe-line may never run dry.

Liberty Ships Will Reduce Costs

"We recognize that some commodities will still be hard to procure in 1947 and that the problem of paying for them will not be easy until the volume of Italian exports can be further increased. We hope, among other things, that the services which will be rendered by the 50 Liberty ships now going into commission, will provide material assistance in reducing costs and in expediting deliveries.

"I cannot close this letter without a special word of thanks to all those Italians who have helped reactivate the ports, and to move these millions of tons of supplies through ports that were wrecked and mined only a few months ago, and that are still working under great

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"This year's programme has not gone forward without serious difficulties—but most of them have arisen outside Italy. Industrial rehabilitation was seriously delayed by the United States coal strike of last spring and by two maritime strikes this fall. Italy is still feeling—in current shortages of wheat, coal and gasoline—the effects of a whole month's interruption in shipping from the major source of supply.

"Fortunately, however, the coal ships that were held up are already half-way across the

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"I cannot close this letter without a special word of thanks to all those Italians who have helped reactivate the ports, and to move these millions of tons of supplies through ports that were wrecked and mined only a few months ago, and that are still working under great handicaps. The achievement of the Italian port and railway workers in handling and moving more than a million tons a month at peak, is one of the finest records set anywhere in the total operations of UNRRA.

"Finally, may I thank you personally for the sympathetic aid you have given in all the

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troublesome questions that have had to be raised during all these months. The fact that you did this in the face of the enormous other responsibilities you have been carrying has been a source of extreme gratification to us.

"We pledge that we shall redouble our efforts in these last months to do everything possible to accelerate the improvement in the welfare of the Italian people. This is not only our duty, but also a great pleasure, for we greatly enjoy our experience in working with them as colleagues.

"Please accept the expression of my highest esteem."

Sincerely yours,
(Signed) S. M. KEENY
Chief of Mission

Prime Minister's Reply

In his reply to Mr. Keeny, the Italian Prime Minister said:

"I am particularly happy, on this third anniversary of the foundation of UNRRA, to express to you my deepest personal appreciation and gratitude, and that of the Italian people, for the work which the Administration is doing and has done for the past year and a half, for the rehabilitation of our country.

"UNRRA has helped to bring to our country, as to other countries of Europe and the Orient, the aid of the nations which fought and won for liberty.

"This was the concept of President Roosevelt, when during those very days in which Italy was initiating the hard struggle for its liberation, he launched to the United Nations the appeal to continue in peacetime, that same co-operation and unity of effort which had linked them during the war: 'We have worked together with the United Nations in full agreement and action in the fighting on land, on the sea and in the air. We are now about to take an additional step in the combined actions which are necessary to win the war and to build the foundation for a secure peace.'

Signs of Recovery

"The results of this work are summarized making to ensure the satisfactory achievement of the programme and to prevent the transition period between the end of UNRRA and subsequent imports reacting unfavourably on the progress of the country's reconstruction.

"UNRRA is now approaching the end of its activities, but it leaves the lesson of years of wisely conducted work. It has taken the lead, during this post-war period, in demonstrating that there is a common ground on which, far from all political, religious and racial discrimination, all peoples can co-operate.

"Italy hopes that the successors of UNRRA will be inspired by the same concepts and that the memory of the tasks achieved will serve as an inducement to them not to desist, and not to leave unfulfilled in 1947 the requirements of those who still feel the effects of war.

"I would ask you, Mr. Keeny, kindly to convey my feelings of gratitude to the Director General, Fiorello LaGuardia, and to accept the expression of my highest esteem."

(signed) DE GASPERI

OCTOBER IMPORTS

Supplies imported during October on UNRRA account totalled 512,724 tons delivered in 75 ships, as against 873,218 tons in 120 ships during September. The lower figures reflect the maritime strike which held up shipping in United States ports from 3 October to 27 October.

Some 260,000 tons of UNRRA coal shipped for Italy since the strike are already on the high seas, according to latest advices. Further shipments now on their way include 5,400 tons of wheat, 9,000 tons of nitrate fertilizer, 1,313 tons of fodder, 3,459 tons of rubber, 6,000 tons of bitumen and 2,108 tons of basic slag. Impending arrivals of supplies for the rehabilitation of the steel industry include 1,000 tons of chromite, 7,926 tons of pig-iron and 100 tons of wolframite.

In October, despite adverse circumstances, 209,929 tons of coal and over 149,000 tons of

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Signs of Recovery

"The results of this work are summarized in your letter and the figures point very clearly to recovery. While thanking UNRRA for all this, I am glad to associate myself with you in recognizing how much the self-sacrifice and determination of the Italian people have contributed to those successes.

"I share and follow the efforts which the Administration and the Government are its activities, but it leaves the lesson of years of wisely conducted work. It has taken the lead during this post-war period, in demonstrating that there is a common ground on which, far from all political, religious and racial discrimination, all peoples can co-operate.

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In October, despite adverse circumstances, 299,929 tons of coal and over 149,000 tons of petroleum products reached Italian ports. Industrial items included 1,876 tons of fire-clay and 274 tons of rubber. Supplies for the iron and steel industry amounted to 4,093 tons of pig-iron, 2,743 tons of manganese ore and 155 tons of steel.

UNRRA imports of grain and grain products (including 990 tons of wheat and 10,933

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tons of wheat flour) totalled 20,106 tons. Other main food items were 4,146 tons of meat and meat preparations, 346 tons of dry skim milk and 471 tons of edible fats and oils.

October arrivals on the agricultural rehabilitation programme included 9,347 tons of nitrate fertilizer (see "Nitrate Fertilizer Price Fixed" in this issue), 721 tons of tin-plate for the food preserving industry, 473 tons of pesticides and 337 tons of clover seed.

Gradual fulfilment of the 45,000-ton UNRRA woollen programme was represented by the arrival of a further 6,325 tons of raw wool and 4,201 tons of woollen rags. Medical and sanitary supplies amounted to 270 tons and inedible oils to 699 tons.

NITRATE FERTILIZER PRICE FIXED

The price of UNRRA-imported nitrate of soda has this week been fixed at 22,000 lire per metric ton (net weight of goods, sacks free) by the Joint Price Committee.

The first 9,250 tons of the total UNRRA procurement (amounting to 36,000 tons) have already been despatched to the regions of Central and Southern Italy, and Sicily (see *Economic Notes* No. 41, of 25 October). Farmers may procure the fertilizer from Provincial Consorzi Agrari warehouses or their agencies, upon presentation of "buoni" (coupons) issued by the Provincial Inspectorate of Agriculture, in accordance with current regulations on the distribution of nitrogenous fertilizers.

Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, has called upon all farmers and distributors to do their part in ensuring that the nitrate is used to increase cereal production.

More Food

"I want to make a personal appeal to every Italian farmer and every person concerned with the distribution of this precious nitrate, to help ensure its proper use for the proper purpose", Mr Keeny said. "Under present world supply conditions it has not been easy to procure nitrate for Italy. It has been donated to Italy by the member nations of UNRRA for only one purpose—to help increase the urgently needed supply of food for the Italian people. Improper use of this nitrate is, therefore, sabotage of the Italian people's food supply".

SHIPPING COMMENTARY

UNRRA coal arriving in Italian ports last week totalled 54,312 tons. (The situation regarding future coal shipments is summarized in the article, "October Imports", in this issue).

Industrial products included 3,500 tons of pig-iron, 2,600 tons of fire-clay, 3,500 tons of bitumen, 1,850 tons of crude rubber, 840 tons of rosin and seven tons of sanocure for rubber processing.

A further 1,080 tons of woollen rags were brought in on the UNRRA wool programme. Other items included seven tons of medical supplies and seven tons of fodder beet seed.

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(4 - 9 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Torrens (1)	Genoa	2 November	UNRRA	Pig Iron	3,499
Mount Rhodope	"	5 "	Swiss	Cereals	7,350
Narocz	Leghorn	" "	UNRRA	Minerals	2,215
Eskdalegate	Genoa	6 "	"	General	1,552
Andrea Contarini	Bagnoli	" "	It. Programme	Minerals	2,000
Stavros	Genoa	7 "	Swiss	Cereals	8,800
Prince de Liege	Savona	9 "	UNRRA	Minerals	2,175
Gartwood	Genoa	" "	"	General	1,850

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

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(4 - 10 NOVEMBER INCLUSIVE)

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Nicholas Gilman	Naples	6 "	United States	"	8,567
Gloria C.	Venice	7 "	Yugoslavia	Commercial	550
Biokovo	"	" "	Germany	UNRRA Allied Forces	8,336 354
Caterina Gerolimich	Leghorn	8 "	United States	UNRRA	6,853
Ines Corrado	Messina	" "	" "	6327	7,303
Robert F. Stockton	Palermo	" "	" "	"	8,131
Atlantic Ocean	Savona	9 "	" "	"	9,595
Brika	Bagnoli	" "	Germany	"	6,477
Frank Springer	Genoa	10 "	Bahrein	It. Program.	8,895

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November 15, 1946 Vol. I, No. 44

ECONOMIC NOTES

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

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2. October Imports
3. Nitrate Fertilizer Price Fixed
4. Shipping Commentary
5. Movements of Ships

UNRRA'S THREE YEARS OF WORK

On the third anniversary of the founding of UNRRA, Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, in a letter last week to the Italian Prime Minister, detailed the progress of UNRRA aid to Italy during the past 18 months, and indicated the extent of the aid yet to come. In his reply, the Italian Prime Minister, Signor Alcide De Gasperi, spoke of UNRRA's lead in international co-operation during the post-war period.

Mr. Keeny Reviews Italian Programme

"On 9 November," wrote Mr. Keeny, "the United Nations Relief and Rehabilitation Administration will be three years old. On 10 November, 1943, President Roosevelt convened the representatives of 44 nations (since increased to 48), who undertook on that day to establish the first International Organization of the kind, to help alleviate the sufferings of millions of people, victims of the second world war.

"Since that date, these countries have voted a total of nearly 3,750 million dollars (£937,500,000 sterling). These funds have been used to carry and expand relief previously rendered to the civilian population by the a-half ago—and provided for limited relief in the fields of child welfare, medical services and aid to refugees.

Second Agreement

"I recall with special pleasure the occasion of meeting with you personally to sign the second agreement on 19 January of this year. I was particularly impressed at that time by the promptness with which the discussions leading to the signing had been cleared, and since then, by the whole-hearted co-operation your Government has given in the development of the greatly enlarged supply programme which UNRRA then took over from the Allied Commission.

"Since 1 March, 1946, there have been brought into Italy more than 6,700,000 tons of supplies. There are still to come some 3,700,000 additional tons. Some of the supplies already imported are still in the process of distribution, so that the benefits of almost one-half of the entire programme of just over 10,000,000 tons have yet to be felt by the Italian people.

Maintaining Vital Supplies

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"Since that date, these countries have voted a total of nearly 3,750 million dollars (£937,500,000 sterling). These funds have been used to carry and expand relief previously rendered to the civilian population by the Military. Of this total, the allocation for the Italian Programme is approximately 425 million dollars, exclusive of shipping charges.

"On this anniversary I wish to thank the Italian Government for its excellent co-operation in the Italian Programme of UNRRA. The first agreement between UNRRA and Italy was signed in March, 1945—a year-and-a-half ago—and provided for limited relief in the fields of child welfare, medical services and aid to refugees.

Second Agreement

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Maintaining Vital Supplies

"We trust that this large volume of supplies still to be distributed will help to continue the vital supply lines, especially of food, coal and oils, until arrangements have been completed for imports through normal peacetime procedure.

"In addition, the benefits of the UNRRA aid will continue to further the welfare of the

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Italian people through the wise expenditure by the Italian Government of the Lire Fund, which is being built up from the proceeds of those commodities which are sold through commercial channels. The funds already expended have given notable assistance in malarial control, in combating the grasshopper plague in Sardinia, in the repair of houses for the homeless—and 90 per cent. of these funds are still to be assigned.

"I should also like to congratulate the Italian people upon the progress that has been made, especially in the last year. Although conditions are still difficult, it is encouraging to note that industry is already operating at approximately 65 per cent. of the pre-war level, and that repairs now being made will result in still further progress as soon as more coal can be procured.

Health Figures Are Encouraging

"Even more encouraging are the figures on the health of the Italian people. It is a great tribute to all the forces working in this country on health and welfare that the total death-rate in communes of over 50,000 people has dropped from 13.8 per thousand for the first seven months of 1945 to 12.3 per thousand for the corresponding period of 1946. Deaths from tuberculosis in 19 Italian cities with a population of more than 100,000 fell from a total of 7,250 in the first six months of 1945 to 6,026 in the same 19 Italian cities in the first six months of 1946.

"Particularly outstanding has been the achievement in the reduction of infant mortality, where the death-rate in 67 cities of more than 50,000 has fallen from 104 per thousand live births in the first half of 1945 to 82 per thousand live births in the first half of 1946—a drop of 20 per cent. in a single year. UNRRA is glad for any part it has played in this improvement, but the major credit belongs to the Italian people.

"This year's programme has not gone forward without serious difficulties—but most of them have arisen outside Italy. Industrial rehabilitation was seriously delayed by the United Atlantic and other ships are being loaded as rapidly as possible by people who appreciate how urgent is the need here. Within the next few weeks, we hope that the temporary shortages will have been adjusted.

Future Grain Supplies

"It would be unrealistic to overlook the fact that some commodities are still extremely difficult to procure, even when the money is available. Chief among these is wheat. UNRRA is working daily with the international allocating authorities and the Italian Government to ensure that Italy gets as much grain as possible and gets it as soon as possible.

"As you know UNRRA funds have all been assigned and UNRRA supplies are being delivered as fast as they can be procured. These supplies will continue to arrive throughout the early months of next year. All of the supplies should have arrived and been distributed by the middle of the year—by which time this Mission will have completed its programme.

"In the latter stages of our work we are bending every effort, in collaboration with the Government, to plan in such a way that our withdrawal will not interrupt the progress which is now taking place. Careful plans are being worked out—commodity by commodity—in order that the pipe-line may never run dry.

Liberty Ships Will Reduce Costs

"We recognize that some commodities will still be hard to procure in 1947 and that the problem of paying for them will not be easy until the volume of Italian exports can be further increased. We hope, among other things, that the services which will be rendered by the 50 Liberty ships now going into commission, will provide material assistance in reducing costs and in expediting deliveries.

"I cannot close this letter without a special word of thanks to all those Italians who have helped reactivate the ports, and to move these millions of tons of supplies through ports that were wrecked and mined only a few months

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"This year's programme has not gone forward without serious difficulties—but most of them have arisen outside Italy. Industrial rehabilitation was seriously delayed by the United States coal strike of last spring and by two maritime strikes this fall. Italy is still feeling—in current shortages of wheat, coal and gasoline—the effects of a whole month's interruption in shipping from the major source of supply.

"Fortunately, however, the coal ships that were held up are already half-way across the

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"I cannot close this letter without a special word of thanks to all those Italians who have helped reactivate the ports, and to move these millions of tons of supplies through ports that were wrecked and mined only a few months ago, and that are still working under great handicaps. The achievement of the Italian port and railway workers in handling and moving more than a million tons a month at peak, is one of the finest records set anywhere in the total operations of UNRRA.

"Finally, may I thank you personally for the sympathetic aid you have given in all the

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troublesome questions that have had to be raised during all these months. The fact that you did this in the face of the enormous other responsibilities you have been carrying has been a source of extreme gratification to us.

"We pledge that we shall redouble our efforts in these last months to do everything possible to accelerate the improvement in the welfare of the Italian people. This is not only our duty, but also a great pleasure, for we greatly enjoy our experience in working with them as colleagues.

"Please accept the expression of my highest esteem."

Sincerely yours,
(Signed) S. M. KEENY
Chief of Mission

Prime Minister's Reply

In his reply to Mr. Keeny, the Italian Prime Minister said:

"I am particularly happy, on this third anniversary of the foundation of UNRRA, to express to you my deepest personal appreciation and gratitude, and that of the Italian people, for the work which the Administration is doing and has done for the past year and a half, for the rehabilitation of our country.

"UNRRA has helped to bring to our country, as to other countries of Europe and the Orient, the aid of the nations which fought and won for liberty.

"This was the concept of President Roosevelt, when during those very days in which Italy was initiating the hard struggle for its liberation, he launched to the United Nations the appeal to continue in peacetime, that same co-operation and unity of effort which had linked them during the war: 'We have worked together with the United Nations in full agreement and action in the fighting on land, on the sea and in the air. We are now about to take an additional step in the combined actions which are necessary to win the war and to build the foundation for a secure peace.'

Signs of Recovery

"The results of this work are summarized [illegible] making to ensure the satisfactory achievement of the programme and to prevent the transition period between the end of UNRRA and subsequent imports reacting unfavourably on the progress of the country's reconstruction.

"UNRRA is now approaching the end of its activities, but it leaves the lesson of years of wisely conducted work. It has taken the lead, during this post-war period, in demonstrating that there is a common ground on which, far from all political, religious and racial discrimination, all peoples can co-operate.

"Italy hopes that the successors of UNRRA will be inspired by the same concepts and that the memory of the tasks achieved will serve as an inducement to them not to desist, and not to leave unfulfilled in 1947 the requirements of those who still feel the effects of war.

"I would ask you, Mr. Keeny, kindly to convey my feelings of gratitude to the Director General, Fiorello LaGuardia, and to accept the expression of my highest esteem."

(signed) DE GASPERI

OCTOBER IMPORTS

Supplies imported during October on UNRRA account totalled 512,724 tons delivered in 75 ships, as against 873,218 tons in 120 ships during September. The lower figures reflect the maritime strike which held up shipping in United States ports from 3 October to 27 October.

Some 200,000 tons of UNRRA coal shipped for Italy since the strike are already on the high seas, according to latest advices. Further shipments now on their way include 5,400 tons of wheat, 9,000 tons of nitrate fertilizer, 1,313 tons of fodder, 3,459 tons of rubber, 6,000 tons of bitumen and 2,108 tons of basic slag. Impending arrivals of supplies for the rehabilitation of the steel industry include 1,000 tons of chromite, 7,926 tons of pig-iron and 100 tons of wolframite.

In October, despite adverse circumstances, 299,929 tons of coal and over 149,000 tons of petroleum products reached Italian ports. In-

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Signs of Recovery

"The results of this work are summarized in your letter and the figures point very clearly to recovery. While thanking UNRRA for all this, I am glad to associate myself with you in recognizing how much the self-sacrifice and determination of the Italian people have contributed to those successes.

"I share and follow the efforts which the Administration and the Government are

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UNRRA imports of grain and grain products (including 990 tons of wheat and 10,933

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tons of wheat flour) totalled 20,106 tons. Other main food items were 4,146 tons of meat and meat preparations, 346 tons of dry skim milk and 471 tons of edible fats and oils.

October arrivals on the agricultural rehabilitation programme included 9,347 tons of nitrate fertilizer (see "Nitrate Fertilizer Price Fixed" in this issue), 721 tons of tin-plate for the food preserving industry, 473 tons of pesticides and 337 tons of clover seed.

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November 8, 1946 Vol. I, No. 43

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FOOD AND THE FUTURE

Figures of UNRRA's grain shipments to Italy since the harvest, and of UNRRA's future grain programme were announced in an official joint statement issued last week by the Italian Government and the UNRRA Italy Mission.

"UNRRA's programme of cereal shipments to Italy for the period 1 July, 1946, onwards continues to stand at 750,000 tons," it is stated. "Deliveries since 1 July have been 211,000 tons, of which a part was the balance of the allocation for the second quarter of 1946.

"For the fourth quarter of this year, 120,000 tons of bread grains have been allocated to Italy by the International Emergency Food Council. A higher amount was requested by UNRRA and the money was available for its purchase, but this larger amount could not immediately be allocated by the International Emergency Food Council, in view of the present world supply situation.

Balance in 1947

"The announcement of the fourth quarter's allocation to Italy, namely 120,000 tons, is not to be taken as the complete UNRRA programme. The balance of the total UNRRA [illegible] shipped to Italy

Following a new study of Italy's food production—with a view to assessing more exactly available home supplies—estimates of areas sown and crop production (on which the ammassing goals are based) have lately been revised upwards by the Ministry of Agriculture. The total wheat harvest for 1945-46 is now estimated to have reached 6,114,300 tons. This is nearly 2,000,000 tons better than 1944-45, but is approximately 1,080,000 tons—or 15 per cent.—below the average for the pre-war period, 1933-37.

Bigger Wheat Yield

The area sown in wheat in the 1945-46 crop year was 4,028,445 hectares (11,436,88[illegible] acres). This represents an increase of about four per cent. on the hectarage sown, compared with the previous year; but, thanks primarily to the better season, the wheat yield per hectare was very nearly 50 per cent. greater.

This year's rice crop is estimated at 479,000 tons, which, although very much better than a year ago, is still about 35 per cent. below the 1933-37 average, largely because of the lower production per hectare—namely, four tons compared with the pre-war five—and also because of decreased hectarage.

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Balance in 1947

"The announcement of the fourth quarter's allocation to Italy, namely 120,000 tons, is not to be taken as the complete UNRRA programme. The balance of the total UNRRA programme will, in fact, be shipped to Italy as early in 1947 as the allocations to Italy are granted by the International Emergency Food Council."

[As this issue goes to Press, word has come from Washington that an additional allocation from the United States for the fourth quarter of 1946 is now being arranged.]

Following a new study of Italy's food production—with a view to assessing more exactly available home supplies—estimates of areas sown and crop production (on which the ammassing goals are based) have lately been revised upwards by the Ministry of Agriculture. The total wheat harvest for 1945-46 is now estimated to have reached 6,114,300 tons. This is nearly 2,000,000 tons better than 1944-45, but is approximately 1,080,000 tons—or 15 per cent.—below the average for the pre-war period, 1933-37.

Bigger Wheat Yield

The area sown in wheat in the 1945-46 crop year was 4,628,445 hectares (11,436,88[illegible] acres). This represents an increase of about four per cent. on the hectarage sown, compared with the previous year; but, thanks primarily to the better season, the wheat yield per hectare was very nearly 50 per cent. greater.

This year's rice crop is estimated at 479,000 tons, which, although very much better than a year ago, is still about 35 per cent. below the 1933-37 average, largely because of the lower production per hectare—namely, four tons compared with the pre-war five—and also because of decreased hectarage.

The deficiencies in the wh[illegible] and rice crops, comparing 1946 with the 1933-37 average, are equal to about two-thirds of Italy's minimum import needs before the next harvest. This underlines the vital importance of agricultural rehabilitation, to assure food supplies in the 1947-48 crop year.

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The extent to which Italy receives help from abroad may in turn be largely influenced by the evidence of self-help on Italy's part.

Discussing Italy's need for foreign loans in 1947—during the course of a radio talk from Rome last week—the Chief of the UNRRA Italy Mission, Mr. S. M. Keeny, observed: "I hope, and believe, that this help will be forthcoming. It will come more readily if Italy does everything possible to help herself—especially by growing every pound of food possible."

Revised estimates for this season's ammassing goal—in view of the higher estimate of this year's harvest—are still under discussion between the Ministry of Agriculture and the UNRRA Italy Mission. Although 100 per cent. amassing throughout the country is very improbable, certain regions have ammassed very well to date, notably Tuscany, Marche and Emilia.

Wheat for Sicily

A disturbing factor, on the other hand, is the very low percentage of collections made in certain Compartments, notably Sicily, where, however, ammassing has improved by 17,500 tons in the past two months. As an important grain-growing area of Italy, Sicily should have been able to meet a far larger proportion of its requirements from its own resources than at present appears likely. Although Sicily is not self-supporting in grain, imports from other parts of Italy have become necessary sooner than should have been the case.

The wide variation, comparing Compartment with Compartment, in the percentage of amassi collections, and the small proportion of imported deliveries to big cities—such as Naples—owing to the very limited allocations of grain to Italy by the International Emergency Food Council in recent months, are adding to the cost and difficulty of maintaining food supplies. Italy has once more had to resort to abnormal and uneconomic internal movements of grain from surplus areas to the cities and other deficiency areas, in order to maintain the ration. These emergency move-

imports before the next harvest must be procured and shipped during the first months of 1947 when world demand—against deficient world supplies—will be at its height. This emphasizes the need for care with existing supplies, if adequate reserves are to be maintained.

Subsidiary Grains

There is need also to include subsidiary grains like corn (maize), rye and barley in the standard bread flour *now*, while they can be mixed in relatively small proportions with the available wheat. These subsidiary grains all rank—for the purposes of world assessment of food stocks—as "bread grains"; and, in view of the world shortage of wheat, will need to be used if flour—and bread—rations are to be maintained. Too high a proportion of wheat in the flour now may result in an excessive mixture of minor grains in the flour during the last months before the harvest.

Whether paid for by UNRRA or by the Italian Government, the cost of wheat is a serious factor. Expenditure on wheat from the fixed total of UNRRA's budget for Italy may mean a reduction in expenditure on other imports; and the same is true of Italy's own purchases of bread grains, in view of the limited amount of foreign exchange available to meet all import requirements.

More important than finance is the question of whether stocks are, or will be, available to meet world demand in the first half of next year. This, rather than the amount of foreign exchange at Italy's command, will govern the volume of Italy's grain imports.

MALARIA CONTROL

UNRRA aid will play an important part in the all-out campaign against malaria throughout Italy and the islands, which was begun this year and is now in process of extension. The work is being undertaken by the Italian authorities, in collaboration with the UNRRA Italy Mission. UNRRA foreign currency is being used to buy abroad vital supplies, such

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The small allocation of grain for the fourth quarter means that the bulk of Italy's grain emphasizes the need for care with existing supplies, if adequate reserves are to be maintained.

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Proposals are now in preparation, for submission to the Lire Fund Control Committee, to finance a long-term programme of malaria control on the Italian mainland and in Sicily. This programme has been prepared by the High Commissioner for Hygiene and Public Health, and approved by the Health Division of the UNRRA Italy Mission. It is at present in its early discussion stages, and details have not yet been finally settled. Broadly, however, it is designed to carry on and extend UNRRA's highly successful anti-malaria campaign of D.D.T. spraying, undertaken this year in Sicily, the Po Delta, the Venetian littoral, the Agro Pontino and the Agro Romano.

Sardinian Project

Large-scale D.D.T. spraying operations are expected to begin this month in connection with the anopheline eradication project in Sardinia. This campaign is being undertaken by the organization, E.R.L.A.A.S. (Ente Regionale per la Lotta Anti-Anofelica in Sardegna), created by Government Decree.

The project is to be financed by a grant from the Lire Fund. The first appropriation was 300,000,000 lire; but this figure will need to be revised upwards. In addition, the UNRRA Italy Mission is providing foreign currency to buy essential items, such as 800 tons of D.D.T. emulsion and 200 trucks. E.R.L.A.A.S. is an Italian project, operating under Government auspices, and directed by technicians provided by the International Health Division of the Rockefeller Foundation.

The project is designed entirely to eradicate the anopheline mosquito from the island of Sardinia, where during the past three years the known incidence of malaria in the provinces of Cagliari, Nuoro and Sassari has been 70,000 cases a year. Since many cases are not reported, the true figure is estimated to be nearer 125,000 a year.

Work During Winter Months

anopheline, malaria-bearing mosquito population consists of adults, hibernating by the thousand in houses and other buildings, particularly stables and pigsties.

Every Building To Be Sprayed

Systematic destruction of adult mosquitoes with D.D.T. during the period of hibernation has already proved very successful, since it vastly reduces subsequent breeding. Because of the lasting properties of D.D.T., spraying remains effective for six to eight months, or even longer. It is hoped to have every building in the island sprayed before the spring. During the summer months, spraying will stop, and the campaign will then be diverted to the destruction of larvae. The cycle of winter spraying with D.D.T. and summer larva control will be repeated for two or three years, at the end of which, it is hoped, malaria will be entirely eradicated.

The Government Decree establishing E.R.L.A.A.S. was promulgated in April—too late for the campaign to begin during the 1946 malaria season. During the summer months, however, a detailed survey of the whole island was carried out with the help of UNRRA. Bases were established at Cagliari, Oristano, Sassari, Olbia, Nuoro and Arbatax, from which 1,000 inspections were carried out over an area of 1,500 square miles. This survey will prove of great value in the course of the campaign, since it has established the species of anopheline malaria-carrying mosquitoes chiefly met with, and where they are located.

COMMODITY PRICE DECISIONS

The Italian Government and the UNRRA Italy Mission have agreed to the following price recommendations of the Joint Price Committee at its meetings held on 28 October and 2 November:—

INDUSTRIAL REHABILITATION

Bitumen - all types:

21 lire per kilogram ex consignee's warehouse,

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Work During Winter Months

Contrary to the procedure adopted where larvicidal control is the chief method of attack, the E.R.L.A.A.S. campaign, which is based on D.D.T. spraying, will be at its height in the winter months.

During these months breeding in ponds and streams stops completely. The entire

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21 lire per kilogram ex consignee's warehouse, including Customs. Customs to be refunded to the Lire Fund.

Solvent naphtha (light):

5,600 lire per quintal ex CIP (Comitato Italiano Petroli) regional tanks or storehouses.

Solvent naphtha (medium):

5,320 lire per quintal ex CIP (Comitato Italiano Petroli) regional tanks or storehouses.

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Solvent naphtha (heavy):
5,280 lire per quintal ex CIP (Comitato Italiano Petroli) regional tanks or storehouses.

White spirit:
4,790 lire per quintal ex CIP (Comitato Italiano Petroli) regional tanks or storehouses.

Fire clay (Sub-standard):
3 lire per kilogram, ex C.I.M.P. warehouse, for fire clay which contains less than 30 per cent. alumina and more than 1 per cent. iron oxide.

Fire clay (Standard - which meets UNRRA procurement specifications):
7 lire per kilogram, including handling charges, ex consignee's warehouse.

Magnesite bricks:
28.80 lire per kilogram ex consignee's warehouse.

Calcined magnesite:
16.15 lire per kilogram ex consignee's warehouse.

Sanocure:
490 lire per kilogram ex consignee's warehouse.

Channel black:
65 lire per kilogram ex consignee's warehouse.

Furnace black:
55 lire per kilogram ex consignee's warehouse.

Pine tar:
45 lire per kilogram ex consignee's warehouse.

Bitumen imports have been programmed at 75,000 tons. Of the 9,944 tons which have arrived to date, 8,000 tons have been allocated to the Ministry of Public Works for road repair.

Aid for Rubber Industry

The naphtha and white spirit, of which 16,000 tons are included in UNRRA's import programme, are required for the rubber industry.

Fire clay, of which UNRRA plans to import 30,000 tons, is required for home production of refractory materials, and will also be used in cement and brick kiln linings, and open hearth furnaces. A lower price has been fixed for that portion of the procurement which does not tally with UNRRA specifications. Refractories are also being imported in the form of calcined magnesite and magnesite bricks urgently needed for the relining and repair of steel furnaces and reconstruction in

FOOD

Milk (whole dry):
150 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Milk (evaporated):
52 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Milk (dry skim roller and dry skim spray):
60.50 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Beans (haricot), *peas* (dried), *lentils*, *garbanzos*:
55 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Lard, *shortening*, *fat cuts*:
150 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Copra:
3,300.50 lire per quintal, free port warehouse, Genoa.

Margarine (produced from UNRRA-imported copra):
160 lire per kilogram, wrapped in one-kilogram packets, packed in 30-kilogram cases, free manufacturer's warehouse.

Margarine (imported):
110 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Soup (dehydrated):
35 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

UNRRA's original food programme included 63,400 metric tons of dairy products, against which 63,800 tons had arrived by 10 October, 1946; 49,000 tons of edible fats and oils (31,393 tons arrived); 45,000 tons of pulses (29,194 tons arrived); and 8,188 tons of dehydrated soup (7,311 tons arrived). These, like all other UNRRA supplies, were handed over to the Italian Government free of charge for sale at controlled prices, or for free distribution to the needy. The procurement of further quantities will depend on world availability and possible readjustment of Italian requirements.

Food Prices Compared

A comparison between some of the food prices now fixed by the Joint Price Committee and the prices normally charged on the "free" market show how uncontrolled distribution raises the cost of living. The "free" price to

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White spirit:
4,790 lire per quintal ex CIP (Comitato Italiano Petroli) regional tanks or storehouses.

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Sanocure (12 tons) and plastifying pine tar (960 tons) are two of the basic products to be used in processing rayon for use in the manufacture of tyres. Channel and furnace black are basic elements in the manufacture of carbon black, required for the processing of rubber.

intercommunal warehouse.

Milk (evaporated):
52 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Milk (dry skim roller and dry skim spray):
69.50 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

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Food Prices Compared

A comparison between some of the food prices now fixed by the Joint Price Committee and the prices normally charged on the "free" market show how uncontrolled distribution raises the cost of living. The "free" price to normal consumers of home-produced whole dry milk has averaged 400 lire per kilogram; condensed (evaporated) milk, 250 lire per kilogram; dry skim (spray) milk, 350 lire per kilogram.

Continued on Page 6

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(28 OCTOBER - 3 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Voluntas	Genoa	28 October	It. Programme	Minerals	8,428
Philomel (1)	Naples	» »	UNRRA/Commercial	General	500
Virtu	Genoa	29 »	UNRRA	»	731
River Swift	Leghorn	30 »	»	Minerals	1,441
Capo Mele	Genoa	2 November	It. Programme	»	5,260
Makiki	»	» »	It. Programme/Comm'l. Swiss	General	8,260
Carlo Zeno	Piombino	» »	It. Programme	Minerals	2,100
Olympos	Genoa	3 »	Swiss	Cereals	7,213

NOTE: (1) Also discharged at Genoa and Leghorn.

LATEST COAL SHIPMENTS

(28 OCTOBER - 3 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Karmen	Venice	28 October	Yugoslavia	Commercial	3,500
Fort Slave	»	» »	South Africa	UNRRA	6,196
Westmoor	Savona	29 »	Germany	»	7,768
David E. Hughes	Genoa	» »	Bahrein	It. Program.	7,500
Greenland	»	» »	United Kingdom	UNRRA	3,833
Gloria C.	Venice	» »	Yugoslavia	Commercial	550
Augustine B. McManus	Savona	1 November	United States	Swiss	9,475
Indore	Civitavecchia	» »	South Africa	Brit. Army	8,544
Fjeld	Bagnoli	2 »	Germany	UNRRA	4,350
Fort Beausejour (1)	Ancona	» »	South Africa	»	4,429
Stad Haarlem	Savona	3 »	Germany	»	7,700

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November 8, 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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1. Food and the Future
2. Malaria Control
3. Commodity Price Decisions
4. Shipping Commentary
5. Movements of Ships

FOOD AND THE FUTURE

Figures of UNRRA's grain shipments to Italy since the harvest, and of UNRRA's future grain programme were announced in an official joint statement issued last week by the Italian Government and the UNRRA Italy Mission.

"UNRRA's programme of cereal shipments to Italy for the period 1 July, 1946, onwards continues to stand at 750,000 tons," it is stated. "Deliveries since 1 July have been 211,000 tons, of which a part was the balance of the allocation for the second quarter of 1946.

"For the fourth quarter of this year, 120,000 tons of bread grains have been allocated to Italy by the International Emergency Food Council. A higher amount was requested by UNRRA and the money was available for its purchase, but this larger amount could not immediately be allocated by the International Emergency Food Council, in view of the present world supply situation.

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FOOD AND THE FUTURE

Figures of UNRRA's grain shipments to Italy since the harvest, and of UNRRA's future grain programme were announced in an official joint statement issued last week by the Italian Government and the UNRRA Italy Mission.

"UNRRA's programme of cereal shipments to Italy for the period 1 July, 1946, onwards continues to stand at 750,000 tons," it is stated. "Deliveries since 1 July have been 211,000 tons, of which a part was the balance of the allocation for the second quarter of 1946.

"For the fourth quarter of this year, 120,000 tons of bread grains have been allocated to Italy by the International Emergency Food Council. A higher amount was requested by UNRRA and the money was available for its purchase, but this larger amount could not immediately be allocated by the International Emergency Food Council, in view of the present world supply situation.

Balance in 1947

"The announcement of the fourth quarter's allocation to Italy, namely 120,000 tons, is not to be taken as the complete UNRRA programme. The balance of the total UNRRA programme will, in fact, be shipped to Italy as early in 1947 as the allocations to Italy are granted by the International Emergency Food Council."

[As this issue goes to Press, word has come from Washington that an additional allocation from the United States for the fourth quarter of 1946 is now being arranged.]

Following a new study of Italy's food production—with a view to assessing more exactly available home supplies—estimates of areas sown and crop production (on which the ammassing goals are based) have lately been revised upwards by the Ministry of Agriculture. The total wheat harvest for 1945-46 is now estimated to have reached 6,114,300 tons. This is nearly 2,000,000 tons better than 1944-45, but is approximately 1,080,000 tons—or 15 per cent.—below the average for the pre-war period, 1933-37.

Bigger Wheat Yield

The area sown in wheat in the 1945-46 crop year was 4,628,445 hectares (11,436,888 acres). This represents an increase of about four per cent. on the hectarage sown, compared with the previous year; but, thanks primarily to the better season, the wheat yield per hectare was very nearly 50 per cent. greater.

This year's rice crop is estimated at 479,000 tons, which, although very much better than a year ago, is still about 35 per cent. below the 1933-37 average, largely because of the lower production per hectare—namely, four tons compared with the pre-war five—and also because of decreased hectarage.

The deficiencies in the wheat and rice crops, comparing 1946 with the 1933-37 average, are equal to about two-thirds of Italy's minimum import needs before the next harvest. This underlines the vital importance of agricultural rehabilitation, to assure food supplies in the 1947-48 crop year.

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The extent to which Italy receives help from abroad may in turn be largely influenced by the evidence of self-help on Italy's part.

Discussing Italy's need for foreign loans in 1947—during the course of a radio talk from Rome last week—the Chief of the UNRRA Italy Mission, Mr. S. M. Keeny, observed: "I hope, and believe, that this help will be forthcoming. It will come more readily if Italy does everything possible to help herself—especially by growing every pound of food possible."

Revised estimates for this season's amassing goal—in view of the higher estimate of this year's harvest—are still under discussion between the Ministry of Agriculture and the UNRRA Italy Mission. Although 100 per cent. amassing throughout the country is very improbable, certain regions have amassed very well to date, notably Tuscany, Marche and Emilia.

Wheat for Sicily

A disturbing factor, on the other hand, is the very low percentage of collections made in certain Compartments, notably Sicily, where, however, ammassing has improved by 17,500 tons in the past two months. As an important grain-growing area of Italy, Sicily should have been able to meet a far larger proportion of its requirements from its own resources than at present appears likely. Although Sicily is not self-supporting in grain, imports from other parts of Italy have become necessary sooner than should have been the case.

The wide variation, comparing Compartment with Compartment, in the percentage of amassi collections, and the small proportion of imported deliveries to big cities—such as Naples—owing to the very limited allocations of grain to Italy by the International Emergency Food Council in recent months, are adding to the cost and difficulty of maintaining food supplies. Italy has once more had to resort to abnormal and uneconomic internal movements of grain from surplus areas to the cities and other deficiency areas, in order to maintain the cities. These emergency movements before the next harvest must be procured and shipped during the first months of 1947 when world demand—against deficient world supplies—will be at its height. This emphasizes the need for care with existing supplies, if adequate reserves are to be maintained.

Subsidiary Grains

There is need also to include subsidiary grains like corn (maize), rye and barley in the standard bread flour *now*, while they can be mixed in relatively small proportions with the available wheat. These subsidiary grains all rank—for the purposes of world assessment of food stocks—as "bread grains"; and, in view of the world shortage of wheat, will need to be used if flour—and bread—rations are to be maintained. Too high a proportion of wheat in the flour now may result in an excessive mixture of minor grains in the flour during the last months before the harvest.

Whether paid for by UNRRA or by the Italian Government, the cost of wheat is a serious factor. Expenditure on wheat from the fixed total of UNRRA's budget for Italy may mean a reduction in expenditure on other imports; and the same is true of Italy's own purchases of bread grains, in view of the limited amount of foreign exchange available to meet all import requirements.

More important than finance is the question of whether stocks are, or will be, available to meet world demand in the first half of next year. This, rather than the amount of foreign exchange at Italy's command, will govern the volume of Italy's grain imports.

MALARIA CONTROL

UNRRA aid will play an important part in the all-out campaign against malaria throughout Italy and the islands, which was begun this year and is now in process of extension. The work is being undertaken by the Italian authorities, in collaboration with the UNRRA Italy Mission. UNRRA foreign currency is being used to buy abroad vital supplies, such

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The small allocation of grain for the fourth quarter means that the bulk of Italy's grain emphasizes the need for care with existing supplies, if adequate reserves are to be maintained.

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Proposals are now in preparation, for submission to the Lire Fund Control Committee, to finance a long-term programme of malaria control on the Italian mainland and in Sicily. This programme has been prepared by the High Commissioner for Hygiene and Public Health, and approved by the Health Division of the UNRRA Italy Mission. It is at present in its early discussion stages, and details have not yet been finally settled. Broadly, however, it is designed to carry on and extend UNRRA's highly successful anti-malaria campaign of D.D.T. spraying, undertaken this year in Sicily, the Po Delta, the Venetian littoral, the Agro Pontino and the Agro Romano.

Sardinian Project

Large-scale D.D.T. spraying operations are expected to begin this month in connection with the anopheline eradication project in Sardinia. This campaign is being undertaken by the organization, E.R.L.A.A.S. (Ente Regionale per la Lotta Anti-Anofelica in Sardegna), created by Government Decree.

The project is to be financed by a grant from the Lire Fund. The first appropriation was 300,000,000 lire; but this figure will need to be revised upwards. In addition, the UNRRA Italy Mission is providing foreign currency to buy essential items, such as 800 tons of D.D.T. emulsion and 200 trucks. E.R.L.A.A.S. is an Italian project, operating under Government auspices, and directed by technicians provided by the International Health Division of the Rockefeller Foundation.

The project is designed entirely to eradicate the anopheline mosquito from the island of Sardinia, where during the past three years the known incidence of malaria in the provinces of Cagliari, Nuoro and Sassari has been 70,000 cases a year. Since many cases are not reported, the true figure is estimated to be nearer 125,000 a year.

Work During Winter Months

anopheline, malaria-bearing mosquito population consists of adults, hibernating by the thousand in houses and other buildings, particularly stables and pigsties.

Every Building To Be Sprayed

Systematic destruction of adult mosquitoes with D.D.T. during the period of hibernation has already proved very successful, since it vastly reduces subsequent breeding. Because of the lasting properties of D.D.T., spraying remains effective for six to eight months, or even longer. It is hoped to have every building in the island sprayed before the spring. During the summer months, spraying will stop, and the campaign will then be diverted to the destruction of larvae. The cycle of winter spraying with D.D.T. and summer larva control will be repeated for two or three years, at the end of which, it is hoped, malaria will be entirely eradicated.

The Government Decree establishing E.R.L.A.A.S. was promulgated in April—too late for the campaign to begin during the 1946 malaria season. During the summer months, however, a detailed survey of the whole island was carried out with the help of UNRRA. Bases were established at Cagliari, Oristano, Sassari, Olbia, Nuoro and Arbatax, from which 1,000 inspections were carried out over an area of 1,500 square miles. This survey will prove of great value in the course of the campaign, since it has established the species of anopheline malaria-carrying mosquitoes chiefly met with, and where they are located.

COMMODITY PRICE DECISIONS

The Italian Government and the UNRRA Italy Mission have agreed to the following price recommendations of the Joint Price Committee at its meetings held on 28 October and 2 November:—

INDUSTRIAL REHABILITATION

Bitumen - all types:

21 lire per kilogram ex consignee's warehouse,

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control on the Italian mainland and in Sicily. This programme has been prepared by the High Commissioner for Hygiene and Public Health, and approved by the Health Division of the UNRRA Italy Mission. It is at present in its early discussion stages, and details have not yet been finally settled. Broadly, however, it is designed to carry on and extend UNRRA's highly successful anti-malaria campaign of D.D.T. spraying, undertaken this year in Sicily, the Po Delta, the Venetian littoral, the Agro Pontino and the Agro Romano.

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Work During Winter Months

Contrary to the procedure adopted where larvicidal control is the chief method of attack, the E.R.L.A.A.S. campaign, which is based on D.D.T. spraying, will be at its height in the winter months.

During these months breeding in ponds and streams stops completely. The entire hereditary stables and pigsties.

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21 lire per kilogram ex consignee's warehouse, including Customs. Customs to be refunded to the Lire Fund.

Solvent naphtha (light):

5,000 lire per quintal ex CIP (Comitato Italiano Petroli) regional tanks or storehouses.

Solvent naphtha (medium):

5,320 lire per quintal ex CIP (Comitato Italiano Petroli) regional tanks or storehouses.

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Solvent naphtha (heavy):
5,280 lire per quintal ex CIP (Comitato Italiano Petroli) regional tanks or storehouses.

White spirit:
4,790 lire per quintal ex CIP (Comitato Italiano Petroli) regional tanks or storehouses.

Fire clay (Sub-standard):
3 lire per kilogram, ex C.I.M.P. warehouse, for fire clay which contains less than 36 per cent. alumina and more than 1 per cent. iron oxide.

Fire clay (Standard - which meets UNRRA procurement specifications):
7 lire per kilogram, including handling charges, ex consignee's warehouse.

Magnesite bricks:
28.80 lire per kilogram ex consignee's warehouse.

Calcined magnesite:
16.15 lire per kilogram ex consignee's warehouse.

Sanocure:
490 lire per kilogram ex consignee's warehouse.

Channel black:
65 lire per kilogram ex consignee's warehouse.

Furnace black:
55 lire per kilogram ex consignee's warehouse.

Pine tar:
45 lire per kilogram ex consignee's warehouse.

Bitumen imports have been programmed at 75,000 tons. Of the 9,944 tons which have arrived to date, 8,000 tons have been allocated to the Ministry of Public Works for road repair.

Aid for Rubber Industry

The naphtha and white spirit, of which 16,000 tons are included in UNRRA's import programme, are required for the rubber industry.

Fire clay, of which UNRRA plans to import 30,000 tons, is required for home production of refractory materials, and will also be used in cement and brick kiln linings, and open hearth furnaces. A lower price has been fixed for that portion of the procurement which does not tally with UNRRA specifications. Refractories are also being imported in the form of calcined magnesite and magnesite bricks urgently needed for the relining and repair of steel furnaces, and reconstruction in the chemical and metallurgical industries.

FOOD

Milk (whole dry):
150 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Milk (evaporated):
52 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Milk (dry skim roller and dry skim spray):
69.50 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Beans (haricot), *peas* (dried), *lentils*, *garbanzos*:
55 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Lard, *shortening*, *fat cuts*:
153 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Copra:
3,300.50 lire per quintal, free port warehouse, Genoa.

Margarine (produced from UNRRA-imported copra):
160 lire per kilogram, wrapped in one-kilogram packets, packed in 30-kilogram cases, free manufacturer's warehouse.

Margarine (imported):
110 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Soup (dehydrated):
35 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

UNRRA's original food programme included 63,400 metric tons of dairy products, against which 63,800 tons had arrived by 10 October, 1946; 49,000 tons of edible fats and oils (31,393 tons arrived); 45,000 tons of pulses (29,194 tons arrived); and 8,188 tons of dehydrated soup (7,311 tons arrived). These, like all other UNRRA supplies, were handed over to the Italian Government free of charge for sale at controlled prices, or for free distribution to the needy. The procurement of further quantities will depend on world availability and possible readjustment of Italian requirements.

Food Prices Compared

A comparison between some of the food prices now fixed by the Joint Price Committee and the prices normally charged on the "free" market show how uncontrolled distribution raises the cost of living. The "free" price to normal consumers of home-produced whole dry [illegible] 400 lire per kilogram;

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4,790 lire per quintal ex CIP (Comitato Italiano Petroli) regional tanks or storehouses.

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Sanocure (13 tons) and plastifying pine tar (960 tons) are two of the basic products to be used in processing rayon for use in the manufacture of tyres. Channel and furnace black are basic elements in the manufacture of carbon black, required for the processing of rubber.

Milk (evaporated):
52 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Milk (dry skim roller and dry skim spray):
69.50 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Beans (haricot), *peas* (dried), *lentils*, *garbanzos*:
55 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Lard, *shortening*, *fat cuts*:
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Continued on Page 6

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(28 OCTOBER - 3 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Voluntas	Genoa	28 October	It. Programme	Minerals	8,428
Philomel (1)	Naples	» »	UNRRA/Commercial	General	500
Virtu	Genoa	29 »	UNRRA	»	731
River Swift	Leghorn	30 »	»	Minerals	1,441
Capo Mele	Genoa	2 November	It. Programme	»	5,260
Makiki	»	» »	It. Programme/Comm'l. Swiss	General	8,260
Carlo Zeno	Piombino	» »	It. Programme	Minerals	2,100
Olympos	Genoa	3 »	Swiss	Cereals	7,213

NOTE: (1) Also discharged at Genoa and Leghorn.

LATEST COAL SHIPMENTS

(28 OCTOBER - 3 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Karmen	Venice	28 October	Yugoslavia	Commercial	3,500
Fort Slave	»	» »	South Africa	UNRRA	6,196
Westmoor	Savona	29 »	Germany	»	7,768
David E. Hughes	Genoa	» »	Bahrein	It. Program.	7,500
Greenland	»	» »	United Kingdom	UNRRA	3,833
Gloria C.	Venice	» »	Yugoslavia	Commercial	550
Augustine B. McManus	Savona	1 November	United States	Swiss	9,475
Indore	Civitavecchia	» »	South Africa	Brit. Army	8,544
Fjeld	Bagnoli	2 »	Germany	UNRRA	4,350
Fort Beausejour (1)	Ancona	» »	South Africa	»	4,429
Stad Haarlem	Savona	3 »	Germany	»	7,700

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(24 OCTOBER - 3 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Voluntas	Genoa	28 October	It. Programme	Minerals	8,428
Philomel (1)	Naples	» »	UNRRA/Commercial	General	500
Virtu	Genoa	29 »	UNRRA	»	731
River Swift	Leghorn	30 »	»	Minerals	1,441
Capo Mele	Genoa	2 November	It. Programme	»	5,260
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Fjeld	Bagnoli	2 »	Germany	UNRRA	4,350
Fort Beausejour (1)	Ancona	» »	South Africa	»	4,429
Stad Haarlem	Savona	3 »	Germany	»	7,700

NOTE: (1) Also discharged at Bari.

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November 1, 1946 Vol. I. No. 42

ECONOMIC NOTES

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

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1. Coal Prospects for November
2. Port Rehabilitation
3. UNRRA Imports
4. Commodity Price Decisions
5. Movements of Ships

COAL PROSPECTS FOR NOVEMBER

The end of the maritime strike in the United States has immediately released 150,000 tons of coal for Italy. Some 50,000 tons were already loaded in ships awaiting clearance; another 100,000 tons were at the ports, ready to be loaded. Further stocks of coal await transport from the mines to the ports. A few days' delay is inevitable before this coal from the mines reaches the ports: but Italy can expect the flow of coal supplies to return quickly to normal—provided the threatened coal strike in the United States can be prevented. Until that threat is dispelled [as seemed possible, according to information available in Rome up to Wednesday] it will be necessary to conserve coal stocks at present in this country.

Reduced Allocations Continue

For this reason, the reduced allocations to the various categories of consumer, announced within the past few days, remain in force. If the strike threat lifts, the position in Italy can rapidly return to normal: if, on the other hand, the strike occurs, further cuts will be necessary.

Italy's present normal consumption is based on a monthly allocation of 600,000 tons of [illegible] and from foreign sources of, mately 152,600 tons, and are made up as follows: Ruhr 73,600 tons, Poland 20,000 tons, Yugoslavia 15,000 tons, Turkey 3,000 tons, South Africa 23,000 tons and Bahrein Islands 18,000 tons of petroleum coke.

New Sources of Supply

The UNRRA Italy Mission has been endeavouring for some time to increase its coal procurements from sources nearer to Italy. The Italian Government, too, is making every effort to re-establish trade relations with the country's normal suppliers, so that, once the UNRRA programme is fulfilled, uneconomical non-European sources of supply may gradually be eliminated.

By the terms of the agreement signed on 10 October, Poland will send 750,000 tons of coal to Italy in exchange for Italian agricultural and industrial products. Supplementary agreements have been made with Czechoslovakia and Austria concerning the transport of this coal through their territories. Monthly arrivals will be approximately 30,000 tons for the present, and will probably not exceed 60,000 tons at any time.

Belgian Possibilities

Following increased output in the Belgian

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COAL PROSPECTS FOR NOVEMBER

The end of the maritime strike in the United States has immediately released 150,000 tons of coal for Italy. Some 50,000 tons were already loaded in ships awaiting clearance; another 100,000 tons were at the ports, ready to be loaded. Further stocks of coal await transport from the mines to the ports. A few days' delay is inevitable before this coal from the mines reaches the ports: but Italy can expect the flow of coal supplies to return quickly to normal—provided the threatened coal strike in the United States can be prevented. Until that threat is dispelled [as seemed possible, according to information available in Rome up to Wednesday] it will be necessary to conserve coal stocks at present in this country.

Reduced Allocations Continue

For this reason, the reduced allocations to the various categories of consumer, announced within the past few days, remain in force. If the strike threat lifts, the position in Italy can rapidly return to normal; if, on the other hand, the strike occurs, further cuts will be necessary.

Italy's present normal consumption is based on a monthly allocation of 600,000 tons of coal from Sardinia and from foreign sources of supply. Some coal will arrive from the United States during November, but Italy is not wholly dependent upon America for her coal imports. November allocations from sources other than the United States total approximately 152,600 tons, and are made up as follows: Ruhr 73,600 tons, Poland 20,000 tons, Yugoslavia 15,000 tons, Turkey 3,000 tons, South Africa 23,000 tons and Bahrein Islands 18,000 tons of petroleum coke.

New Sources of Supply

The UNRRA Italy Mission has been endeavouring for some time to increase its coal procurements from sources nearer to Italy. The Italian Government, too, is making every effort to re-establish trade relations with the country's normal suppliers, so that, once the UNRRA programme is fulfilled, uneconomical non-European sources of supply may gradually be eliminated.

By the terms of the agreement signed on 10 October, Poland will send 750,000 tons of coal to Italy in exchange for Italian agricultural and industrial products. Supplementary agreements have been made with Czechoslovakia and Austria concerning the transport of this coal through their territories. Monthly arrivals will be approximately 30,000 tons for the present, and will probably not exceed 60,000 tons at any time.

Belgian Possibilities

Following increased output in the Belgian mines, it is understood that there may also be a possibility of opening up this source, against the export of Italian finished products.

Italy's domestic production normally averages 100,000 tons monthly from the Sardinian,

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and 8,000 to 10,000 tons from the Cogne (Val d'Aosta) mines. The "go-slow" strike, which for two weeks cut Sardinian production to half its normal figure, was settled early this week. Output of lignite, an auxiliary fuel, which can only be put to certain minor uses (in lime kilns, for instance) has now reached 170,000 tons a month—a figure which is roughly equivalent to 73,000 tons of coal.

Ministry's Coal Order

In view of the existing coal situation, the Ministry of Industry and Commerce and the UNRRA Italy Mission last week jointly agreed that a first re-adjustment of allocations would have to be based on a revised estimate of 770,000 tons for the period October-November as against the original allocation of 600,000 tons for October. The following cuts were accordingly ordered: a 20 per cent. reduction in allocations to cokeries and gas works; and a 27 per cent. reduction to non-preferential categories (including steel and engineering works; cement and brick works; textile, pharmaceutical, rayon, paper, foodstuffs, rubber and other industries; and winter heating for schools and public buildings in North Italy).

The Industrial Sub-Commissions which make the detailed allocations have been empowered to order further reductions in allocations of foreign coal for the non-preferential categories, where local conditions warrant. These further cuts are to be compensated by equivalent allocations of Sardinian coal.

Essential Services not Affected

The order does not apply to such essential services as hospitals, bakeries, power stations and secondary (privately-operated) railways. The State Railways have been instructed to use reserve stocks, and will receive no additional allocations. It is expected, however, that the stockpiles will allow railway services to be maintained until the end of November, without serious inconvenience and it is certain

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When coal arrivals are resumed on a large scale there will be special need for the ports and railways to speed up the movement of coal inland to factories and other users, whose stocks will be low.

"With the termination of the maritime strike in the United States, we are hopeful that UNRRA coal shipments to Italy will be resumed on a scale which will make unnecessary prolongation of the emergency allocations beyond November," Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, stated a few days ago. "If all goes well, we shall have 150,000 tons of UNRRA coal from the United States by about the middle of the month. This coal must be unloaded quickly from the ships and sent inland promptly, to keep the wheels of Italian industry and transport moving."

PORT REHABILITATION

The distribution of 4,000 tons of cargo-handling gear and harbour equipment, imported under the UNRRA programme and delivered free of charge to the Italian Government, is now being planned by the Italian authorities and the UNRRA Italy Mission. These supplies formed part of Allied Army surplus material throughout Europe valued at over 19,000,000 dollars (£4,750,000 sterling), which UNRRA was asked to take up on behalf of its receiving countries.

The UNRRA Italy Mission was able to obtain for 750,000 dollars (£187,500 sterling) an allocation of supplies the actual value of which, at a conservative estimate based on lowest prices, exceeds 2,500,000 dollars (£625,000 sterling).

The material includes essential supplies for

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By the end of October the UNRRA Italy Mission had imported approximately 3,800,000 tons of coal into Italy. Shipments for August totalled 888,199 tons and for September normal.

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The material includes essential supplies for port reconstruction such as cranes, discharge pumps from 1.5 to 8-inch discharge capacity, slings, grabs, hoists and wire rope; marine spare parts such as chains, anchors, fenders; and engine accessories. There are also heavy

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The Italian vessel s.s. *Capo Mele* unloaded a first shipment of 2,500 tons at Genoa, early in October. Other consignments reached Italy by rail in the course of the month, and further shipments are now awaited from the United Kingdom. As soon as distribution plans are completed, the items essential for port rehabilitation—which represent 90 per cent. of the entire allocation—will be handed over to port reconstruction concerns throughout Italy.

UNRRA IMPORTS

UNRRA supplies reaching Italian ports last week totalled 76,829 tons. This low figure, which is considerably below the average, reflects the four weeks' stoppage of shipments from the United States. Coal arrivals dropped to 59,555 tons from all sources, including Great Britain, Turkey, South Africa and Germany, as well as the United States.

The cargo of 11,700 tons of wheat included in this week's shipping table was unloaded in Sicily. Present wheat allocations to Italy are low because of world scarcity, and the consequent necessity for each receiving country to live on its supplies for the first months after the harvest.

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COMMODITY PRICE DECISIONS

In accordance with Article III (d) (iii) of the Supplementary Agreement of 19 January, 1946, between the Government of Italy and UNRRA, prices for the following commodities were agreed by the Joint Price Committee at its meetings on 21 September and 5 October:—

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235 lire per kilogram, ex Siderurgica Italiana S. A.

Zinc phosphide:
290 lire per kilogram ex Consorzio Agrario warehouse, including packing in paper bags.

Manganese ore:
12 lire per kilogram, ex consignee's warehouse.

Fire refined copper:
87 lire per kilogram, ex consignee's warehouse.

Electrolytic copper:
92 lire per kilogram, ex consignee's warehouse.

Chrome ore - metallurgical grade:
10 lire per kilogram, ex consignee's warehouse.

Chrome ore - chemical grade:
8 lire per kilogram, ex consignee's warehouse.

Kaolin
12 lire per kilogram, ex C.I.M.P. warehouse (subject to commodity meeting written specifications).

Plasticlay:
0.25 lire per kilogram, ex C.I.M.P. warehouse (subject to commodity meeting written specifications).

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(OCTOBER 20 - 27 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Samaritan	Genoa	21 October	UNRRA	General	1,988
	Savona	23 »	»	»	1,250
Henry Lomb	Palermo	21 »	»	Cereals	8,001
	Syracuse	26 »	»	»	3,100
Empire Colne	Genoa	22 »	»	General	686
Sfinge	Piombino	» »	It. Programme	Minerals	7,300
Fanny Brunner (1)	Brindisi	» »	»	»	2,340
Pertusola	Palermo	» »	»	»	2,240
Pra	Bagnoli	23 »	»	»	820
Apollo (2)	Crotone	» »	»	»	1,900
Philomel (3)	Leghorn	24 »	UNRRA/Commercial	General	640
Maristella	La Spezia	» »	It. Programme	Minerals	7,080
Samshire	Leghorn	25 »	UNRRA	General	1,000
Inal	Venice	27 »	—	Cereals	2,000

NOTE: (1) Also discharged at Ancona: (2) also discharged at Catania: (3) also discharged at Genoa

LATEST COAL SHIPMENTS

(OCTOBER 21 - 27 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Matthew J. O'Brien	Savona	21 October	United States	Swiss	8,398
Achuri	Genoa	» »	United Kingdom	UNRRA	3,484
[illegible] Giorgio	Venice	» »	Turkey	»	1,022
Dante[illegible]	Bagnoli	22 »	Germany	»	7,319
Nelson Aldrich	Genoa	23 »	United States	»	8,241
[illegible] Miller	Naples	» »	» »	»	8,512

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Ambrose E. Burnside	Venice	25 »	» »	»	8,004
Cervino	Savona	26 »	Germany	»	7,214
Cherca	Venice	27 »	»	»	7,200
Fort Beausejour	Bari	» »	South Africa	»	8,559

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November 1, 1946 Vol. I No. 42

ECONOMIC NOTES

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

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Pra	Bagnoli	23 »	»	»	820
Apollo (2)	Crotone	» »	»	»	1,900
Philomel (3)	Leghorn	24 »	UNRRA/ Commercial	General	640
Maristella	La Spezia	» »	It. Programme	Minerals	7,080
Samshire	Leghorn	25 »	UNRRA	General	1,000
Inul	Venice	27 »	—	Cereals	2,000

NOTE: (1) Also discharged at Ancona: (2) also discharged at Catania: (3) also discharged at Genoa

LATEST COAL SHIPMENTS

(OCTOBER 21 - 27 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Matthew J. O'Brien	Savona	21 October	United States	Swiss	8,398
Achuri	Genoa	» »	United Kingdom	UNRRA	3,484
Ais Giorgis	Venice	» »	Turkey	»	1,022
Dante	Bagnoli	22 »	Germany	»	7,319
Nelson Aldrich	Genoa	23 »	United States	»	8,241
				»	9,512

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(OCTOBER 20 - 27 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Samaritan	Genoa	21 October	UNRRA	General	1,988
	Savona	23 »	»	»	1,250
Henry Lomb	Palermo	21 »	»	Cereals	8,001
	Syracuse	26 »	»	»	3,100
Empire Colne	Genoa	22 »	»	General	686
Sfinge	Piombino	» »	It. Programme	Minerals	7,300
Fanny Brunner (1)	Brindisi	» »	»	»	2,340
Pertusola	Palermo	» »	»	»	2,240
Pra	Bagnoli	23 »	»	»	820
Apollo (2)	Crotone	» »	»	»	1,900
Philomel (3)	Leghorn	24 »	UNRRA/Commercial	General	640
Maristella	La Spezia	» »	It. Programme	Minerals	7,080
Samshire	Leghorn	25 »	UNRRA	General	1,000
Inal	Venice	27 »	—	Cereals	2,000

NOTE: (1) Also discharged at Ancona: (2) also discharged at Catania: (3) also discharged at Genoa

LATEST COAL SHIPMENTS

(OCTOBER 21 - 27 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Matthew J. O'Brien	Savona	21 October	United States	Swiss	8,398
Achuri	Genoa	» »	United Kingdom	UNRRA	3,484
Ais Giorgis	Venice	» »	Turkey	»	1,022
Dante	Bagnoli	22 »	Germany	»	7,319
Nelson Aldrich	Genoa	23 »	United States	»	8,241
Joaquin Miller	Naples	» »	» »	»	8,512
Ambrose E. Burnside	Venice	25 »	» »	»	8,004
Cervino	Savona	26 »	Germany	»	7,214
Cherca	Venice	27 »	»	»	7,200
Fort Beausejour	Bari	» »	South Africa	»	8,559

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