Declassified E.O. 12356 Section 3.3/NND No. 785015

ACC 10000/147/368 REP 157/CS A.C.C. ACTIVITY REPORTS - MONTHLY REPORTS VOL III

Ap. - Sept. 1946

Director
D/Director
Chief Telecoms
Chief Postal
H Q. Comm O.
Asst Chief Postal
Censorship
Chief Clerk

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 794

++++++++++++++++++++++++++++++

MONTHLY REPORT

APRIL - 1946

INDEX

		Page No.
	POLITICAL SUMMARY	1 - 2
PART I -	LIAISON GROUP REPORTS	3 - 22
	Liguria Liaison Group	3 - 5
	Lombardia Liaison Group	5 - 6
	Piemonte Liaison Group	6 - 8
	Venezia Liaison Group	8 - 10
	Naples Liaison Group (Calabria, Campagna)	10 - 11
	Livorno Liaison Group (Tuscany Region)	11 - 12
	Bari Liaison Group (Apulia, Marche)	13
	Sicily Liaison Group	14
	Bologna Liaison Group (Emilia)	14 - 15
	Salerno Liaison Group	15 - 16
	Region of Abruzzi & Lazio	16 - 17
	Rome City and Province	17 - 18
	AMG Udine	18 - 19
	AMG Venezia Giulia	19 - 22
PART II -	CIVIL AFFAIRS SECTION	23 - 24
	Local Government Sub-Commission	23
	Legal Sub-Commission	23
	Public Health Sub-Commission	23
	Public Safety Sub-Commission	23 - 24
	Displaced Persons & Repatriation Sub-Commission	24
PART III -	ECONOMIC SECTION	25 - 28
	Food Division	25
	Agricultural Division	25 - 26
	Finance Branch	26
	Commerce (Foreign Trade) Branch	26 - 27
	Industry Division	27
	Transportation and Shipping Branch	27 - 28
	Captured Enemy Materials Branch	28
PART IV -	PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB-COMMISSIONS	29 - 32
	Public Relations Branch	29
	Navy Sub-Commission	29
	Land Forces Sub-Commission	29 - 30
	POW Division	30
	Air Forces Sub-Commission	30 - 31
	Communications Sub-Commission	31 - 32

1870

Declassified E.O. 12356 Section 3.3/NND No. 785015

PART I - LIAISON GROUP REPORTS..... 3 - 5
Liguria Liaison Group..... 5 - 6
Lombardia Liaison Group..... 6 - 8
Piemonte Liaison Group..... 8 - 10
Venezia Liaison Group..... 10 - 11
Naples Liaison Group (Calabria, Campagna)..... 11 - 12
Livorno Liaison Group (Tuscany Region)..... 13
Bari Liaison Group (Apulio, Marche)..... 14
Sicily Liaison Group..... 14 - 15
Bologna Liaison Group (Emilia)..... 15 - 16
Palermo Liaison Group..... 16 - 17
Region of Abruzzi & Lazio..... 17 - 18
Rome City and Province..... 18 - 19
AMG Udine..... 19 - 22
AMG Venezia Giulia..... 23 - 24

PART II - CIVIL AFFAIRS SECTION..... 23
Local Government Sub-Commission..... 23
Legal Sub-Commission..... 23
Public Health Sub-Commission..... 23 - 24
Public Safety Sub-Commission..... 24
Displaced Persons & Repatriation Sub-Commission...

PART III - ECONOMIC SECTION..... 25 - 28
Food Division..... 25
Agricultural Division..... 25 - 26
Finance Branch..... 26
Commerce (Foreign Trade) Branch..... 26 - 27
Industry Division..... 27
Transportation and Shipping Branch..... 27 - 28
Captured Enemy Materials Branch..... 28

PART IV - PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB-COMMISSIONS 29 - 32
Public Relations Branch..... 29
Navy Sub-Commission..... 29
Land Forces Sub-Commission..... 29 - 30
POW Division..... 30
Air Forces Sub-Commission..... 30 - 31
Communications Sub-Commission..... 31 - 32

1870

CONFIDENTIAL

CROSS. REFS.
FILE REP. 157
B/Fwd.
Date 15 AUG 1946

Declassified E.O. 12356 Section 3.3/NND No. 785015

0404

Declassified E.O. 12356 Section 3.3/NND No. 786015

POLITICAL SUMMARY

1. The month was notable mainly for the holding of the Socialist Party and Christian Democratic Party National Congresses and for a serious crisis in the food situation. The 24th National Congress of the Socialist Party opened in Florence on April 11th and lasted until April 17th. The principal topic of discussion was the question of fusion with the Communist Party linked with which to a certain degree was the future position of the Secretary General of the Party, Signor Nenni. Signor Togliatti, the Communist leader opened the proceedings and ridiculed the idea that his Party wished to absorb the Socialists. He pleaded for a permanent union in domestic and foreign affairs of the two left-wing parties. Speeches followed by representatives from S.F.I.O., POLAND, AUSTRIA, BULGARIA and SAN MARINO. Prof. Laski, the Chairman of the British Labour Party spoke next and declared that British Labour stood shoulder to shoulder with Italian Socialism; he went on to predict that in May Italians would be sitting side by side on equal terms with their British comrades at the Peace Conference table. Signor Nenni claimed that the Socialist Party had been the most intrepid and consistent champion of the Constituent Assembly and outlined the Party's programme - a democratic Republic; a united State with local autonomies; a single legislative Chamber supported by a Chamber of Economic Councils; a President elected by the Chamber; a government responsible to the Chamber; a constitution guaranteeing freedom of conscience, thought, speech, press and organisation; definition of the right to work, to a home, to existence and to education; limitation of the right of ownership with socialisation of the public services and monopolies and repudiation of war. The Party's foreign policy was that it could not afford to side with any bloc, whether Russian or Anglo-American. She needed to make regional ententes with FRANCE, SPAIN, JUGOSLAVIA, and GREECE. The just frontier with JUGOSLAVIA was that of 1919 and other claims to Italian territory were inadmissable. The Socialists wanted trusteeship for the colonies, access to raw materials and freedom of emigration. As regards the Church, the Party accepted the Lateran Treaty as a fact, but thought it was necessary to define powers more clearly. Signor Nenni then broached the topic of greatest interest - the position of the Party. The Socialists would tackle the political struggle on the basis of unity brought about either by the " pact of united action" or by " fusion". Polemics on the subject of "fusion" with the Communists were artificial. The important point was unity of action and that the Socialists and Communists should gain the majority in the Constituent Assembly. Signor Nenni's report was the subject of lively debate on successive days and the delegates were often hostile in attitude in the early stages.

2. The results of the voting on the four motions submitted for discussion showed the "tesione di base" (inspired by Signor Nenni) to be in the lead by a slight majority. Generally it reaffirmed that the Socialist Party is, and remains, a class Party inspired by the Economic and social Principles of Marxism, having as its ultimate aim the destruction of capitalism, and as its immediate objectives the creation of the Republican and democratic State and the gradual application of substantial reforms in the sphere of land, industry and credit, which will free all the working classes from political oppression and economic exploitation; declares that there is no incompatibility between the members of the Socialist Party on proletarian unity and their religious belief. The Congress reaffirmed the necessity for the autonomy and independence of the Party, considering them indispensable conditions for making the pact of united action between the Socialist and Communist Parties. It therefore reaffirmed, as a result of the debate on the relations between the Socialists and Communists, that there is no question of fusion between the two Parties, but only a question of unity of the working class.

3. The final day of the proceedings of the Congress was taken up with the election of the new Party Executive, Signor Nenni being elected Chairman.

and declared that British Labour stood shoulder to shoulder with Italian Socialism; he went on to predict that in May Italians would be sitting side by side on equal terms with their British comrades at the Peace Conference table. Signor Nenni claimed that the Socialist Party had been the most intrepid and consistent champion of the Constituent Assembly and outlined the Party's programme - a democratic Republic; a united State with local autonomies; a single legislative Chamber supported by a Chamber of Economic Councils; a President elected by the Chamber; a government responsible to the Chamber; a constitution guaranteeing freedom of conscience, thought, speech, press and organization; definition of the right to work, to a home, to existence and to education; limitation of the right of ownership with socialisation of the public services and monopolies and repudiation of war. The Party's foreign policy was that it could not afford to side with any bloc, whether Russian or Anglo-American. She needed to make regional ententes with FRANCE, SPAIN, JUGOSLAVIA, and GREECE. The just frontier with JUGOSLAVIA was that of 1919 and other claims to Italian territory were inadmissable. The Socialists wanted trusteeship for the colonies, access to raw materials and freedom of emigration. As regards the Church, the Party accepted the Lateran Treaty as a fact, but thought it was necessary to define powers more clearly. Signor Nenni then broached the topic of greatest interest - the position of the Party. The Socialists would tackle the political struggle on the basis of unity brought about either by the " pact of united action" or by " fusion". Polemics on the subject of "fusion" with the Communists were artificial. The important point was unity of action and that the Socialists and Communists should gain the majority in the Constituent Assembly. Signor Nenni's report was the subject of lively debate on successive days and the delegates were often hostile in attitude in the early stages.

2. The results of the voting on the four motions submitted for discussion showed the "mozione di base" (inspired by Signor Nenni) to be in the lead by a slight majority. Generally it reaffirmed that the Socialist Party is, and remains, a class Party inspired by the Economic and social Principles of Marxism, having as its ultimate aim the destruction of capitalism, and as its immediate objectives the creation of the Republican and democratic State and the gradual application of substantial reforms in the sphere of land, industry and credit, which will free all the working classes from political oppression and economic exploitation; declares that there is no incompatibility between the members of the Socialist Party on proletarian unity and their religious belief. The Congress reaffirmed the necessity for the autonomy and independence of the Party, considering them indispensable conditions for making the pact of united action between the Socialist and Communist Parties. It therefore reaffirmed, as a result of the debate on the relations between the Socialists and Communists, that there is no question of fusion between the two Parties, but only a question of unity of the working class.

3. The final day of the proceedings of the Congress was taken up with the election of the new Party Executive, Signor Nenni being elected Chairman.

4. The Christian Democratic Party Congress opened in Rome on April 24th. Signor De Gasperi, the President of the Council and Secretary General of the Party, spoke on the opening day. He said that the programme of the Christian Democrats, having been carefully studied and drafted by the technical committees working under the Party Executive, had been drawn up and developed in full detail as shown by the resolutions of the Party's National Council. He reviewed the vast and complete record of Christian Democracy and the activities of its youth and women's organisations. He stated that loyalty to Trade Union unity must be maintained but subject to the condition that unity within the CGIL was not subordinate to Party programmes and directives. He gave a warning that the

Declassified E.O. 12356 Section 3.3/NND No. 785015

Christian Democrats were not prepared to yield to brow-beating and intimidation, and in this connection added, " if there is still something that disturbs our hope of a serene and free decision by the Italian people in the elections, it is the rumors of arms and armed men and of intimidation from the Left and Right." It was absolutely necessary, he went on, that all Parties and citizens should disarm. He declared that the position of the Christian Democrat Party was clear and definite, it was neither Socialist nor Communist but favoured solidarity in the sense of the solidarity of groups in the interests, and for the purposes, of helping in the rehabilitation of the country, and through the system in which work has ensured pre-eminence over everything. As regards industrial reform it was not possible to think that in ITALY two or three million organised workers should presume to decide, unaided, the fate of the working classes when there were still many workers who were not centrally organised. " We are afraid that Marxism, as a tendency, may transform the economic sphere into a political one leading, at a certain point, to intervention with coercion which will be capable of making us lose our freedom. Marxism is permeated by the dialectical materialism which denies the conception of life affirmed by the Church, and we cannot be tranquil and rest content with the accomodating statements made by this or that Party in dealing with Catholics and believers; we do not in fact know the extent to which these statements are a continuation of the tactics often affirmed by Lenin in his writings."

On April 25th delegate Piccioni spoke on the institutional question. The reception of this speech revealed that its topic was the one which interested the delegates most. Debates were extremely lively and it was often difficult to maintain order. Voting by secret ballot was held on the question and resulted in 740,000 in favour of the Republic, 254,000 in favour of the Monarchy and 68,500 abstentions.

The Council of Ministers did not transact much business during the month. Its attention was chiefly occupied by the food problem. In meetings over Easter week-end, it became clear that, unless further Allied support were forthcoming, the bread ration would have to be cut from 200 to 150 grammes on April 24th if the total stocks of wheat held in the country were not to be reduced to 10,000 tons by May 15th. The Council approved a measure on April 17th for the supplementary amassing of 6% of the legal retentions held by producers. This programme is supposed to produce approximately 75,000 tons by May 15th or 30th (as against the UNRRA target of 158,000), but it was felt that it would be largely ineffective if at the same time the Council decided to cut the ration. On April 23rd the Council authorized Signor De Gasperi to cut the ration, if absolutely necessary. The President of the Council held his hand, however, until he could consult Mr. La Guardia, the Director General of UNRRA. He accordingly spoke to Mr. La Guardia on the trans-Atlantic telephone on the same evening and learnt that two ships with a cargo of 8,000 tons of wheat each had been diverted from GREAT BRITAIN to ITALY. There was a possibility of a third. In view of this information, Signor De Gasperi decided not to reduce the bread ration for the present, but to concentrate on the supplementary amassing programme. The immediate crisis had ceased, therefore, but the situation remained extremely grave. It is, however, rather optimistically hoped that the May and June arrivals (which will also include shipments of gift wheat from the Argentine) will suffice to see the country through the next few critical months.

Declassified E.O. 12356 Section 3.3/NND No. 785015

who were not centrally organized. " We are afraid that Marxism, as a tendency, may transform the economic sphere into a political one leading, at a certain point, to intervention with coercion which will be capable of making us lose our freedom. Marxism is permeated by the dialectical materialism which denies the conception of life affirmed by the Church, and we cannot be tranquil and rest content with the accomodating statements made by this or that Party in dealing with Catholics and believers; we do not in fact know the extent to which those statements are a continuation of the tactics often affirmed by Lenin in his writings."

On April 25th delegate Piccioni spoke on the institutional question. The reception of this speech revealed that its topic was the one which interested the delegates most. Debates were extremely lively and it was often difficult to maintain order. Voting by secret ballot was held on the question and resulted in 740,000 in favour of the Republic, 254,000 in favour of the Monarchy and 68,500 abstentions.

The Council of Ministers did not transact much business during the month. Its attention was chiefly occupied by the food problem. In meetings over Easter week-end, it became clear that, unless further Allied support were forthcoming, the bread ration would have to be cut from 200 to 150 grammes on April 24th if the total stocks of wheat held in the country were not to be reduced to 10,000 tons by May 15th. The Council approved a measure on April 17th for the supplementary amassing of 6% of the legal retentions held by producers. This programme is supposed to produce approximately 75,000 tons by May 15th or 30th (as against the UNRRA target of 158,000), but it was felt that it would be largely ineffective if at the same time the Council decided to cut the ration. On April 23rd the Council authorized Signor De Gasperi to cut the ration, if absolutely necessary. The President of the Council held his hand, however, until he could consult Mr. La Guardia, the Director General of UNRRA. He accordingly spoke to Mr. La Guardia on the trans-Atlantic telephone on the same evening and learnt that two ships with a cargo of 8,000 tons of wheat each had been diverted from GREAT BRITAIN to ITALY. There was a possibility of a third. In view of this information, Signor De Gasperi decided not to reduce the bread ration for the present, but to concentrate on the supplementary amassing programme. The immediate crisis had ceased, therefore, but the situation remained extremely grave. It is, however, rather optimistically hoped that the May and June arrivals (which will also include shipments of gift wheat from the Argentine) will suffice to see the country through the next few critical months.

1769

Declassified E.O. 12356 Section 3.3/NND No. 785015

PART I - LIAISON GROUP REPORTS

LIGURIA LIAISON GROUP

1. Conditions improved slightly in the Port of GENOA in spite of the abundance of "festas". There was an increase in the number of arrivals and a slight increase in the number of passengers carried. There still remains a considerable amount of repair work to be done to bring the Port installations back to their peacetime basis. On 28th April ANSALDO Works launched a motor ship "GIOSUE' BORSI", tonnage app. 3,200 at LA SPEZIA. A tanker "PUNTA VAGNO" (dead weight 9,500) was also launched at GENOA on the same date. The British Director of Merchant Ship Repairs, Western Mediterranean, reported that he had lodged a complaint with Higher Authority, submitting that the increasing number of local and National Holidays was interfering seriously with urgent ship repairs.

2. Agriculture was the only work that offered any employment. There was very little unemployment amongst farm workers, the majority of these being engaged on flower-growing which was at its peak during the month. The great mass of unemployment existed among industrial workers. In this class there were 12,000 unemployed with little hope of employment, the lack of jobs being mainly due to the irregular supplies of coal and scrap iron coupled with a scarcity of Governmental and civilian orders for goods; increased unemployment seemed a foregone conclusion. Supplies of cotton stimulated the fishing net industry and smaller shipyards were working, mainly building vessels up to 200 tons. There were over 10,000 unemployed sailors, stewards and other sea-going categories. Future prospects seemed reasonably bright although the likelihood of immediate employment was small. The number of office workers out of work was slightly under 3000 with the prospect of their employment in the near future practically nil. Those who had jobs were badly paid, particularly state employees and consequently there was considerable discontent. The High prices in the shops, which led to an almost complete stagnation of trade, produced some 2,736 out of work. Those who deal in authorized goods suffered far more than the black-marketeers. Paradoxically the unblocking of many goods and the general easing of controls increased unemployment since many people who managed to make a living by dealing in black market goods can now no longer do so. The legal profession was the only one which flourished at all. Doctors, chemists and engineers found work very difficult to obtain and Governmental aid for this type of worker is non-existent. The total of unemployed in the Region approached 60,000, and the feeling is that the Government is not paying enough attention to the unemployment problem. There was no great danger of trouble due to the fact that the unemployed are not organized. Should they become organized there is every possibility of disturbances.

3. General condition of Public Safety in the Region was satisfactory, and the various police agencies functioned efficiently, bearing in mind the present difficulties. The Carbinieri are better equipped and disciplined than at any time since the liberation, and are winning for themselves their former prestige and public esteem. Due to indifferent clothing, lack of arms and transports, Pubblica Sicurezza did not operate efficiently and the Ministry of the Interno appeared to do little to improve conditions. There was a preponderance of partisan personnel in GENOA and SAVONA Questure, most of whom are members of the Communist Party. They are in most instances inefficient and unsuitable agents. Guardie di Finanza, an efficient force, were sadly hampered by lack of motor-patrol boats to patrol the harbours of GENOA, SAVONA and LA SPEZIA. A great deal of black market activity results from small boats, converging on cargo ships waiting outside the harbours, and with the connivance of ships' crews, they take away cigarettes, coffee, sugar, etc. The Vigili Urbani were well equipped,

Declassified E.O. 12356 Section 3.3/NND No. 785015

ship "GIOSUE' BORSI", tonnage app. 3,200 at LA SPEZIA. A tanker "FUNEL VAGNO" (dead weight 9,500) was also launched at GENOA on the same date. The British Director of Merchant Ship Repairs, Western Mediterranean, reported that he had lodged a complaint with Higher Authority, submitting that the increasing number of local and National Holidays was interfering seriously with urgent ship repairs.

2. Agriculture was the only work that offered any employment. There was very little unemployment amongst farm workers, the majority of these being engaged on flower-growing which was at its peak during the month. The great mass of unemployment existed among industrial workers. In this class there were 12,000 unemployed with little hope of employment, the lack of jobs being mainly due to the irregular supplies of coal and scrap iron coupled with a scarcity of Governmental and civilian orders for goods; increased unemployment seemed a foregone conclusion. Supplies of cotton stimulated the fishing net industry and smaller shipyards were working, mainly building vessels up to 200 tons. There were over 10,000 unemployed sailors, stewards and other sea-going categories. Future prospects seemed reasonably bright although the likelihood of immediate employment was small. The number of office workers out of work was slightly under 3000 with the prospect of their employment in the near future practically nil. Those who had jobs were badly paid, particularly state employees and consequently there was considerable discontent. The High prices in the shops, which led to an almost complete stagnation of trade, produced some 2,736 out of work. Those who deal in authorized goods suffered far more than the black-marketeers. Paradoxically the unblocking of many goods and the general easing of controls increased unemployment since many people who managed to make a living by dealing in black market goods can now no longer do so. The legal profession was the only one which flourished at all. Doctors, chemists and engineers found work very difficult to obtain and Governmental aid for this type of worker is non-existent. The total of unemployed in the Region approached 60,000, and the feeling is that the Government is not paying enough attention to the unemployment problem. There was no great danger of trouble due to the fact that the unemployed are not organized. Should they become organized there is every possibility of disturbances.

3. General condition of Public Safety in the Region was satisfactory, and the various police agencies functioned efficiently, bearing in mind the present difficulties. The Carabinieri are better equipped and disciplined than at any time since the liberation, and are winning for themselves their former prestige and public esteem. Due to indifferent clothing, lack of arms and transports, Pubblica Sicurezza did not operate efficiently and the Ministry of the Interno appeared to do little to improve conditions. There was a preponderance of partisan personnel in GENOA and SAVONA Questure, most of whom are members of the Communist Party. They are in most instances inefficient and unsuitable agents. Guardie di Finanza, an efficient force, were sadly hampered by lack of motor-patrol boats to patrol the harbours of GENOA, SAVONA and LA SPEZIA. A great deal of black market activity results from small boats, converging on cargo ships waiting outside the harbours, and with the connivance of ships' crews, they take away cigarettes, coffee, sugar, etc. The Vigili Urbani were well equipped, efficiently administered and well versed in traffic control. The Fire Brigades of the Region are efficient and well equipped . The general picture for offences was satisfactory, no serious crimes were recorded, and the number of general

Declassified E.O. 12356 Section 3.3/NND No. 785015

crimes less than in March. Public order was well maintained.

4. No security problems were apparent. All political parties appeared to be behaving correctly with a view to influencing favourable public opinion for the forthcoming constituente elections. "Liberation Day" and "Labour Day" passed without incidents in the Region; the processions in each case consisted mainly of Communist Party Sections and the public response was apathetic. Many rumours continued to circulate about the future movements of the Communist Party, particularly that an attempted "Coup d'Etat" may be attempted after the elections should the Communist Party not be successful in obtaining a majority. From normal FSS/CIC sources, there was no concrete evidence of any such possibility. No apparent activity by pro-French sympathisers in the VENTIMIGLIA Italo-French frontier zone was observed. No problems arose from prisons in the Region. Following the revolt in S.Vittore Prison, MILAN, more stringent security measures were taken by Italian Prison Authorities.

5. The arrival of 1,014 Jewish refugees by allegedly military lorries at LA SPEZIA on 4th April 46 caused considerable interest. Details of their story will be found on page 24 under Displaced Persons. Their detention was effected spontaneously by the Italian Local Authorities and not by the Allies.

6. The average number of Displaced Persons repatriated to FRANCE and N.W. EUROPE dropped, as anticipated, to one hundred and twenty per week. This may be explained partly by the fact that repatriation to BELGIUM was postponed during half of the month. This postponement was ordered by the Belgian Authorities who sent a special Mission to investigate future procedure for transit through FRANCE.

7. There were days when the flour situation approached a critical point, but the danger always failed to materialize. All provinces held sufficient stocks to ensure the bread ration until 5th May, LA SPEZIA until the 9th May. Four ships were expected to arrive within the next week, which would give enough flour to last until 23 - 24 May.

8. Weather conditions were very good and all kinds of cultivation benefited.

The Olive crop continued to show excellent promise as the trees flowered abundantly and early. Grass crops were very good and some of the grain crops, especially wheat, were already in ear. The fresh potato crop began, together with bread beans and peas. Cattle conditions were better but concentrated fodder was scarce and the price of bran remained very high. Agriculture in LIGURIA could be much improved by irrigation, better stock cattle, better distribution of technical information, and the increased use of mountain pastures.

9. During the month, grossly exaggerated reports of an epidemic of smallpox were circulated in the Province of GENOA. Official sources give the figures as six since January 1946. The Medico Provinciale having taken energetic measures to encourage mass vaccination, this "scare" had the good effect of a remarkable increase in the number of persons who presented themselves for vaccination.

10. On 15th April, both the A.C Rail and Port Offices were closed. Rail movements for the month dropped in relation to March, but no difficulties were encountered by I.S.R. either in the North or in the 13th Corps area. The doubling of the line between BIVIO POLCEVERA and BIGNANEGO was finished and will officially open on 4 June, thus the bottleneck between GENOA and the North which has existed since the liberation will be eliminated. Work was also started on the doubling of the line from CAMPOBASSO to BIVIO SUCCURSALE. A large increase in the arrival of colliers during the first 25 days of April resulted in bunching at GENOA and SAVONA ports. It was impossible to [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 785015

possibility. No apparent activity by pre-[illegible] in the Italo-French frontier zone was observed. No problems arose from prisons in the Region. Following the revolt in S.Vittore Prison, MILAN, more stringent security measures were taken by Italian Prison Authorities.

5. The arrival of 1,014 Jewish refugees by allegedly military lorries at LA SPEZIA on 4th April 46 caused considerable interest. Details of their story will be found on page 24 under Displaced Persons. Their detention was effected spontaneously by the Italian Local Authorities and not by the Allies.

6. The average number of Displaced Persons repatriated to FRANCE and N.W. EUROPE dropped, as anticipated, to one hundred and twenty per week. This may be explained partly by the fact that repatriation to BELGIUM was postponed during half of the month. This postponement was ordered by the Belgian Authorities who sent a special mission to investigate future procedure for transit through FRANCE.

7. There were days when the flour situation approached a critical point, but the danger always failed to materialize. All provinces held sufficient stocks to ensure the bread ration until 5th May, LA SPEZIA until the 9th May. Four ships were expected to arrive within the next week, which would give enough flour to last until 23 - 24 May.

8. Weather conditions were very good and all kinds of cultivation benefited.

The Olive crop continued to show excellent promise as the trees flowered abundantly and early. Grass crops were very good and some of the grain crops, especially wheat, were already in ear. The fresh potato crop began, together with bread beans and peas. Cattle conditions were better but concentrated fodder was scarce and the price of bran remained very high. Agriculture in LIGURIA could be much improved by irrigation, better stock cattle, better distribution of technical information, and the increased use of mountain pastures.

9. During the month, grossly exaggerated reports of an epidemic of smallpox were circulated in the Province of GENOA. Official sources give the figures as six since January 1946. The Medico Provinciale having taken energetic measures to encourage mass vaccination, this "scare" had the good effect of a remarkable increase in the number of persons who presented themselves for vaccination.

10. On 15th April, both the A.C Rail and Port Offices were closed. Rail movements for the month dropped in relation to March, but no difficulties were encountered by I.S.R. either in the North or in the 13th Corps area. The doubling of the line between BIVIO POLCEVERA and MIGNANEGO was finished and will officially open on 4 June, thus the bottleneck between GENOA and the North which has existed since the liberation will be eliminated. Work was also started on the doubling of the line from CAMPOBASSO to BIVIO SUCCURSALE. A large increase in the arrival of colliers during the first 25 days of April resulted in bunching at GENOA and SAVONA ports. It was impossible to handle the unloading of these ships within the lay-days even working at full pressure, and a certain amount of delay was caused. The Coal Branch experienced difficulties in the distribution of coal, the reason being that they wished to store all coal at SAN GIUSEPPE and retain it there until June; the May distribution being made from GENOA. However the present monthly distribution will end within a week, thus diverting all

Declassified E.O. 12356 Section 3.3/NND No. 785015

colliers to SAVONA as per programme. The result will be a further bunching of colliers at that port and possibly heavy demurrage. The main items discharged in April at the ports of GENOA and SAVONA were coal, grain, P.O.L. nitrates, salt, cotton, pyrites, steel, metals and sulphur; cargoes for Switzerland numbered 28 vessels. During the month 106 vessels arrived in GENOA and 36 in SAVONA and the total tonnage arriving was 246,243 tons. As from 1 April, EMIC in GENOA officially closed down; haulage by road is now uncontrolled, trip tickets having been abolished. P.O.L. however continued to be issued to trucks by EMIC on a basis of litres per carrying capacity. The distribution of tyres was also carried out by EMIC in the case of trucks and for these purposes a skeleton staff continued to be employed.

11. Telegraph service improved within the Region as a result of further repairs and overhauling of several routes. GENOVA-PARIS international circuit was connected and is now clearing traffic. More telephone circuits were put into operation with ROME, MILAN and TURIN and trunk dialling systems worked efficiently. In the Provinces of LA SPEZIA and SAVONA all Telegraph Offices were resumed. Teams were very active all over the Region, carrying out their work quickly and efficiently.

LOMBARDIA LIAISON GROUP

12. The month of April produced many incidents in Lombardia and particularly in MILAN. The end of the first week saw the Municipal elections in MILAN which managed to hold its elections in the allotted time limit. The actual elections on April 7 passed off in good order and resulted in a definite win for a well-organized autonomous Socialist party. Professor Laski, of the British Socialist Party spoke at a meeting in MILAN where he advocated a definite anti-dictatorial and autonomist policy for the Socialist Party of Italy, his emphatic statements being supported enthusiastically by the crowd. There was evidence during the month that the republican feeling was growing among the people and even among moderate circles there appeared to be no doubt as to the result of the referendum. The international situation continued to occupy considerable space in the Italian press.

13. There was a serious riot in S.Vittore Prison Milan which commenced on Easter Sunday and for various reasons was not quelled till April 24. (See Page 24 Public Safety Report). As a consequence about 950 prisoners had to be transferred to other prisons which in their turn were already crowded and their administration was thus made still more difficult. The Ministry of Grace and Justice held an enquiry into the reasons of this riot and in the meantime repairs were in progress but it is likely to be many months before this damage can be made good. Subsequently a new director took over S.Vittore Prison. In consideration of the current conditions the crime situation was fairly satisfactory. The behaviour of Allied troops was excellent. This month all Police Forces returned to arm raids again and obtained some excellent results. Considerable controversy and publicity were evidenced when the grave of Mussolini was opened and the body taken away by persons unknown. The anniversary of the liberation of MILAN, April 25, was marked by a public holiday and by orderly and not over-crowded ceremonies.

14. Alternate sunshine and rain were very favourable to the crops and the prospects for the harvest were excellent although the lack of fertilizers and tractors is a serious problem. The amassing of rice was disappointing only 1,980,000 quintals being collected instead of the 5,000,000 quintals expected. It is hoped that a further 450,000 quintals might be obtained by the end of June. The fat situation remained serious no ration having been given for 2

Declassified E.O. 12356 Section 3.3/NND No. 785015

for these purposes a skeleton staff continued to be employed.

11. Telegraph service improved within the Region as a result of further repairs and overhauling of several routes. GENOVA-PARIS international circuit was connected and is now clearing traffic. More telephone circuits were put into operation with ROME, MILAN and TURIN and trunk dialling systems worked efficiently. In the Provinces of LA SPEZIA and SAVONA all Telegraph offices were resumed. Teams were very active all over the Region, carrying out their work quickly and efficiently.

LOMBARDIA LIAISON GROUP

12. The month of April produced many incidents in Lombardia and particularly in MILAN. The end of the first week saw the Municipal elections in MILAN which managed to hold its elections in the allotted time limit. The actual elections on April 7 passed off in good order and resulted in a definite win for a well-organized autonomous Socialist party. Professor Laski, of the British Socialist Party spoke at a meeting in MILAN where he advocated a definite anti-dictatorial and autonomist policy for the Socialist Party of Italy, his emphatic statements being supported enthusiastically by the crowd. There was evidence during the month that the republican feeling was growing among the people and even among moderate circles there appeared to be no doubt as to the result of the referendum. The international situation continued to occupy considerable space in the Italian press.

13. There was a serious riot in S.Vittore Prison Milan which commenced on Easter Sunday and for various reasons was not quelled till April 24. (See Page 24 Public Safety Report). As a consequence about 950 prisoners had to be transferred to other prisons which in their turn were already crowded and their administration was thus made still more difficult. The Ministry of Grace and Justice held an enquiry into the reasons of this riot and in the meantime repairs were in progress but it is likely to be many months before this damage can be made good. Subsequently a new director took over S.Vittore Prison. In consideration of the current conditions the crime situation was fairly satisfactory. The behaviour of Allied troops was excellent. This month all Police Forces returned to arm raids again and obtained some excellent results. Considerable controversy and publicity were evidenced when the grave of Mussolini was opened and the body taken away by persons unknown. The anniversary of the liberation of MILAN, April 25, was marked by a public holiday and by orderly and not over-crowded ceremonies.

14. Alternate sunshine and rain were very favourable to the crops and the prospects for the harvest were excellent although the lack of fertilizers and tractors is a serious problem. The amassing of rice was disappointing only 1,980,000 quintals being collected instead of the 5,000,000 quintals expected. It is hoped that a further 450,000 quintals might be obtained by the end of June. The fat situation remained serious no ration having been given for 2 months, but the fresh milk position improved as is customary this time of year. The prices of unrationed foodstuffs remained high although vegetables and fruit, being plentiful, were cheaper. It is interesting to note that although prices

Declassified E.O. 12356 Section 3.3/NND No. 786015

of certain articles came down the cost of living continued to go up. There was a considerable tightening up of discipline and restaurants were forbidden to sell white bread, certain types of pasta and cakes and sweets made with flour and sugar.

15. There was a good deal of unemployment and considerable industrial maladjustment. The same causes do not operate in the same way throughout every section of Lombard industry but generally there is available machinery, manpower and horsepower. The inability to put these into operation arises from lack of capital, outlet, and raw materials. Textile warehouses were choked with goods which they were unable to dispose of due to the fact that the shops are carrying large stocks of goods which the public is unwilling to buy owing to the high prices. The reluctance of the public to buy is due to the fact that the prime necessities of life, food and lodging are practically absorbing the whole of the Italian income. Industries previously connected with armaments are going through a period of crisis due to the complete cessation of war production and comparative inability to get going on peace-time industry. Whatever eventual manufacturing activity is decided upon, it appeared clear that only a limited proportion of the present manpower can be absorbed in the near future. In BERGAMO the situation was somewhat relieved by the fact that a high proportion of the work was carried out in very small units, almost private house production. Many of the workers own a small plot of land on which they raise not sufficient to maintain a decent standard of living, but enough to break the shock of unemployment.

16. The Milan Camp was concerned with the coming and going of refugees chiefly of Jewish Nationality. It was decided to use the camp to stage these people in transit before being routed on to Static Camps, south. 730 were despatched to REGGIO EMILIA and 170 were despatched to LECCE; further moves will take place next month.

17. Public Health in the Region was normal.

18. A second Milan-London telephone line was put through during the month which was notable also for the re-establishment of the ITALY-AUSTRIA service; one cct. connecting MILAN with VIENNA. Of the 4800 numbers requisitioned on the Milan Auto System by the military only 700 were in actual use. It should be possible to hand back to STIPEL some 3000 of the remainder early in May.

PIEDMONT LIAISON GROUP

19. Following the local elections the newspapers of this Region took up the question of the bread rationing and kept the subject in the limelight until it was announced that no cut in the ration would be made as yet. Communist papers continued their propaganda against what was termed the Exploitation of Italy by the Allies; that some success was gained by these articles was evidenced by the trend of conversations heard in the streets and other public places. The Monarchists' morale seemed to be at a low ebb, they complained of the lack of funds provided to carry on their pre-election propaganda. Turin Socialists were against union with the Communists and were quick to state that Prof.LASKI'S visit to this country was primarily to boost the antifusionist trend. The Republican Democrat Movement recently opened local Headquarters in TURIN. Several arrests were made following the demonstration in AOSTA, 26 March 1946, but during the month things seemed to be fairly quiet. The big demonstration of 25 April 1946 was quiet, at least 50,000 people took part in the celebration

Declassified E.O. 12356 Section 3.3/NND No. 785015

which they were unable to dispose of due to the fact that the shops are carrying large stocks of goods which the public is unwilling to buy owing to the high prices. The reluctance of the public to buy is due to the fact that the prime necessities of life, food and lodging are practically absorbing the whole of the Italian income. Industries previously connected with armaments are going through a period of crisis due to the complete cessation of war production and comparative inability to get going on peace-time industry. Whatever eventual manufacturing activity is decided upon, it appeared clear that only a limited proportion of the present manpower can be absorbed in the near future. In BERGAMO the situation was somewhat relieved by the fact that a high proportion of the work was carried out in very small units, almost private house production. Many of the workers own a small plot of land on which they raise not sufficient to maintain a decent standard of living, but enough to break the shock of unemployment.

16. The Milan Camp was concerned with the coming and going of refugees chiefly of Jewish Nationality. It was decided to use the camp to stage these people in transit before being routed on to Static Camps, south. 730 were despatched to REGGIO EMILIA and 170 were despatched to LECCE; further moves will take place next month.

17. Public Health in the Region was normal.

18. A second Milan-London telephone line was put through during the month which was notable also for the re-establishment of the ITALY-AUSTRIA service; one cct. connecting MILAN with VIENNA. Of the 4800 numbers requisitioned on the Milan Auto System by the military only 700 were in actual use. It should be possible to hand back to STIPEL some 3000 of the remainder early in May.

PIEMONTE LIAISON GROUP

19. Following the local elections the newspapers of this Region took up the question of the bread rationing and kept the subject in the limelight until it was announced that no cut in the ration would be made as yet. Communist papers continued their propaganda against what was termed the Exploitation of Italy by the Allies; that some success was gained by these articles was evidenced by the trend of conversations heard in the streets and other public places. The Monarchists' morale seemed to be at a low ebb, they complained of the lack of funds provided to carry on their pre-election propaganda. Turin Socialists were against union with the Communists and were quick to state that Prof.LASKI'S visit to this country was primarily to boost the antifusionist trend. The Republican Democrat Movement recently opened local Headquarters in TURIN. Several arrests were made following the demonstration in AOSTA, 26 March 1946, but during the month things seemed to be fairly quiet. The big demonstration of 25 April 1946 was quiet, at least 50,000 people took part in the celebration in TURIN city; other demonstrations took place without incidents of a serious nature. Local government continued to function in a satisfactory manner. The six prefects of the Region are all career men. Career Questori were also being brought in when available. The last of the local elections, for the time being, were held on 7 April 1946. The TURIN local election is scheduled to come up

Declassified E.O. 12356 Section 3.3/NND No. 785015

during June, according to best information available. There are 1,021 communes in PIEMONTE, and elections have been held in 808 of them, leaving 213 for the future. While some rumors were heard of attempts to influence voters illegally, as well as cases of persons being illegally denied the right of franchise, not one concrete case was uncovered. Neither did any incidents of a serious nature occur during the actual elections. In all, the elections in the Region were conducted in a manner as to reflect credit on the responsible authorities and the voters.

20. The situation regarding Public Safety showed a considerable improvement; there were no crimes of a political nature and no political disorders or demonstrations involving violence. The police in general and the Carabinieri in particular, continued to improve and effected some useful arrests. Highway robberies practically ceased - probably attributable in part to lighter evenings but also due to the fact that the gangs have nearly all been broken up by police action. There were reported a number of crimes "in the house", burglaries and shop-breakings, but these also appeared to be diminishing. The morale of C.C.R.R. continued to rise rapidly, with transport now beginning to be made available and also supplies of automatic weapons which were received and distributed. Political activity on the international boundaries continued to be lively, but there was no recurrence of disturbances in the Aosta Valley nor any incidents on the border in general. The prison situation since the redistribution of prison population quietened considerably, and since the recent troubles in neighbouring regions the officials generally apparently decided on a stronger policy in the future.

21. Prices for rationed commodities showed very little variation from the March figures, but the monthly cost of items obtained in the "free" market showed an upward trend, especially in ASTI and TURIN Provinces. A study of the daily requirements for a family revealed that more than half, about 60%, of the calorific requirements had to come from other than rationed commodities. Stores continued to be well stocked and those with the necessary means had little difficulty in obtaining their requirements. Supplies of grain and flour continued to arrive at GENOA and were distributed throughout the Region; in all cases the grain went to the mills immediately to be made into flour. Normal consumers did not get any rationed sugar in April. The much heralded cut in the bread ration did not take place, much to the satisfaction of all concerned.

22. Unemployment figures showed that as of 20th April 1946, there were slight increases in all of the Provinces but two, AOSTA and TURIN. In AOSTA the numbers decreased at least one-half from the 20th March 1946 figures, while in TURIN there was a forty percent increase, part of which included the 3,000 decrease shown for AOSTA. The latest figures given show the present number of unemployed as being 75,799. No major labor troubles came up during the month; there were, however, the usual individual and collective cases, the latter being settled and a large proportion of the individual cases adjusted.

23. The prime needs of the manufacturers are well known, coal and raw materials. The large FIAT works employed about 60,000 people, and the numerous smaller firms producing parts etc. for FIAT employed an additional like number. This plant produced approximately 20% of its full capacity, namely about 40 trucks and passenger cars per day. Tires were recently made available and the vehicles were being turned out equipped with them. A large Industrial Exhibition was opened the first part of April, where everything from coffee grinders to farm tractors were on display. It is stated that this Industrial Exhibition is to be made permanent. A Building Exhibition is being planned for opening in September. And a Spring Fashion Fair is scheduled from 12 to 29 May 1946. Signs of industrial rehabilitation were many and bright.

24. Heavy rainfall in April was generally very beneficial. Weeding of [illegible] for the spring of corn, hemp, potatoes and oats were begun [illegible] Phosphates, enriched

Declassified E.O. 12356 Section 3.3/NND No. 785015

burglaries and [illegible]
The morale of P.W.R. continued to rise rapidly, with [illegible] to be made available and also supplies of automatic weapons which were received and distributed. Political activity on the international boundaries continued to be lively, but there was no recurrence of disturbances in the Aosta Valley nor any incidents on the border in general. The prison situation since the redistribution of prison population quietened considerably, and since the recent troubles in neighbouring Regions the officials generally apparently decided on a stronger policy in the future.

21. Prices for rationed commodities showed very little variation from the March figures, but the monthly cost of items obtained in the "free" market showed an upward trend, especially in ASTI and TURIN Provinces. A study of the daily requirements for a family revealed that more than half, about 60%, of the calorific requirements had to come from other than rationed commodities. Stores continued to be well stocked and those with the necessary means had little difficulty in obtaining their requirements. Supplies of grain and flour continued to arrive at GENOA and were distributed throughout the Region; in all cases the grain went to the mills immediately to be made into flour. Normal consumers did not get any rationed sugar in April. The much heralded cut in the bread ration did not take place, much to the satisfaction of all concerned.

22. Unemployment figures showed that as of 20th April 1946, there were slight increases in all of the Provinces but two, AOSTA and TURIN. In AOSTA the numbers decreased at least one-half from the 20th March 1946 figures, while in TURIN there was a forty percent increase, part of which included the 3,000 decrease shown for AOSTA. The latest figures given show the present number of unemployed as being 75,799. No major labor troubles came up during the month; there were, however, the usual individual and collective cases, the latter being settled and a large proportion of the individual cases adjusted.

23. The prime needs of the manufacturers are well known, coal and raw materials. The large FIAT works employed about 60,000 people, and the numerous smaller firms producing parts etc. for FIAT employed an additional like number. This plant produced approximately 20% of its full capacity, namely about 40 trucks and passenger cars per day. Tires were recently made available and the vehicles were being turned out continued with them. A large Industrial Exhibition was opened the first part of April, where everything from coffee grinders to farm tractors were on display. It is stated that this Industrial Exhibition is to be made permanent. A Building Exhibition is being planned for opening in September. And a Spring Fashion Fair is scheduled from 12 to 26 May 1946. Signs of industrial rehabilitation were many and bright.

24. Heavy rainfall in April was generally very beneficial. Tooding of wheat, preparations for the sowing of corn, hemp, potatoes and oats were begun and the planting of vines and fruit trees was completed. Phosphates, azotised fertilisers and spray materials continued to be scarce. The superphosphate factory at NOVARA (capacity 15,000 qls/month) started production and another at POSSANO can start as soon as phosphate rock from AFRICA is available. There was a continued shortage of sulphurous products, except that found on the black market at very stiff prices. Cereals promised well but owing to the meagre fertilization of the soil for the past five years, it's very optimistic to predict a bumper crop. Nut trees were infested with insects and required treatment. Cattle were reported to be in very good condition.

Declassified E.O. 12356 Section 3.3/NND No. 785015

25. Delay in rebuilding bridges was attributed to shortage of cement. Repairs to buildings were being done to the limit of supplies and other matters cropping up to hinder the progress. The hydro-electric plants were all well supplied with power as the result of the melting of the snow and the spring rains. The prior planning done by AMG before the hand-over resulted in effort well spent.

26. The Displaced Persons Camp operated in TURIN was being used to full capacity and continued to operate along the lines that made it one of the best Displaced Persons Camps in Italy.

27. The local medical authorities reported that conditions of health were normal. They reported that there were no epidemics of a serious nature prevalent.

28. During the month the Ministry of Transport abolished the trip ticket formerly required for all transport haulers, and now POL is distributed twice per month according to the load capacity of the truck, etc. Many of the truck owners did not like the new system and claimed that they had to go to the black market in order to make daily trips, and complained that owners who are not busy all of the time can take allotted P.O.L. and sell it on the black market. Just how the new system will eventually work out remains to be seen. In spite of the pros and cons there appeared to be ample P.O.L. available. The projects on reestablishing telegraph and telephone facilities continued to make some progress. The shortage of coal was blamed as the reason for some of the rail facilities not being operated to greater capacity.

VENEZIA LIAISON GROUP

29. A very noticeable decrease in Political activity throughout VENEZIA Region was observed during the month of April, due largely to lack of party funds and enthusiasm expended in the communal elections. The press generally was more occupied with the Paris peace conference and the general economic and food situation. The only groups expressing any great concern over the June elections appear to be the supporters of the monarchy; they seriously urged that the vote on the referendum be postponed for at least a minimum of three or four months. This being their first experience in resorting to electoral processes to maintain their existence they seemed to be at a loss to organize their strength and conduct an effective campaign. It was interesting to observe that the newly elected Communal Council and Giunta generally attempted to cooperate in tackling local problems, irrespective of party affiliations. The Right, particularly the Christian-Democrats, were in many instances surprised and disillusioned by defeat; this did not seem to have reached the point of apathy, but interviews with public officials made it clear that the Italians have little conception of how a minority should function, their definition of a healthy opposition appearing to embrace solely a resigned non-obstructionist attitude characterized by a rather dejected analysis of the disparity in numbers between majority and minority. Generally speaking the Left Wing parties adopted conservative tactics in their campaigning as well as in the selection of their candidates. While many of these men lacked public administrative experience and therefore did not have the confidence of the career Prefects, yet a close check

Declassified E.O. 12356 Section 3.3/NND No. 785015

26. The Displaced Persons Camp operated in TURIN was being used to full capacity and continued to operate along the lines that made it one of the best Displaced Persons Camps in Italy.

27. The local medical authorities reported that conditions of health were normal. They reported that there were no epidemics of a serious nature prevalent.

28. During the month the Ministry of Transport abolished the trip ticket formerly required for all transport haulers, and now POL is distributed twice per month according to the load capacity of the truck, etc. Many of the truck owners did not like the new system and claimed that they had to go to the black market in order to make daily trips, and complained that owners who are not busy all of the time can take allotted P.O.L. and sell it on the black market. Just how the new system will eventually work out remains to be seen. In spite of the pros and cons there appeared to be ample P.O.L. available. The projects on reestablishing telegraph and telephone facilities continued to make some progress. The shortage of coal was blamed as the reason for some of the rail facilities not being operated to greater capacity.

VENEZIA LIAISON GROUP

29. A very noticeable decrease in Political activity throughout VENEZIA Region was observed during the month of April, due largely to lack of party funds and enthusiasm expended in the communal elections. The press generally was more occupied with the Paris peace conference and the general economic and food situation. The only groups expressing any great concern over the June elections appear to be the supporters of the monarchy; they seriously urged that the vote on the referendum be postponed for at least a minimum of three or four months. This being their first experience in resorting to electoral processes to maintain their existence they seemed to be at a loss to organize their strength and conduct an effective campaign. It was interesting to observe that the newly elected Communal Council and Giunta generally attempted to cooperate in tackling local problems, irrespective of party affiliations. The Right, particularly the Christian-Democrats, were in many instances surprised and disillusioned by defeat; this did not seem to have reached the point of apathy, but interviews with public officials made it clear that the Italians have little conception of how a minority should function, their definition of a healthy opposition appearing to embrace solely a resigned non-obstructionist attitude characterized by a rather dejected analysis of the disparity in numbers between majority and minority. Generally speaking the Left Wing parties adopted conservative tactics in their campaigning as well as in the selection of their candidates. While many of these men lacked public administrative experience and therefore did not have the confidence of the career Prefects, yet a close check on their backgrounds disclosed that many were well educated or had considerable business experience in the community and were serious, hard working individuals, willing to devote considerable time to the thankless job of solving their local governmental problems.

30. In general the Public Safety situation throughout the Region declined slightly during April, particularly due to several instances of highway robberies in the Rovigo area; however this entire gang was apprehended. "Reduci" and unemployed were responsible for some demonstrations and minor demonstrations by unemployed were also staged in BELLUNO but all demonstrations were reasonably orderly. The prisons throughout the region continued to be overcrowded. General Military Security was good and no actual acts of sabotage were reported, although

Declassified E.O. 12356 Section 3.3/NND No. 785015

telephone lines were occasionally interrupted. Recent troop movements into VENEZIA GIULIA with their display of strength evidently had a deterrent effect upon the public.

31. It was most difficult to obtain an accurate and true picture of the food situation in this Region. During April there was no suspension of rationed cereals, and although there was a shortage of oils and fats as well as sugar, these commodities were available to mothers, children and the indigent. All restaurants and shops appeared to be well stocked with foodstuffs. The average cost of living for a family of three was generally estimated at 18,000 lire in VENEZIA and this allowed nothing for luxuries. The average office worker's salary was from 5 to 10,000 lire and the factory worker's from 5 to 9,000 lire monthly. The Italian officials were finally aroused to the necessity of devising ways and means of encouraging the farmers to bring in more grain to the ammassi but at least 70% of grain requirements was being met by UNRRA. Present visible stock supplies of grain are sufficient to meet requirements (ration 200 gr.) in the Region until the 10th of May, with two UNRRA ships scheduled to arrive during the month, which should be sufficient to meet requirements providing continuous pressure is put on the farmers to make up the balance. The situation from June 1st until harvest is much more serious but if UNRRA can continue its present allocations it is believed there is sufficient grain in the area to make up the balance irrespective of what the Italian officials contend. The agricultural outlook was exceptionally good throughout the Region due to recent rains and it is expected that the grain harvest will be approximately normal, the prospects being also extremely good for the fruit and vegetable crops.

32. Industry continued to be handicapped by lack of coal, in fact the glass industries of VENICE have never been able to operate. The wool, silk and cotton industries in VICENZA were operating full time due to arrival of raw materials. Total unemployment throughout the eight provinces of the Region rose from 166,000 in March to 190,000 in April. BELLUNO province sent some 500 miners to Belgium and Poland and the public works programme should be in full operation in May which may decrease the above figures. At the end of April public works projects in the total value of 313,000,000 lire employing 16,200 men were in progress. Approval was received from Rome for two sections of the Venice port improvement project totalling 1,200,000,000 lire. Reconstruction of a silo and warehouses will comprise the first goals in this programme.

33. There was little movement of Displaced Persons within the Region and the situation remained unchanged; the camp at PADOVA contained approximately 1200 persons and at VERONA 500 persons.

34. Public Health continued good; oil and DDT for use in malaria control were available in VENICE and UNRRA is making extensive plans to combat malaria commencing May 1st.

35. Telegraph service was practically back to pre-war status. Prior to the war 386 offices were operating throughout this area and at present there are 376. The situation remained the same with the two telephone companies serving the area. Prior to the war Telve had 31 exchanges and Timo 197 and at the end of April Telve had in operation 31 and Timo 95 with 6 more opening in May. A total of 192,000 tons of shipping entered the port of VENICE during April as against 203,000 tons in March. VENEZIA Region Ufficio Autotrasporti moved 205.077 tons during April, with 5,148 truck pools operating. The POL allocations appeared quite satisfactory.

36. The Postal and Railroad [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 785015

was from 5 to 10,000 lire and the factory worker's from 5 to 9,000 lire monthly. The Italian officials were finally aroused to the necessity of devising ways and means of encouraging the farmers to bring in more grain to the ammassi but at least 70% of grain requirements was being met by UNRRA. Present visible stock supplies of grain are sufficient to meet requirements (ration 200 gr.) in the Region until the 10th of May, with two UNRRA ships scheduled to arrive during the month, which should be sufficient to meet requirements providing continuous pressure is put on the farmers to make up the balance. The situation from June 1st until harvest is much more serious but if UNRRA can continue its present allocations it is believed there is sufficient grain in the area to make up the balance irrespective of what the Italian officials contend. The agricultural outlook was exceptionally good throughout the Region due to recent rains and it is expected that the grain harvest will be approximately normal, the prospects being also extremely good for the fruit and vegetable crops.

32. Industry continued to be handicapped by lack of coal, in fact the glass industries of VENICE have never been able to operate. The wool, silk and cotton industries in VICENZA were operating full time due to arrival of raw materials. Total unemployment throughout the eight provinces of the Region rose from 166,000 in March to 190,000 in April. BELLUNO province sent some 500 miners to Belgium and Poland and the public works programme should be in full operation in May which may decrease the above figures. At the end of April public works projects in the total value of 313,000,000 lire employing 18,200 men were in progress. Approval was received from Rome for two sections of the Venice port improvement project totalling 1,200,000,000 lire. Reconstruction of a silo and warehouses will comprise the first goals in this programme.

33. There was little movement of Displaced Persons within the Region and the situation remained unchanged; the camp at PADOVA contained approximately 1200 persons and at VERONA 500 persons.

34. Public Health continued good; oil and DDT for use in malaria control were available in VENICE and UNRRA is making extensive plans to combat malaria commencing May 1st.

35. Telegraph service was practically back to pre-war status. Prior to the war 386 offices were operating throughout this area and at present there are 376. The situation remained the same with the two telephone companies serving the area. Prior to the war Telve had 31 exchanges and Timo 197 and at the end of April Telve had in operation 31 and Timo 95 with 6 more opening in May. A total of 192,000 tons of shipping entered the port of VENICE during April as against 203,000 tons in March. VENEZIA Region Ufficio Autotrasporti moved 205.077 tons during April, with 5,148 truck pools operating. The POL allocations appeared quite satisfactory.

36. The Preture and Tribunali were still sadly lacking in personnel. The Corti Straordinarie d'Assise, treating the most urgent and serious cases, borrowed personnel from other courts which only served to make a bad situation worse; cases pending in some districts were well over a thousand.

37. In the field of education, bomb damage and requisitions by Allied Units have to some extent reduced the teaching programme, but nowhere in the Region is any child being deprived of schooling because of these conditions. In fact a

Declassified E.O. 12356 Section 3.3/NND No. 785015

survey of BELLUNO, TREVISO and VENEZIA provinces shows that in 1945, 827 Public schools were in operation against 1056 in 1946.

38. The matter of military requisitions, particularly in VENICE and the LIDO areas is becoming increasingly difficult. Civilians are naturally anxious to reestablish their pre-war business activities but with present military commitments this is at times impossible. Considerable pressure is being put on Prefects and Sindaci to obtain derequisitions and although 86 Area has been most cooperative where possible, this situation will continue to be a source of irritation as long as military occupation continues.

NAPLES LIAISON GROUP (covering Calabria)

39. The number of political meetings increased considerably during the month but no incidents occured. Administrative Elections were held again on the 7th of April which completed the first series, and the results showed the Christian Democrats to be the largest single party everywhere except in Benevento where they were slightly outnumbered by the Liberals. There were many independents, but Communists and l'Uomo Qualunque had few followers. Communists, however, appeared on the Demp-Christian lists and the system of proportional representation is resulting in a weak mixture of many small parties. There was universal good order and interest with heavy polls, amounting to 80% to 90% of eligible voters in many cases. The women voted in strength and in one small Commune 100% of the women voted. Preparations for the Costituente Elections and Referendum on the 2nd of June were in hand and official party signs for 61 parties, for the benefit of illiterate electors were issued. A slight political turn was given to activities of returned POWs by the election of an ex-senior officer of Fascist Militia as President of the Naples Section of the National Union of Italian ex-POWs.

40. Conditions as regards Public Safety continued to be reasonably satisfactory. "Reduci" or returned POW showed menacing activity which alarmed the local authorities as the men did not consider that sufficient was bein done to provide them with employment; they demonstrated 7 times in the first half of the month. On the 8th there was a clash between POW returned from Russia and the Communists; labour sided with the Communists in protest and a general strike was only averted by the Prefect taking action to have the Communist Offices guarded. Cases in which Allied troops were involved in theft from or conflict with, civilians numbered 8 as against 14 in March. Two explosions occured in the NOLA area of British ammunition; a total of 20 people were killed and two injured.

41. Further rain made harvest prospects good and a high yield is expected. The free, or so-called black market, for grain and other foodstuffs flourished in all provinces and was particularly in evidence in Naples. Food conditions were discussed with many employees and workmen and all without exception readily admitted that they supplement their bread and pasta rations by purchases on the free market. Publicity emphasizing the shortage of grain in the Ammassi had the effect of raising grain and bread prices.

42. There was little labour unrest. The employees of the San Carlo Opera were on strike with a demand for a pre-war pension liability incurred by the Fascist management to be accepted by the present Impresario. Apart from this, there were a few small disputes in pasta and preserve factories and the gas

Declassified E.O. 12356 Section 3.3/NND No. 785015

NAPLES LIAISON GROUP (covering Calabria)

39. The number of political meetings increased considerably during the month but no incidents occured. Administrative Elections were held again on the 7th of April which completed the first series, and the results showed the Christian Democrats to be the largest single party everywhere except in Benevento where they were slightly outnumbered by the Liberals. There were many independents, but Communists and l'Uomo Qurlunque had few followers. Communists, however, appeared on the Demo-Christian lists and the system of proportional representation is resulting in a weak mixture of many small parties. There was universal good order and interest with heavy polls, amounting to 80% to 90% of eligible voters in many cases. The women voted in strength and in one small Commune 100% of the women voted. Preparations for the Costituente Elections and Referendum on the 2nd of June were in hand and official party signs for 61 parties, for the benefit of illiterate electors were issued. A slight political turn was given to activities of returned POWs by the election of an ex-senior officer of Fascist Militia as President of the Naples Section of the National Union of Italian ex-POWs.

40. Conditions as regards Public Safety continued to be reasonably satisfactory. "Reduci" or returned POW showed menacing activity which alarmed the local authorities as the men did not consider that sufficient was being done to provide them with employment; they demonstrated 7 times in the first half of the month. On the 8th there was a clash between POW returned from Russia and the Communists; labour sided with the Communists in protest and a general strike was only averted by the Prefect taking action to have the Communist Offices guarded. Cases in which Allied troops were involved in theft from or conflict with, civilians numbered 8 as against 14 in March. Two explosions occured in the NOLA area of British ammunition; a total of 20 people were killed and two injured.

41. Further rain made harvest prospects good and a high yield is expected. The free, or so-called black market, for grain and other foodstuffs flourished in all provinces and was particularly in evidence in Naples. Food conditions were discussed with many employees and workmen and all without exception readily admitted that they supplement their bread and pasta rations by purchases on the free market. Publicity emphasizing the shortage of grain in the Ammassi had the effect of raising grain and bread prices.

42. There was little labour unrest. The employees of the San Carlo Opera were on strike with a demand for a pre-war pension liability incurred by the Fascist management to be accepted by the present Impresario. Apart from this, there were a few small disputes in pasta and preserve factories and the gas company clerical staff. The causes of the disputes were failure to pay bonuses and demands for more wages and were quickly settled.

43. Extreme slowness in starting reconstruction is a feature of the Administration in NAPLES. In TORRE ANNUNZIATA, 3 sets of huts for persons rendered homeless by the munition explosion, were nearing completion. One North

Declassified E.O. 12356 Section 3.3/NND No. 785015

of the railway, consisting of four reconstructed buildings and 19 huts on a very crowded site, and two South of the railway consisting of 16 and 10 Nissen type huts respectively. Each hut was designed to give accommodation to two families and the whole scheme to about 500 persons. The accommodation will be very primitive with communal latrines and outside kitchens.

44. Public Health was good but the measles epidemic continued to be in evidence. Venereal disease reports were much the same as last month. 1400 infected women treated as against 1600 in March and 1500 in February.

45. The increasing activity of civilian motor vehicles of all sorts, which seemed to suffer from no petrol shortage was noticeable.

46. Italian Courts continued to function satisfactorily. War crimes trials by British military authorities were held at MASSA in which A.C. arranged legal assistance for the accused.

LIVORNO LIAISON GROUP

47. Since April 7th, the date of the last local administrative election, a marked tranquillity existed in TOSCANA politics. Meetings continued to be held, but these, for the most part, were of small groups planning strategy for the Constituente elections. That the month of May will bring forth an intensive campaign, there can be little doubt. However, no serious disorders are anticipated during the campaign, nor at the polls on June 2nd, in this Region and there existed an unexpected and unusual cordiality amongst the various party adherents. Local government administration was good.

48. An improvement in law enforcement was reported throughout the Region and a decrease of all types of serious crimes was noted in all of the provinces, with the exception of APUANIA. Robberies continued to be prevalent, however, and the robberies recently reported involve foodstuffs. In APUANIA E.N.D.S.I. Depots were robbed and in PISTOIA food store thefts became a real problem. P.S. Agenti functioned in some provinces better than others, obviously according to the efficiency of the Questore, but they lacked proper police training and arms. The CC.RR. showed marked improvement in its proper functioning, but increased personnel was required in PISA, LIVORNO, APUANIA and SIENA. The prison, however, in the City of LIVORNO was not only dreadfully overcrowded, but dirty, unsanitary, and poorly managed. All protestations and advice were unavailing.

49. Unemployment caused unrest in some of the provinces and orderly demonstrations by those out of work were held in the Provinces of LIVORNO, FLORENCE, PISA and AREZZO. The unemployment situation improved in SIENA and in FLORENCE and LIVORNO the numbers of unemployed were high, but not either serious or higher than during February or March. The situation in APUANIA, PISA, AREZZO and PISTOIA became worse all the time but an improvement was looked for in LUCCA with the start of a new public works programme. Returning POWs affected labour, and were often found to be the ring leaders in detrimental agitation. Apparently, as Allied Prisoners, they were spoiled with too little work and too much to eat, and now expect similar treatment in civil life.

50. In general, the over-all agricultural situation appeared satisfactory and the people were optimistic on the success of this year's crops of every descripti but there was a complaint from every Tuscan province, because of the lack of promised fertilizer. The existing cereal supply should last through the ensuing

0424
Declassified E.O. 12356 Section 3.3/NND No. 785015

45. The increasing activity of [illegible] seemed to suffer from no petrol shortage was noticeable.

46. Italian Courts continued to function satisfactorily. War crimes trials by British military authorities were held at AFRAGOLA in which A.C. arranged legal assistance for the accused.

LIVORNO LIAISON GROUP

47. Since April 7th, the date of the last local administrative election, a marked tranquillity existed in TOSCANA politics. Meetings continued to be held, but these, for the most part, were of small groups planning strategy for the Constituente elections. That the month of May will bring forth an intensive campaign, there can be little doubt. However, no serious disorders are anticipated during the campaign, nor at the polls on June 2nd, in this Region and there existed an unexpected and unusual cordiality amongst the various party adherents. Local government administration was good.

48. An improvement in law enforcement was reported throughout the Region and a decrease of all types of serious crimes was noted in all of the provinces, with the exception of APUANIA. Robberies continued to be prevalent, however, and the robberies recently reported involve foodstuffs. In APUANIA E.N.D.S.I. Depots were robbed and in PISTOIA food store thefts became a real problem. P.S. Agenti functioned in some provinces better than others, obviously according to the efficiency of the Questore, but they lacked proper police training and arms. The CC.RR. showed marked improvement in its proper functioning, but increased personnel was required in PISA, LIVORNO, APUANIA and SIENA. The prison, however, in the City of LIVORNO was not only dreadfully overcrowded, but dirty, unsanitary, and poorly managed. All protestations and advice were unavailing.

49. Unemployment caused unrest in some of the provinces and orderly demonstrations by those out of work were held in the Provinces of LIVORNO, FLORENCE, PISA and AREZZO. The unemployment situation improved in SIENA and in FLORENCE and LIVORNO the numbers of unemployed were high, but not either serious or higher than during February or March. The situation in APUANIA, PISA, AREZZO and PISTOIA became worse all the time but an improvement was looked for in LUCCA with the start of a new public works programme. Returning POWs affected labour, and were often found to be the ring leaders in detrimental agitation. Apparently, as Allied Prisoners, they were spoiled with too little work and too much to eat, and now expect similar treatment in civil life.

50. In general, the over-all agricultural situation appeared satisfactory and the people were optimistic on the success of this year's crops of every descripti but there was a complaint from every Tuscan province, because of the lack of promised fertilizer. The existing cereal supply should last through the ensuing month; sugar is scarce and in most provinces was issued only to the sick and aged, and for children. Oil was scarce in AREZZO, PISTOIA, PISA and LIVORNO: inefficient distribution seemed to be a partial cause. However, meat, fish and green vegetables were available in fairly large quantities although they were too highly priced. Food prices were exorbitantly high and available unrationed foodstuffs were beyond the reach of the very poor who need extra nutrition the most; prices of living necessities, other than food, while very high, continued on the decline. The black market flourished mostly on foodstuffs, bread being readily

Declassified E.O. 12356 Section 3.3/NND No. 785015

obtainable at 120 lires per kilo - proof of lax amassing. Oil was always obtainable, also at outrageous prices.

51. Commercial establishments showed initiative, enterprise and confidence, and appeared to be on the road to a successful recovery. Many industries began to thrive, but generally lack of raw materials, operational space, and funds jeopardized a normal development of reconstruction and rehabilitation.

52. Public works progressed and results were noticeable, water supply was sufficient and in fact quite normal except for LIVORNO. Electricity was also sufficient except in LIVORNO and APUANIA. The people of LIVORNO protested that the Allied troops and German POWs used too much of their limited supplies of water and electricity.

53. Transportation and communications were both still a long way from normal, but obviously improving although coal shortage had reputedly curtailed railroad traffic, and industrialists in APUANIA complained of insufficient railway wagons.

54. Complaints were general regarding lack of hospital supplies but the state of public health was good, although T.B. continued on an upward trend.

55. Many Displaced Persons passed through FLORENCE and LIVORNO, but they are constantly decreasing in numbers.

56. General opinion seemed to be that the Italian Courts functioned efficiently but too slowly and there continued to be dissatisfaction on the part of Allied Officers with the manner in which cases involving Allied interests were handled in the Italian Courts. Investigation disclosed that this dissatisfaction and resultant criticism, was due to a missunderstanding of the powers of the Court under existing Italian law. Certain offenses under Allied Proclamations are not offenses in the same light under the Italian Penal Code. This is particularly so insofar as possession of military property is concerned, the mere possession not being a crime under Italian law. It was noted that where an Allied accusation comes within the Civil Code, and where the Allied witness appears and offers testimony so that the required evidence proves the guilt of the accused, the Italian penalties have been generally stiffer than they would ordinarly have been in the previous Allied Military Courts.

Declassified E.O. 12356 Section 3.3/NND No. 786015

sufficient and in fact quite normal except for LIVORNO. Electricity was also sufficient except in LIVORNO and APUANIA. The people of LIVORNO protested that the Allied troops and German POWs used too much of their limited supplies of water and electricity.

53. Transportation and communications were both still a long way from normal, but obviously improving although coal shortage had reputedly curtailed railroad traffic, and industrialists in APUANIA complained of insufficient railway wagons.

54. Complaints were general regarding lack of hospital supplies but the state of public health was good, although T.B. continued on an upward trend.

55. Many Displaced Persons passed through FLORENCE and LIVORNO, but they are constantly decreasing in numbers.

56. General opinion seemed to be that the Italian Courts functioned efficiently but too slowly and there continued to be dissatisfaction on the part of Allied Officers with the manner in which cases involving Allied interests were handled in the Italian Courts. Investigation disclosed that this dissatisfaction and resultant criticism, was due to a missunderstanding of the powers of the Court under existing Italian law. Certain offenses under Allied Proclamations are not offenses in the same light under the Italian Penal Code. This is particularly so insofar as possession of military property is concerned, the mere possession not being a crime under Italian law. It was noted that where an Allied accusation comes within the Civil Code, and where the Allied witness appears and offers testimony so that the required evidence proves the guilt of the accused, the Italian penalties have been generally stiffer than they would ordinarly have been in the previous Allied Military Courts.

1861

Declassified E.O. 12356 Section 3.3/NND No. 785015

BARI LIAISON GROUP (covering the area of APULIA and MARCHES).

57. The discussions and decisions of the Paris Conference together with the Russian demands in regard to the Italian Fleet and indemnities had a very depressing effect on the people, and a lowering of morale was evident. However in spite of this the pre-election atmosphere became keener every day and party convocations were almost a daily affair. The leaning appeared to be strongly towards a Monarchy. The Leftist Parties, particularly the Communists, lost ground and the popularity of the Uomo Qualunque increased considerably.

58. Disorders continued to break out in different towns such as NARDO (Lecce), GALATONE (Lecce), TARANTO, BRINDISI, TORCHIAROLO (Brindisi) and SAVA near Taranto; these disorders were mainly due to unemployment of the "Reduci" and demonstration against the black marketeers. In all cases the CC.RR. soon had the situation under control. Public opinion of both CC.RR. and Civil Police was favourable and morale in these forces improved accordingly.

59. The prospects of a good grain crop were very bright. There continued to be a lack of fertilizers but there was an adequate supply of fresh vegetables and cereals and a bumper harvest is expected. Swarms of locusts made their appearance in many small towns in the area, but prompt action on the part of the local authorities soon had the situation under control. Four ships containing 146,610 quintals of wheat arrived in BARI during the month and there was sufficient grain in stock to last until the 29th May. All children under 18 years of age received a free ration of 500 grams of sugar, but evaporated milk for children fell far short of requirements. Prices of clothes and household commodities showed a decrease although food prices remained unchanged. Shops appeared to flourish everywhere with no lack of customers in spite of the high prices.

60. Derequisitioning continued and a total of 47 warehouses, schools and other premises were derequisitioned during the month. Courts still functioned slowly - due to the shortage of magistrates on the Tribunals.

61. Freight traffic increased and the number of passengers carried steadily rose. There was a marked improvement in the situation in regard to tyres and tubes for road transport which were supplied from the Pirelli Factory Milan. The owners of cars and trucks made strong representations to be given permits for free circulation but were told that there were far more urgent calls to be met before pleasure trips could be indulged in.

62. There was a very large number of unemployed "Reduci" and the number increased as repatriated POW arrived in the country; the situation gave cause for anxiety. The Central Government promised necessary financial help to this Province, but the promise has not yet materialised. Some 200 "Reduci" were given employment in Public Parks and local Authorities did what they could to find these men employment. It is thought that local Authorities will be kept up to the mark in this respect as the "Reduci" are continually staging demonstrations and sending delegates to interview the Prefect and Sindaci.

63. The Central Government granted a subsidy of 540 million lire to the "Acquodotto Pugliese" and there was normal activity in re-construction throughout the Provinces. Some of the bad roads were at a long last receiving attention, on the whole the main roads were in excellent condition.

64. Public Health was satisfactory, though a further 28 cases of smallpox were reported during the month. There was a serious shortage of disinfectants and quinine.

65. No. 1 Displaced Persons Camp at BARI was being handed over to UNRRA

Declassified E.O. 12356 Section 3.3/NND No. 785052

C.C.R. soon had the situation under control. [illegible] and Civil Police was favourable and morale in these forces improved accordingly.

59. The prospects of a good grain crop were very bright. There continued to be a lack of fertilizers but there was an adequate supply of fresh vegetables and cereals and a bumper harvest is expected. Swarms of locusts made their appearance in many small towns in the area, but prompt action on the part of the local authorities soon had the situation under control. Four ships containing 146,610 quintals of wheat arrived in BARI during the month and there was sufficient grain in stock to last until the 29th May. All children under 18 years of age received a free ration of 500 grams of sugar, but evaporated milk for children fell far short of requirements. Prices of clothes and household commodities showed a decrease although food prices remained unchanged. Shops appeared to flourish everywhere with no lack of customers in spite of the high prices.

60. Derequisitioning continued and a total of 47 warehouses, schools and other premises were derequisitioned during the month. Courts still functioned slowly - due to the shortage of magistrates on the Tribunals.

61. Freight traffic increased and the number of passengers carried steadily rose. There was a marked improvement in the situation in regard to tyres and tubes for road transport which were supplied from the Pirelli Factory Milan. The owners of cars and trucks made strong representations to be given permits for free circulation but were told that there were far more urgent calls to be met before pleasure trips could be indulged in.

62. There was a very large number of unemployed "Reduci" and the number increased as repatriated POW arrived in the country; the situation gave cause for anxiety. The Central Government promised necessary financial help to this Province, but the promise has not yet materialised. Some 200 "Reduci" were given employment in Public Parks and local Authorities did what they could to find these men employment. It is thought that local Authorities will be kept up to the mark in this respect as the "Reduci" are continually staging demonstrations and sending deleagtes to interview the Prefect and Sindaci.

63. The Central Government granted a subsidy of 540 million lire to the "Acquedotto Pugliese" and there was normal activity in re-construction throughout the Provinces. Some of the bad roads were at a long last receiving attention, on the whole the main roads were in excellent condition.

64. Public Health was satisfactory, though a further 28 cases of smallpox were reported during the month. There was a serious shortage of disinfectants and quinine.

65. No. 1 Displaced Persons Camp at BARI was being handed over to UNRRA and the handing over is expected to be completed about the middle of May. During the month 367 Displaced Persons arrived in the Camp and 291 left the Camp at BARI.

Declassified E.O. 12356 Section 3.3/NND No. 785015

SICILY LIAISON GROUP

66. There was little change in the general situati . Demonstrations during the month were on the whole short lived and without incident and the elections proceeded in an orderly fashion. All parties intensified their propaganda activity, the Communist Party being especially active in the organization and preparation for elections. Student groups carried out organized but orderly demonstrations, the subjects being Trieste and the Institutional issue.

67. Security, law and order, on the whole greatly improved. Incidence of ordinary crime in the PALERMO Area seemed high, but was not considered alarming by the local authorities. Strikes and demonstrations generally were conducted in an orderly fashion .

68. Food shortage and prices continued to be the main source of complaint. Several strikes by different groups and categories of workers resulted in some adjustments and wage agreements. The local authorities expressed possibilities of serious disorders and riots if the cost of living continued to rise and the food shortages, notably pasta, could not be supplemented. There was some improvement in the unemployment situation due to an increase in public works in the PALERMO district, mainly road and utility repairs. Returned soldiers did not appear to be particularly interested in manual labour; however, there was no island wide agitation.

69. The general picture as regards health was satisfactory, and repairs to water mains reduced the danger of contamination.

BOLOGNA LIAISON GROUP. (EMILIA Region)

70. Following the holding of the administrative elections, political activity became less intense. Even the success of the left wing parties did not cause any increase in the activities of the right wing and moderate parties, and apparently the Socialist and Communist Parties, satisfied with their success, were content to rest on their laurels. The general consensus of opinion, however, was that this was a superficial calm. The meeting of foreign ministers in Paris evoked much interest, while the proposals made by the British Foreign minister caused some dismay and resentment. The general opinion was that the Allies are not keeping their promises of generous treatment to Italy and do not recognise the aid given by Italians to final victory; the more philosophic have the view that Italy lost the war and so must be prepared to pay. Resentment was shown in the attitude of the people who were inclined to increase their already somewhat anti-Allied sentiments. Even the well-to-do asked why the Allies did not get out of Italy and leave her in peace. Summed up briefly, the extremists feel they would have a freer hand if we left, while the others feel that we are doing nothing to prevent Communism. A serious state of affairs came to light in the Questura at REGGIO EMILIA during the month: a Lieutenant employed as an auxiliary agent was dismissed, he then called a meeting of the auxiliary ex-partisan elements and told them that on the 2nd June they would not take orders from the Prefect or Questore but from a "special commission to be set up by the Communist Party". Provincial administration continued to be satisfactory, but the new career Prefects state they have some difficulty and opposition because they do not follow the policies of their political predecessors. There was no change in the financial position of Communes.

71. During the month of April there was little change in the situation with regard to crime and public order, murders, armed robberies, and cases of extortion continued unabated. There were 11 murders and woundings for political reasons, 6 murders and woundings for non-political reasons, 86 armed robberies and attempts and 2% arrests for these types of crime. Steady improvement in the work of the

Declassified E.O. 12356 Section 3.3/NND No. 785015

68. Food shortage and prices continued to be the main source of complaint. Several strikes by different groups and categories of workers resulted in some adjustments and wage agreements. The local authorities expressed possibilities of serious disorders and riots if the cost of living continued to rise and the food shortages, notably pasta, could not be supplemented. There was some improvement in the unemployment situation due to an increase in public works in the PALERMO district, mainly road and utility repairs. Returned soldiers did not appear to be particularly interested in manual labour; however, there was no island wide agitation.

69. The general picture as regards health was satisfactory, and repairs to water mains reduced the danger of contamination.

BOLOGNA LIAISON GROUP. (EMILIA Region)

70. Following the holding of the administrative elections, political activity became less intense. Even the success of the left wing parties did not cause any increase in the activities of the right wing and moderate parties, and apparently the Socialist and Communist Parties, satisfied with their success, were content to rest on their laurels. The general consensus of opinion, however, was that this was a superficial calm. The meeting of foreign ministers in Paris evoked much interest, while the proposals made by the British Foreign minister caused some dismay and resentment. The general opinion was that the Allies are not keeping their promises of generous treatment to Italy and do not recognise the aid given by Italians to final victory; the more philosophic have the view that Italy lost the war and so must be prepared to pay. Resentment was shown in the attitude of the people who were inclined to increase their already somewhat anti-Allied sentiments. Even the well-to-do asked why the Allies did not get out of Italy and leave her in peace. Summed up briefly, the extremists feel they would have a freer hand if we left, while the others feel that we are doing nothing to prevent Communism. A serious state of affairs came to light in the Questura at REGGIO EMILIA during the month: a Lieutenant employed as an auxiliary agent was dismissed, he then called a meeting of the auxiliary ex-partisan elements and told them that on the 2nd June they would not take orders from the Prefect or Questore but from a "special commission to be set up by the Communist Party". Provincial administration continued to be satisfactory, but the new career Prefects state they have some difficulty and opposition because they do not follow the policies of their political predecessors. There was no change in the financial position of Communes.

71. During the month of April there was little change in the situation with regard to crime and public order, murders, armed robberies, and cases of extortion continued unabated. There were 11 murders and woundings for political reasons, 6 murders and woundings for non-political reasons, 86 armed robberies and attempts and 24 arrests for these types of crime. Steady improvement in the work of the Carabinieri was noted. Unfortunately, this force was sadly under strength. It was noted that the Press and even public officials, consistently attack the force whenever arrests of ex-partisans are made, even for such serious offences as murder and robbery. The Questure as police agencies were worse than useless, all being riddled with the infiltration of undesirable, untrained and violent elements. There were no serious demonstrations during the month. The prison situation showed little or no sign of improvement, five minor breaks or mutinies being reported in MODENA and BOLOGNA.

Declassified E.O. 12356 Section 3.3/NND No. 785015

72. The grain situation became more acute in the Region and decrees, ordering the amassing of 6½ of producers ration, were issued. There were signs that private stocks of grain and flour were becoming exhausted, and the amount of black market bread is getting steadily less; supply of fats from LEGHORN was held up by maladministration. Shops were full of other forms of food but prices have risen again and it was reported that the turn over of such shops was limited. An order was issued that only bread for the day concerned would be distributed as many people have used their bread ration cards for May and June. It was reported however, that bakers were afraid to comply with this order. Industry was, if anything, in a worse state than before owing to lack of coal and raw materials. There was also a great reluctance on the part of business men to buy in the present unsettled state of the country. It was stated that all pending allotments of coal were suspended and the small amount of coal available was distributed only to industries of importance. Many brick-kilns and cement plants were, as a consequence, practically idle. Unemployment increased, due to the number of "reduci"; this is undoubtedly becoming a major problem; some demonstrations, all quite orderly, were held and more can be expected. Agriculture work proceeded satisfactorily and recent rains increased the prospects of a good crop.

73. Public works projects were carried forward where possible, but delays were caused by shortage of materials, obstruction by some Chambers of Labour and the tardiness of the release of funds by the Provveditore Regionale alle Opere Pubbliche. The supply of water was adequate and electricity improved, but with the advent of the hot weather, this improvement may not be maintained. There was some shortage of copper. No increase in the supply of gas was possible owing to shortage of coal.

74. In camps in this Region, 560 persons entered and 671 were evacuated. On the 20 April there were 1,698. The health of the camps during the month was excellent; the epidemic of measles in Reggio No.43 subsided and there were no deaths. Chief disease found, except for minor ailments, were T.B.C. and venereal disease; it became increasingly difficult to find beds for tubercular refugees in Italian Sanatorio. The public health in the Region remained good, and no epidemics were reported during the month. A slight improvement in all spheres of Transport and Communications was noted but there continued to be a shortage of P.O.L.

BOLZANO LIAISON GROUP

75. On the surface the decision from Paris was calmly accepted by the South Tyroleans, but there were indications of resentment, which, it was believed, would increase and might be accompanied by outbreaks of violence. The Option Commission (a locally organized body) submitted its recommendations to the Prefect and its members agreed that Italian citizenship should be granted to all those optants who had remained in the country whether they had received emigration papers or not. There were certain categories, still under discussion, to be excluded from Italian citizenship. The Commission recommended that certain optants now in Germany should be allowed to return to the Province. A decree defining this complex question is expected at an early date and it was stated by the President of the South Tyrol Party that the German speaking people were satisfied with the conditions. For a time the unruly elements in the South Tyrol Party were gaining the upper hand but this subsided and the situation is in hand. A group of South Tyroleans holding moderate view were trying to create a political front in opposition to the South Tyrol Party. Their objects is to cooperate with the Italian Government and they will undoubtedly grow in power unless the South Tyrol Party takes the initiative and collaborates with the Italians forthwith. The group is composed of influential men. The President of the South Tyrol Party stated that the future policy will be one of friendly collaboration with Italy and that the present situation regarding the South Tyrol has been accepted by the Party as a

0432
Declassified E.O. 12356 Section 3.3/NND No. 785015

unsettled state of the country. It was stated [illegible]
were suspended and the small amount of coal available was distributed only to
industries of importance. Many brick-kilns and cement plants were, as a con-
sequence, practically idle. Unemployment increased, due to the number of "reduci";
this is undoubtedly becoming a major problem; some demonstrations, all quite
orderly, were held and more can be expected. Agriculture work proceeded satis-
factorily and recent rains increased the prospects of a good crop.

73. Public works projects were carried forward where possible, but delays
were caused by shortage of materials, obstruction by some Chambers of Labour
and the tardiness of the release of funds by the Provveditore Regionale alle
Opere Pubbliche. The supply of water was adequate and electricity improved, but
with the advent of the hot weather, this improvement may not be maintained. There
was some shortage of copper. No increase in the supply of gas was possible owing
to shortage of coal.

74. In camps in this Region, 560 persons entered and 671 were evacuated. On
the 20 April there were 1,698. The health of the camps during the month was ex-
cellent; the epidemic of measles in Reggio No.43 subsided and there were no
deaths. Chief disease found, except for minor ailments, were T.B.C. and venereal
disease; it became increasingly difficult to find beds for tubercular refugees in
Italian Sanatorio. The public health in the Region remained good, and no epidemics
were reported during the month. A slight improvement in all spheres of Transport
and Communications was noted but there continued to be a shortage of P.O.L.

BOLZANO LIAISON GROUP

75. On the surface the decision from Paris was calmly accepted by the
South Tyroleans, but there were indications of resentment, which, it was
believed, would increase and might be accompanied by outbreaks of violence.
The Option Commission (a locally organized body) submitted its recommenda-
tions to the Prefect and its members agreed that Italian citizenship should be
granted to all those optants who had remained in the country whether they
had received emigration papers or not. There were certain categories, still
under discussion, to be excluded from Italian citizenship. The Commission
recommended that certain optants now in Germany should be allowed to return
to the Province. A decree defining this complex question is expected at
an early date and it was stated by the President of the South Tyrol Party
that the German speaking people were satisfied with the conditions. For a
time the unruly elements in the South Tyrol Party were gaining the upper
hand but this subsided and the situation is in hand. A group of South Tyroleans
holding moderate view were trying to create a political front in opposition to
the South Tyrol Party. Their objects is to cooperate with the Italian Government
and they will undoubtedly grow in power unless the South Tyrol Party takes the
initiative and collaborates with the Italians forthwith. The group is composed
of influential men. The President of the South Tyrol Party stated that the
future policy will be one of friendly collaboration with Italy and that the
present situation regarding the South Tyrol has been accepted by the Party as a
final decision. It is probable that the South Tyrol Party will send representat-
ives to discuss autonomy within the framework of Italy. A pro-Italian movement
led by the well-known Hans EGARTHER was formed with the object of expelling Nazis
from the Province. It intends to publish a local German newspaper in its support.
As already reported some 20,000 Italian immigrants have come to BOLZANO since
May 1945, in one Commune alone 98 immigrants were accompanied by 144 relatives.

Declassified E.O. 12356 Section 3.3/NND No. 785015

76. Security throughout the Province was satisfactory; the CC.RR. were working well and apart from two murders there was little crime. Frontier control was not satisfactory during the month as the French Authorities were rather light-hearted in the issue of passes into Italy. This matter was taken up with the head of the French Security, who promised to abide by the regulations and it is hoped this control will now be more satisfactory.

77. Following a visit to ROME by the Chamber of Commerce of BOLZANO, decisions were obtained to supply surplus food stuffs to the British Army in Austria. It was understood that efforts were being made to obtain the same facilities for American Troops who meanwhile are excluded from this arrangement.

78. There was sufficient grain and flour to last only to the middle of May, but this was being rectified by the provincial UNRRA representative, who borrowed grain from other Provinces to make up the deficiency in BOLZANO. Apart from this the food situation throughout the Province was most satisfactory.

79. There were 2,500 unemployed shown in April as compared to 2,000 in March. Reports were received that public appointments were filled by Italians to the detriment of the South Tyroleans. In one Commune the number of Italians holding such appointments was nearly double that of the Tyroleans.

80. General health was satisfactory and a wagon load of medicines arrived in BOLZANO. Displaced Persons from Camp No 23 numbered 814 Germans, 27 Austrians, and 38 others; authority to repatriate them was urgently awaited. The Italian Red Cross repatriated some 47 families to Germany in the Red Cross train which left Merano on the 26th of April. These families were selected by the Medical officers on the grounds that further detention was detrimental to their health.

81. Conditions in hydro-electric works was satisfactory; there was however, a shortage of raw material in the Industrial Zone with the result that full output could not be effected.

REGION OF ABRUZZI AND LAZIO. (This covers the area of the eleven Provinces of ANCONA, ASCOLI, PICENO, FROSINONE, LATINA, MACERATA, PESARO, PERUGIA, RIETI, ROME, TERNI and VITERBO).

82. Party activity increased due to the impending national elections and prefects throughout the area appealed to local political leaders to ensure respect for freedom of opinion and the maintenance of public order.

83. No disturbances or disorders were reported during the month and law and order showed a slight improvement as did the organization of police forces. Shortage of petrol was a serious disadvantage to police agencies greatly hampering their mobility and in the Province of RIETI stations were seriously understaffed.

84. Cost of living showed an increase of 10% over the period January to March. The bread ration of 200 grams was maintained throughout the month and distribution of other rationed foods averaged the same as last month. The order for the conferring to the "Amassi" of 6% of cereals which producers had previously been allowed to retain for their own consumption was strictly enforced and gave some results which however were not deemed sufficient without outside help to cover the gap until the harvest. The order was highly unpopular with the producers.

[illegible] of industry continued to be hampered by lack of raw [illegible] situation deteriorated

Declassified E.O. 12356 Section 3.3/NND No. 785015

arrangement.

78. There was sufficient grain and flour to last only to the middle of May, but this was being rectified by the provincial UNRRA representative, who borrowed grain from other Provinces to make up the deficiency in BOLZANO. Apart from this the food situation throughout the Province was most satisfactory.

79. There were 2,500 unemployed shown in April as compared to 2,000 in March. Reports were received that public appointments were filled by Italians to the detriment of the South Tyroleans. In one Commune the number of Italians holding such appointments was nearly double that of the Tyroleans.

80. General health was satisfactory and a wagon load of medicines arrived in BOLZANO. Displaced Persons from Camp No 23 numbered 814 Germans, 27 Austrians, and 38 others; authority to repatriate them was urgently awaited. The Italian Red Cross repatriated some 47 families to Germany in the Red Cross train which left Verano on the 26th of April. Those families were selected by the Medical Officers on the grounds that further detention was detrimental to their health.

81. Conditions in hydro-electric works was satisfactory; there was however, a shortage of raw material in the Industrial Zone with the result that full output could not be effected.

REGION OF ABRUZZI AND LAZIO. (This covers the area of the eleven Provinces of ANCONA, ASCOLI, PICENO, FROSINONE, LATINA, MACERATA, PESARO, PERUGIA, RIETI, ROME, TERNI and VITERBO).

82. Party activity increased due to the impending national elections and prefects throughout the area appealed to local political leaders to ensure respect for freedom of opinion and the maintenance of public order.

83. No disturbances or disorders were reported during the month and law and order showed a slight improvement as did the organization of police forces. Shortage of petrol was a serious disadvantage to police agencies greatly hampering their mobility and in the Province of RIETI stations were seriously understaffed.

84. Cost of living showed an increase of 10% over the period January to March. The bread ration of 200 grams was maintained throughout the month and distribution of other rationed foods averaged the same as last month. The order for the conferring to the "Ammassi" of 6% of cereals which producers had previously been allowed to retain for their own consumption was strictly enforced and gave some results which however were not deemed sufficient without outside help to cover the gap until the harvest. The order was highly unpopular with the producers.

85. The recovery of industry continued to be hampered by lack of raw materials, electric power, transport etc., and the situation deteriorated owing to the hold up in coal imports. There was no improvement in the unemployment situation. Public Works schedules were carried out in all Provinces while public utilities showed a further slight improvement, particularly in ROME.

Declassified E.O. 12356 Section 3.3/NND No. 786015

86. Public Health was generally good although in the Province of TERNI the measles epidemic continued, 423 cases out of 511 being in the city of TERNI. 72 cases of measles were registered in VITERBO while 2 cases of small-pox, imported from NAPLES were registered in FROSINONE.

87. Railway functions were curtailed somewhat due to a shortage of coal.

ROME CITY AND PROVINCE

88. Public opinion during the month focussed particularly on the Abdication of Victor Emanuel III and the political tension for the forthcoming elections was high. The Paris conference attracted much attention and anxiety was felt over the revised armistice terms and the lack of agreement between the 3 Big Powers. However, generally speaking, the feeling was that the contributions made by Italy to the Allied Cause and the widespread destruction of the country would not be ignored and confidence was voiced in the Allied sense of justice.

89. Public safety was satisfactory due to the general efficiency of the Police Forces. The number of larcenies was considerably lower than in previous months and cases of juvenile delinquency decreased. The need for automatic weapons and ammunition continued. Morale of the police forces was low owing to the small wages and high cost of living, discontent being mainly due to the inequality between allowances granted to the Civilian Staffs of other government branches and those of the Police, the latter in addition being constantly exposed to considerable risk and danger. The position was considerably improved by a sizeable allotment of uniforms.

90. The economic situation deteriorated; money was scarce and the Government's policy to quell inflation drove the steady-income categories into ever increasing sacrifices. The cost of living rose during the month due to news and rumours of the serious situation as regards the wheat supply.

91. The industrial situation was difficult due to lack of raw materials and coal; the actual allotment of coal is too low to effect recovery on any large scale.

92. Farming activities progressed satisfactorily and a good cereal crop is anticipated. Much doubt was expressed as to the system of control of threshing machines and it was also felt that the Government price offered to farmers for wheat was much too low to be an inducement for them to bring their grain to the Ammassi. Recent rains improved the crop outlook considerably. Mowing was hindered because of the tardy distribution of POL due to a strike of the Petrol Workers. A good crop of potatoes, corn, rice and beans is forecast. Livestock within the Province showed an increase compared with 1944 figures and it is estimated that in 1947 sheep raising will average the 1939-40 figures. Breeders do not slaughter heads under two years but retain them for breeding purposes.

93. The stock exchange after six months decrease showed a brighter tendency and stocks began to gain quotations. The most active branch was the textile trade but an optimistic outlook was maintained for all industries. The rates on the official market for dollars and sterling rose and it was the general opinion that an increase in the price of wheat might bring about a general increase and therefore a further devaluation in the Lira.

94. Unemployment figures showed an increase due to inactivity of the building trade in town was due to the high cost of raw materials. The ranks

0436

Declassified E.O. 12356 Section 3.3/NND No. 785015

Abdication of Victor Emanuel III and the political tension for the forthcoming elections was high. The Paris conference attracted much attention and anxiety was felt over the revised armistice terms and the lack of agreement between the 3 Big Powers. However, generally speaking, the feeling was that the contributions made by Italy to the Allied Cause and the widespread destruction of the country would not be ignored and confidence was voiced in the Allied sense of justice.

89. Public safety was satisfactory due to the general efficiency of the Police Forces. The number of larcenies was considerably lower than in previous months and cases of juvenile delinquency decreased. The need for automatic weapons and ammunition continued. Morale of the police forces was low owing to the small wages and high cost of living, discontent being mainly due to the inequality between allowances granted to the Civilian Staffs of other government branches and those of the Police, the latter in addition being constantly exposed to considerable risk and danger. The position was considerably improved by a sizeable allotment of uniforms.

90. The economic situation deteriorated; money was scarce and the Government's policy to quell inflation drove the steady-income categories into ever increasing sacrifices. The cost of living rose during the month due to news and rumours of the serious situation as regards the wheat supply.

91. The industrial situation was difficult due to lack of raw materials and coal; the actual allotment of coal is too low to effect recovery on any large scale.

92. Farming activities progressed satisfactorily and a good cereal crop is anticipated. Much doubt was expressed as to the system of control of threshing machines and it was also felt that the Government price offered to farmers for wheat was much too low to be an inducement for them to bring their grain to the Ammassi. Recent rains improved the crop outlook considerably. Mowing was hindered because of the tardy distribution of POL due to a strike of the Petrol Workers. A good crop of potatoes, corn, rice and beans is forecast. Livestock within the Province showed an increase compared with 1944 figures and it is estimated that in 1947 sheep raising will average the 1939-40 figures. Breeders do not slaughter heads under two years but retain them for breeding purposes.

93. The stock exchange after six months decrease showed a brighter tendency and stocks began to gain quotations. The most active branch was the textile trade but an optimistic outlook was maintained for all industries. The rates on the official market for dollars and sterling rose and it was the general opinion that an increase in the price of wheat might bring about a general increase and therefore a further devaluation in the Lira.

94. Unemployment figures showed an increase due to inactivity of the building trade which in turn was due to the high cost of raw materials. The ranks of the local unemployed were swelled by numerous refugees from the colonies, Greece, Roumania and other countries, these latter being billetted at Cinecitta. The recent Franco-Italian agreement on the shipment of Italian workers to France raised the hope of future emigration, at least within Europe.

95. The recent reactivation of several tram-lines in the city was greeted with satisfaction by workers who had found transportation an expensive item. The electricity and water supply also improved. There was confidence that all school buildings might be derequisitioned before next year thus permitting full use.

Declassified E.O. 12356 Section 3.3/NND No. 785015

96. General health was good and there were no occurrences of an epidemic of contagious nature. Medical supplies were inadequate.

A.M.G. UDINE PROVINCE

97. All political parties showed increased activity and the population generally was more confident regarding the outcome of the Peace Treaty. The Communal elections for 66 Communes held during the month showed the Christian Democrats to be in the lead followed by the Republican Concentration and with the Communists 5th down the list. The latter were obviously disappointed with the results which were undoubtedly due to the Pro-Slav tendencies of certain of their leaders and the opposition by the women voters to Communist principles. It was felt that a divorce of Socialists from Communists was imminent. The Allied Boundary Commission completed its survey of the Eastern part of the Province on the 2nd April, 1946, without incident, and was everywhere received with cordiality, though many expressed surprise at their visit to a territory which has been repeatedly described as not in dispute. The anniversary of Liberation was celebrated by a Mass Meeting of ex-partisans in the Castle grounds on 25th April, 1946. Speeches were on the whole moderate and the conduct of the crowd then and throughout the day was very orderly. Statal and para-statal employees commenced a strike on the 5th May, for an increase in the "carovita" allowance. The proximity of VENEZIA GIULIA, where a higher allowance has been authorised, was partly responsible for this, but Left-Wing political influence was contributory factor. Some of the grounds for complaint were the different conditions in VENEZIA GIULIA where statal employees received higher wages, an increased ration scale and where there was speedier approval of Public Works thus nullifying unemployment. It was also felt that in this Province there was a lack of appreciation of accommodation difficulties in devasted areas combined with military requisitioning which lead to extortionate demands for civil accommodation. Public opinion continued to be preoccupied with high prices and incommensurate wages, particularly amongst black-coated workers and requisitioning of the resources of the Province gave rise to many unfavourable comments against the Allies as did the alleged bad treatment of POWs.

98. No serious disorders of any kind occurred during the month although there were a few minor unemployment demonstrations, and in general, public safety conditions in the Province reached a very fair standard which could be improved by an increase in the strength of CC.RR. The improvement in morale and efficiency of Police Forces was maintained and there was only one murder and seven robberies during the month. Automatic arms, pistols and items of clothing were still required for the police services although some uniforms and equipment did arrive. Transport alloted by 13 Corps contributed greatly to the improvement in efficiency. Demands for higher wages were put forward by Guardia di Finanza and Questura agents and they also asked for better facilities for the purchase of adequate civilian food rations. Repair work in Udine gaol was hastened which should improve internal security, sanitation and general housing conditions. General Order No. 1 resulted in the surrender of only 14 rifles and 39 cartridges.

99. Lack of an adequate supply of coal and tyres gravely hampered normal progress. 3,300 tons of coal were received, minimum requirement being 6,000 tons a month. Unemployment was over 50,000, largely due to the delay in approval and financing of public works projects, and emigration schemes were fervently desired as a solution to the unemployment problem. A.C. Austria repeatedly asked for Italian labour, which was available and the Italian Government have been urged to make a speedy decision to this matter. Further ammunition dumps were taken over from the Army but stock-taking was slow owing to the danger of scattered fuses.

distribution of ration-

Declassified E.O. 12356 Section 3.3/NND No. 785015

5th down the list. The latter were [illegible] which were undoubtedly due to the Pro-Slav tendencies of certain of their leaders and the opposition by the women voters to Communist principles. It was felt that a divorce of Socialists from Communists was imminent. The Allied Boundary Commission completed its survey of the Eastern part of the Province on the 2nd April, 1946, without incident, and was everywhere received with cordiality, though many expressed surprise at their visit to a territory which has been repeatedly described as not in dispute. The anniversary of Liberation was celebrated by a Mass Meeting of ex-partisans in the Castle grounds on 25th April, 1946. Speeches were on the whole moderate and the conduct of the crowd then and throughout the day was very orderly. Statal and para-statal employees commenced a strike on the 5th May, for an increase in the "carovita" allowance. The proximity of VENEZIA GIULIA, where a higher allowance has been authorised, was partly responsible for this, but Left-Wing political influence was contributory factor. Some of the grounds for complaint were the different conditions in VENEZIA GIULIA where statal employees received higher wages, an increased ration scale and where there was speedier approval of Public Works thus relieving unemployment. It was also felt that in this Province there was a lack of appreciation of accommodation difficulties in devasted areas combined with military requisitioning which led to extortionate demands for civil accommodation. Public opinion continued to be preoccupied with high prices and incommensurate wages, particularly amongst black-coated workers and requisitioning of the resources of the Province gave rise to many unfavourable comments against the Allies as did the alleged bad treatment of POWs.

98. No serious disorders of any kind occurred during the month although there were a few minor unemployment demonstrations, and in general, public safety conditions in the Province reached a very fair standard which could be improved by an increase in the strength of CC.RR. The improvement in morale and efficiency of Police Forces was maintained and there was only one murder and seven robberies during the month. Automatic arms, pistols and items of clothing were still required for the police services although some uniforms and equipment did arrive. Transport alloted by 13 Corps contributed greatly to the improvement in efficiency. Demands for higher wages were put forward by Guardie di Finanza and Questura agents and they also asked for better facilities for the purchase of adequate civilian food rations. Repair work in Udine gaol was hastened which should improve internal security, sanitation and general housing conditions. General Order No. 1 resulted in the surrender of only 14 rifles and 39 cartridges.

99. Lack of an adequate supply of coal and tyres gravely hampered normal progress. 3,300 tons of coal were received, minimum requirement being 6,000 tons a month. Unemployment was over 50,000, largely due to the delay in approval and financing of public works projects, and emigration schemes were fervently desired as a solution to the unemployment problem. A.C. Austria repeatedly asked for Italian labour, which was available and the Italian Government have been urged to make a speedy decision to take same. Further ammunition dumps were taken over from the Army but stock-taking was slow owing to the danger of scattered fuses.

100. Food prices continued to be very high, but regular distribution of rationed foodstuffs proceeded with the exception of sugar of which no allocation was received during the month, a great disappointment to the people at Easter. Hospital patients and other special classes received normal supplementary rations as did all heavy workers. There was no change in the Annassi figures but recent deliveries of fertilizers assisted agricultural prospects. Vines showed no signs of disease but fruit trees were infested with aphides, although otherwise they showed good promise. A census of livestock was completed and over 600 head distributed to other provinces. Except for foodstuffs, prices began to show a decline

Declassified E.O. 12356 Section 3.3/NND No. 785015

101. The cash position of the Bank showed an increase of a quarter of a million lire on last month's figures; statal, para-statal and communal financing continue normally. The Casse di Risparmio deposits show approximately 100% increase since the Council was formed and a new director assigned. A renewed confidence in the banks was noticed amongst the population generally during the past six months

102. During the month a total of 4,456 refugees passed through the Centre, of which 1,132 were aliens. Half of the Italian were ex-POWs, many of whom came from Russia. The Communists attempted to win their confidence on arrival, but had a nasty shock when they were repulsed by the ex-POWs who were promptly styled "fascists" by their would-be friends.

103. The Minister of Post War Assistance helped considerably since his visit to the Province, and allotted a further 85 million lire for the relief of devastated areas. Some 60,000 American blankets were received and were being distributed on a priority basis and CAO medical supplies also received during the month were distributed. The health of the Province continued to be good.

104. P.O.L. was insufficient to meet requirements and the tyre situation got steadily worse. Total quantity of goods carried was Qli. 166,606 over 582,476 kilmetres. A total of over five million lire was deposited with AFA/I ACC Rome for sales of ex-enemy vehicle scrap.

105. Italian Courts worked satisfactorily. 22 cases were tried by the special session of the Court of Assise, 9 cases were dismissed leaving 120 for trial Only seven cases were tried by AMG Courts.

AMG VENEZIA GIULIA

106. Political activity continued at high pressure during the month though the departure of the Four Power Commission on April 8th was followed by a short period of calm. Italian elements showed signs of increased confidence, mainly as a result of the success of their March demonstrations. Pro-Slav propaganda intensified its efforts and the spirits of its supporters were revived by a campaign against the civil police and AMG. However, Pro-Slav elements showed signs of internal domesti trouble which the resignation of the President of the Sindaci Unici did nothing to conceal. Attempts to induce voluntary restriction of the number of persons entering zone "A" from zone "B" for the May Day celebrations caused intensified attacks on AMG from the Jugoslav adherents. The news of the deadlock in the meetings of Foreign Ministers did not cause surprise but hopes were cherished for the reopening of the discussions and the reaching of an agreement.

107. All reports, statistical and otherwise, indicated a further improvement in the public safety situation in Zone "A" this month , attributable in a major degree to the increased activities of all ranks of the Venezia Giulia Police Force. Satisfactory progress was maintained in improving the efficiency, morale and general welfare of the Force and in this connection much was owed to the Allied Military authorities for their continued support and assistance. Following intensive examination before Selection Boards, 30 serving Guards and NCOs of the VGPF out of a total of 130, entered an Officers' Training Course in TRIESTE on 23 April 1946. There were a number of incidents arising out of "differences of opinion", some cases of intimidation of V.G. Police and, although to a lesser degre press attacks on the V.G. Police. There was a slight decrease in the number of crimes committed during the month, and the number of detections was very satisfacto This was no doubt due to the increasing mobility of the Force rendered possible by additional transport. In GORIZIA Zone, 47 reports of crime were received - a slight decrease as compared with the figures for the previous month. The conduct

Declassified E.O. 12356 Section 3.3/NND No. 786015

areas. Some 60,000 American blankets were received and were being distributed on a priority basis and CMO medical supplies also received during the month were distributed. The health of the Province continued to be good.

104. P.O.L. was insufficient to meet requirements and the tyre situation got steadily worse. Total quantity of goods carried was Gli. 166,606 over 582,476 kilmetres. A total of over five million lire was deposited with AFA/I ACC Rome for sales of ex-enemy vehicle scrap.

105. Italian Courts worked satisfactorily. 22 cases were tried by the special session of the Court of Assise, 9 cases were dismissed leaving 120 for trial Only seven cases were tried by AMG Courts.

AMG VENEZIA GIULIA

106. Political activity continued at high pressure during the month though the departure of the Four Power Commission on April 8th was followed by a short period of calm. Italian elements showed signs of increased confidence, mainly as a result of the success of their March demonstrations. Pro-Slav propaganda intensified its efforts and the spirits of its supporters were revived by a campaign against the civil police and AMG. However, Pro-Slav elements showed signs of internal domesti trouble which the resignation of the President of the Sindaci Unici did nothing to conceal. Attempts to induce voluntary restriction of the number of persons entering zone "A" from zone "B" for the May Day celebrations caused intensified attacks on AMG from the Jugoslav adherents. The news of the deadlock in the meetings of Foreign Ministers did not cause surprise but hopes were cherished for the reopening of the discussions and the reaching of an agreement.

107. All reports, statistical and otherwise, indicated a further improvement in the public safety situation in Zone "A" this month, attributable in a major degree to the increased activities of all ranks of the Venezia Giulia Police Force. Satisfactory progress was maintained in improving the efficiency, morale and general welfare of the Force and in this connection much was owed to the Allied military authorities for their continued support and assistance. Following intensive examination before Selection Boards, 30 serving Guards and NCOs of the VGPF out of a total of 130, entered an Officers' Training Course in TRIESTE on 23 April 1946. There were a number of incidents arising out of "differences of opinion", some cases of intimidation of V.G. Police and, although to a lesser degre press attacks on the V.G. Police. There was a slight decrease in the number of crimes committed during the month, and the number of detections was very satisfacto This was no doubt due to the increasing mobility of the Force rendered possible by additional transport. In GORIZIA Zone, 47 reports of crime were received - a slight decrease as compared with the figures for the previous month. The conduct of Allied Service Personnel continued to be very satisfactory and a credit to all ranks. During the month the prison population returned to a normal figure due to the large number of cases dealt with by Allied Military Government Courts (over 250 117 releases following the granting of amnesty and pardon under General Order No.46, and the transfer of 51 long-term prisoners to Italian Penal establishment. A school for juvenile detainees was opened during the month at the Via Mizza Prison, TRIESTE.

Declassified E.O. 12356 Section 3.3/NND No. 785015

108. Normal rations were distributed during April with the exception of pasta and fats which had to be cut due to non-availability. Deficiencies, however, will be made up for in May. Edible salt stocks will last approximately 2 months and the Monopolio authorities were asked to renew their monthly shipments. In order to counteract high restaurant prices discussions were being held with a view to setting up popular restaurants at controlled prices. Cooperation of some of the more public-spirited restaurant owners was being sought. The harvest for VENEZIA GIULIA still depends on rainfall, but given a fair break in the weather the crops will far exceed last years production. This is due to the larger acreage planted as well as better natural conditions and a good start this spring. The fruit trees blossomed well, and despite some vandalism, a good crop is expected. Last year the quota for the Territory was 10,000 quintals of wheat, of which 12,000 quintals was amassed. This year the quota has been set at 20,000 quintals and might be exceeded. Italian amassing decrees will be followed here, modified only in such manner as to encourage voluntary consigning of the wheat. Bonificas in the MONFALCONE and GRADO area were under way, and vast tracts of land never cultivated andnow under water will be drained and brought into production. Much of this land will be ready for fall planting. As the season progressed catches of fish increased daily, and the food supply of the Territory was augmented in proportion. Although canning has not yet got under way, due to lack of cans and olive oil, this handicap helped the general supply on the market, resulting in prices dropping again this month.

109. A total of 14,527 tons of shipping were received during the month and 34,136 tons were transported by rail. The sharp decrease from figures of March were due to a drop in the coal imports from U.S. because of the coal strike there. A total tonnage of 59,519.2 was transported by road by civilian vehicles (autotrasporti) and AMG Truck Pool vehicles carried 4,666 tons. The great increase in local movement was accounted for in the tremendous increase of work being done by Genio Civile under Public Works contracts.

110. There was less unrest among industrial workers and General Order No.106 unblocking the dismissal of surplus workers was accepted without any outward signs of serious opposition. Nevertheless it is known abroad that political influences were having an adverse effect on output and orders were more difficult to secure in consequence. Large industries depending upon supplies and markets outside Zone "A" made slow progress but medium and small industries steadily improved. One large industry showing improvement was the Cotonificio Triestino of GORIZIA which increased to 76% capacity. Good progress was made with Port Reconstruction. The distribution of the cloth made at the Cotonificio from the first 800 imported bales of cotton proceeded slowly and 12 million lire worthof goods were taken over by wholesalers to date out of a total of 400 million lire worth of cloth made or to be made out of the first and second lots of cloth to be delivered. A total of 16,301 tons of coal arrived during the month. With the break in the weather, the roads and bridge programme picked up and is now proceeding at its maximum. On this programme alone there were in round numbers 2900 men working, a big increase from the 500 during the winter months. TRIESTE Commune employed nearly 900 men on the roads. The building supply position was very good, the territory being now able to produce about 90% of all its needs. It is hoped that by the end of June it will be possible to unblock all construction supplies. All Divisions concerned with the rehabilitation of the Area, especially Industry Division, were actively engaged in preparing a programme designed to give added employment, and to get industry started back to its normal prewar production. Most surveys showed that the greater part of the needed materials can be obtained in Italy.

111. General health continued to be very good except for an outbreak of measles at GORIZIA. About 50 tons of drugs and dressing arrived during the month

Declassified E.O. 12356 Section 3.3/NND No. 786015

Grain stock depleted. This is due to the [illegible]
will far exceed last years production. This is due to the [illegible]
as well as better natural conditions and a good start this spring. The fruit trees
blossomed well, and despite some vandalism, a good crop is expected. Last year
the quota for the Territory was 10,000 quintals of wheat, of which 12,000 quintals
was amassed. This year the quota has been set at 20,000 quintals and might be
exceeded. Italian amassing decrees will be followed here, modified only in such
manner as to encourage voluntary consigning of the wheat. Bonificas in the
MONFALCONE and GRADO area were under way, and vast tracts of land never cultivated
andnow under water will be drained and brought into production. Much of this land
will be ready for fall planting. As the season progressed catches of fish increase
daily, and the food supply of the Territory was augmented in proportion. Although
canning has not yet got under way, due to lack of cans and olive oil, this handicap
helped the general supply on the market, resulting in prices dropping again this
month.

109. A total of 14,527 tons of shipping were received during the month and 34,136 tons were transported by rail. The sharp decrease from figures of March were due to a drop in the coal imports from U.S. because of the coal strike there. A total tonnage of 59,519.2 was transported by road by civilian vehicles (autotrasporti) and AMG Truck Pool vehicles carried 4,666 tons. The great increase in local movement was accounted for in the tremendous increase of work being done by Genio Civile under Public Works contracts.

110. There was less unrest among industrial workers and General Order No.106 unblocking the dismissal of surplus workers was accepted without any outward signs of serious opposition. Nevertheless it is known abroad that politicol influences were having an adverse effect on output and orders were more difficult to secure in consequence. Large industries depending upon supplies and markets outside Zone "A" made slow progress but medium and small industries steadily improved. One large industry showing improvement was the Cotonificio Triestino di GORIZIA. which increased to 76% capacity. Good progress was made with Port Reconstruction. The distribution of the cloth made at the Cotonificio from the first 800 imported bales of cotton proceeded slowly and 12 million lire worthof goods were taken over by wholesalers to date out of a total of 400 million lire worth of cloth made or to be made out of the first and second lots of cloth to be delivered. A total of 16,301 tons of coal arrived during the month. With the break in the weather, the roads and bridge programme picked up and is now proceeding at its maximum. On this programme alone there were in round numbers 2900 men working, a big increase from the 500 during the winter months. TRIESTE Commune employed nearly 900 men on the roads. The building supply position was very good, the territory being now able to produce about 90% of all its needs. It is hoped that by the end of June it will be possible to unblock all construction supplies. All Divisions concerned with the rehabilitation of the Area, especially Industry Division, were actively engaged in preparing a programme designed to give added employment, and to get industry started back to its normal prewar production. Most surveys showed that the greater part of the needed materials can be obtained in Italy.

111. General health continued to be very good except for an outbreak of measles at GORIZIA. About 50 tons of drugs and dressing arrived during the month and a quantity of captured enemy supplies, mainly laboratory equipment, found at the Marine Hospital Pola, was taken over and given to the Hospital at Pola. There continued to be a good deal of political intrigue among the hospital staff in TRIESTE where personal animosities accentuated by Party bias were apt to interfere with medical administration. The Ente Comunale di Assistenza continued its welfare activities. The ECA's work increased rather then decreased, due to the

Declassified E.O. 12356 Section 3.3/NND No. 786015

fact that many ex-internees, POWs etc., have returned home and because the recent unblocking order has been put in effect. ECA's estimated quarterly budget showed an increase of about 7,230,000 lire. The number of war orphans enlisted in the Opera Orfani di Guerra was 2,000 and a plan for the appointment of local civilian representative of this organization in each Commune of Trieste, was under consideration.

112. The increase in movements of Displaced Persons noted during the last few months was maintained during the month of April: 1573 entered and 1524 were evacuated. The responsibility for payments to Greek and Czech nationals will be undertaken in the very near future by their respective Governments. British nationals are already being paid by arrangements with this Division from British Foreign Office funds. Attempts were made during the month by Jewish nationals to enter the Territory illegally in order to get to PALESTINE. These persons were ultimately despatched to Displaced Persons Camps in ITALY and all have now left VENEZIA GIULIA.

113. The cost of living index figure in North ITALY was increased to 130, and the question of amendment in VENEZIA GIULIA was under consideration. Owing to the lack of security in the Port, Insurance Companies were refusing to insure goods, and this constituted a serious matter.

114. In the Summary Courts during April 1946, a total of 82 accused were tried on 89 charges. These figures compare with 518 accused on 546 charges in March 1946. The comparatively small number of cases in the Summary Courts in April was further due to the large number of cases transferred to Superior Courts and consisted mainly of the cases arising out of the demonstrations at TRIESTE and GORIZIA in the latter part of March. This was reflected in the increase of Superior Court cases, which were greater than in any other month due to the fact that all cases arising out of the demonstrations at TRIESTE and GORIZIA were disposed of in Superior Courts. During April 1946, Superior Courts disposed of cases involving 139 accused as compared with 35 in March and 214 charges as compared with 53 charges in March. No General Court cases were tried during the month of April. The Ordinary Civil Courts continued to function with reasonable satisfaction although the problem of adequate personnel was a cause of some concern.

115. Labour Agencies worked satisfactorily in the face of many handicaps but unemployment in the Territory was on the upward trend. The records at TRIESTE, GORIZIA and POLA showed an increase of nearly 2,000 men, 1,200 women and 300 juveniles. This increase would have been more marked if Public Works had not catered for another 3,000 workers. When the gradual unblocking of dismissals becomes effective, figures are likely to increase further unless even more Public Works projects are provided. The margin between wages and cost-of-living is gradually narrowing down and though it is quite correct to say that the gap is still marked, the sweeping statement of the Sindacati Unici that living costs were higher in TRIESTE than in other North Italian Regional Capitals is quite unfounded. Only one strike (and that of a political nature) was staged during April. An attempt by the Sindacati Unici to organize an Industrial agitation over the promulgation of General Orders 105 and 106, blocking and unblocking dismissals, proved a complete failure. There is every indication that the gradual unblocking of dismissals should prove effective and no serious repercussions on public order are expected.

116. The Month of April was a quiet one as regards the schools of the Territory, and the political situation remained stationary. School administration

Declassified E.O. 12356 Section 3.3/NND No. 785015

evacuated. The responsibility for payments to Greek and Czech nationals will be undertaken in the very near future by their respective Governments. British nationals are already being paid by arrangements with this Division from British Foreign Office funds. Attempts were made during the month by Jewish nationals to enter the Territory illegally in order to get to PALESTINE. These persons were ultimately despatched to Displaced Persons Camps in ITALY and all have now left VENEZIA GIULIA.

113. The cost of living index figure in North ITALY was increased to 130, and the question of amendment in VENEZIA GIULIA was under consideration. Owing to the lack of security in the Port, Insurance Companies were refusing to insure goods, and this constituted a serious matter.

114. In the Summary Courts during April 1946, a total of 82 accused were tried on 89 charges. These figures compare with 518 accused on 546 charges in March 1946. The comparatively small number of cases in the Summary Courts in April was further due to the large number of cases transferred to Superior Courts and consisted mainly of the cases arising out of the demonstrations at TRIESTE and GORIZIA in the latter part of March. This was reflected in the increase of Superior Court cases, which were greater than in any other month due to the fact that all cases arising out of the demonstrations at TRIESTE and GORIZIA were disposed of in Superior Courts. During April 1946, Superior Courts disposed of cases involving 139 accused as compared with 35 in March and 214 charges as compared with 53 charges in March. No General Court cases were tried during the month of April. The Ordinary Civil Courts continued to function with reasonable satisfaction although the problem of adequate personnel was a cause of some concern.

115. Labour Agencies worked satisfactorily in the face of many handicaps but unemployment in the Territory was on the upward trend. The records at TRIESTE, GORIZIA and POLA showed an increase of nearly 2,000 men, 1,200 women and 300 juveniles. This increase would have been more marked if Public Works had not catered for another 3,000 workers. When the gradual unblocking of dismissals becomes effective, figures are likely to increase further unless even more Public Works projects are provided. The margin between wages and cost-of-living is gradually narrowing down and though it is quite correct to say that the gap is still marked, the sweeping statement of the Sindacati Unici that living costs were higher in TRIESTE than in other North Italian Regional Capitals is quite unfounded. Only one strike (and that of a political nature) was staged during April. An attempt by the Sindacati Unici to organize an Industrial agitation over the promulgation of General Orders 105 and 106, blocking and unblocking dismissals, proved a complete failure. There is every indication that the gradual unblocking of dismissals should prove effective and no serious repercussions on public order are expected.

116. The Month of April was a quiet one as regards the schools of the Territory, and the political situation remained stationary. School administration functioned smoothly except for minor political incidents which occured in both the Italian an Slovene schools. In all towns and villages the work of reactivation of school buildings continued and the number of school buildings being derequisitioned increased. On 10 April the 6 Months Training Course for the preparation of Slovene elementary school teachers was started and proved very popular.

Declassified E.O. 12356 Section 3.3/NND No. 785015

On 11 April the Division, through its "Sovraintendenze Scolastiche" started the distribution of the newly printed 4th and 5th Class elementary school reader - "Slovensko berilo" but the school section of the PNOO is placing considerable pressure on teachers, parents, and even children not to purchase this text book. In TRIESTE area where it was estimated 2,000 books would be distributed only 200 have been purchased. The possibility that Allied Military Government will have to subsidise this text book is being planned for, and the number of schools to be officially recognized may have to be decreased. Both the Slovene School Inspector and the Superintendent of Schools of GORIZIA have received anonymous intimidatory letters threatening death for treason to the Jugoslav cause. Strong opposition to our Slovene Schools, including intimidation of teachers, is reported at COMENO, SESANA, S.DORLIGO DELLA VALLE, in the district of AURISINA, in the towns of DOBERDO, KIFENBERGO and above all at SALCANO - suburb of GORIZIA - where the teaching of religion in the elementary school is opposed by the Communist leaders of the Community (this Community is almost 100 percent Communist). In the same manner, religion has been taken out of the school syllabus at PLAVIE near MUGGIA. A thorough inspection tour of all Slovene schools is now in course in order to establish which ones are to be granted recognition for having functioned within the established Allied Military Government directives and according to the proper Programme of Studies. The University of TRIESTE functioned regularly and other institutions of higher learning conducted their work quite satisfactorily, though hampered as usual by restricted premises and shortage of laboratory equipment of which much was taken by Jugoslav and German occupation troops.

Declassified E.O. 12356 Section 3.3/NND No. 785015

letters threatening death for treason to the Jugoslav cause. Strong opposition to our Slovene Schools, including intimidation of teachers, is reported at COMEN, SESANA, S. DORLIGO DELLA VALLE, in the district of AURISINA, in the towns of DOBERG, RIFEMBERGO and above all at SALCANO - suburb of GORIZIA - where the teaching of religion in the elementary school is opposed by the Communist leaders of the Community (this Community is almost 100 percent Communist). In the same manner, religion has been taken out of the school syllabus at PLAVIE near MUGGIA. A thorough inspection tour of all Slovene schools is now in course in order to establish which ones are to be granted recognition for having functioned within the established Allied Military Government directives and according to the proper Programmes of Studies. The University of TRIESTE functioned regularly and other institutions of higher learning conducted their work quite satisfactorily, though hampered as usual by restricted premises and shortage of laboratory equipment of which much was taken by Jugoslav and German occupation troops.

1859

Declassified E.O. 12356 Section 3.3/NND No. 785015

PART II

CIVIL AFFAIRS SECTION

LOCAL GOVERNMENT SUB COMMISSION

1. The official figures for the 115 Communes which voted according to the proportional representation system showed a definite majority for the Left (2,138,988 votes; 2,234 seats) followed by the Centre (1,673, 844 votes; 2,152 seats). It was noted that out of an electoral roll of 5,064,150 over 80% exercised their vote. Seats won in all 5,723 Communes including those 115 voting on the proportional representation system were:- Left 43,550 seats; Centre 47,062; Right 3,148; and Others 12,613 seats. Only 3 communes did not have their electoral lists ready at 30 April. The Ministry of the Interior had taken special steps to insure that these lists were ready in time for the national elections. The above figures do NOT include VENEZIA GIULIA and the Province of BOLZANO. The Italian Government has not yet appointed the Special Commission which has to decide on the cases of German speaking inhabitants and their right to be registered as electors. For this reason, the Province of BOLZANO cannot participat in the national elections on 2 June. Copies were received of two communiques issued by the Italian Government on 5 and 8 March as to steps taken to ensure the use of German as well as Italian in schools, courts, public offices etc. and as to local discussions for working out a scheme of autonomy. Copies of these communiqu were forwarded to the British and United States Governments through the Embassies.

LEGAL SUB-COMMISSION

2. In VENEZIA GIULIA the ordinary Civil Courts continued to function with reasonable satisfaction although the problem of adequate personnel was a cause of some concern. LIVORNO reports showed an effort by Italian Courts to cooperate in those cases involving Allied interests and a general improvement in the entire zone as to criminal situation was noted. The work of reviewing the cases of all persons confined in prisons progressed steadily.

PUBLIC HEALTH SUB-COMMISSION

3. The position regarding communicable diseases in Italy during the month was extremely satisfactory. The only diseases requiring notification were small-pox and poliomyelitis. Small-pox showed a sporadic incidence, only isolated cases appearing throughout the country, with the exception of the Province of BARI, where a small outbreak comprising 39 cases occurred. In the Province of NAPLES the number fell from 18 in March to 10 in April. The greatest number of cases of poliomyelitis reported during the month was 5 from the Province of FLORENCE, while the total for the whole of ITALY was 40. The infant mortality rate for ROME Commune for the month of March showed a considerable decrease compared with the February figure, being 66.9 as against 84.8. In the same Commune deaths from all forms of tuberculosis declined from 312 in February to 188 in March.

PUBLIC SAFETY SUB-COMMISSION

4. Generally, the month was reasonably good both from the point of view of serious crime and public order, apart from a determined attempt by the inmates of the prison in MILAN to overpower their guards and escape, and a case of stealing a truck load of hand grenades and other explosives from a dump of munitions at PONTE RONCA, ZOLA PREDOSA, BOLOGNA Province. It was obvious the motive behind the crime was not that of the ordinary thief, but was committed for some political objective. The morale of the Civil Police continued to improve. The CC.RR. made definite strides forward now that they were being better clothed, equipped, and [illegible] although they were not receiving all that was

Declassified E.O. 12356 Section 3.3/NND No. 785015

Right 3,148; and Others 12,613 seats. Only 3 communes did not have their electoral lists ready at 30 April. The Ministry of the Interior had taken special steps to insure that these lists were ready in time for the national elections. The above figures do NOT include VENEZIA GIULIA and the Province of BOLZANO. The Italian Government has not yet appointed the Special Commission which has to decide on the cases of German speaking inhabitants and their right to be registered as electors. For this reason, the Province of BOLZANO cannot participat in the national elections on 2 June. Copies were received of two communiques issued by the Italian Government on 5 and 8 March as to steps taken to ensure the use of German as well as Italian in schools, courts, public offices etc. and as to local discussions for working out a scheme of autonomy. Copies of these communiqu were forwarded to the British and United States Governments through the Embassies.

LEGAL SUB-COMMISSION

2. In VENEZIA GIULIA the ordinary Civil Courts continued to function with reasonable satisfaction although the problem of adequate personnel was a cause of some concern. LIVORNO reports showed an effort by Italian Courts to cooperate in those cases involving Allied interests and a general improvement in the entire zone as to criminal situation was noted. The work of reviewing the cases of all persons confined in prisons progressed steadily.

PUBLIC HEALTH SUB-COMMISSION

3. The position regarding communicable diseases in Italy during the month was extremely satisfactory. The only diseases requiring notification were small-pox and poliomyelitis. Small-pox showed a sporadic incidence, only isolated cases appearing throughout the country, with the exception of the Province of RIMI, where a small outbreak comprising 39 cases occurred. In the Province of NAPLES the number fell from 18 in March to 10 in April. The greatest number of cases of poliomyelitis reported during the month was 5 from the Province of FLORENCE, while the total for the whole of ITALY was 40. The infant mortality rate for ROME Commune for the month of March showed a considerable decrease compared with the February figure, being 86.9 as against 84.8. In the same Commune deaths from all forms of tuberculosis declined from 312 in February to 188 in March.

PUBLIC SAFETY SUB-COMMISSION

4. Generally, the month was reasonably good both from the point of view of serious crime and public order, apart from a determined attempt by the inmates of the prison in MILAN to overpower their guards and escape, and a case of stealing a truck load of hand grenades and other explosives from a dump of munitions at PONTE RONCA, ZOLA PREDOSA, BOLOGNA Province. It was obvious the motive behind the crime was not that of the ordinary thief, but was committed for some political objective. The morale of the Civil Police continued to improve. The CC.RR. made definite strides forward now that they were being better clothed, equipped, and were being given some transport although they were not receiving all that was required. One retarding feature was that in the case of a large number of officers and N.C.O.s their position as regards "epuration" is still undecided. The Italian Government seemed to be extremely slow in deciding cases and a good and efficient service cannot be expected from men whose future careers are undecided. The Pubblica Sicurezza was also gradually improving. One good feature was that of 91 Questori in service as such throughout ITALY, only six were non-career men. These it is hoped will soon be replaced by career officers. A school for recruits in ROME, and one in NETTUNO, was in full operation and should help much towards improving the efficiency of this Force. Several instances during the month have

0 4 4 9

Declassified E.O. 12356 Section 3.3/NND No. 785015

occurred where Fascis leaflets and writings appeared various towns, and Fascist flags were hoisted in FLORENCE and VERONA by unknown persons. This small wave of Fascist enthusiasm was apparently resurrected when the body of Mussolini was taken from its grave in MILAN. Enquiries by the Civil Police are still in hand to trace the body and the persons responsible but so far without success. The hoisting of the Fascist flags was apparently done in commemoration of Mussolini's death. On 30th April 5 armed men entered the Radio Station at Monte Mario, ROME, overpowered two employees and then broadcast by means of a gramophone disc a few bars of the Fascist hymn "Giovinezza". Enquiry to trace the men has met with a negative result. The prison situation showed no signs of improvement. Several attempted breaks were made during the month, the most serious being the outbreak which occurred at San Vittore Prison, MILAN, on 21st April 1946. In this case some prisoners surprised and disarmed 4 prison guards holding them as hostages and after a short time the prisoners gained complete control of the interior of the prison. CC.RR. and troops were called and prevented escapes. A state of siege ensued and the prisoners were not finally overcome until the afternoon of 24th April. Casualties were 4 killed, 56 wounded. Later an enquiry by the Italian authorities into the circumstances of the outbreak was held. The seriousness of this episode may bring home to the authorities the inadequacy of the prison guard service. Other attempted outbreaks took place in EMILIA Region but none was comparable to the MILAN outbreak.

DISPLACED PERSONS AND REPATRIATION SUB-COMMISSION

1. The difficulties which are being experienced during the interim period between take-over of Camps and assumption by UNRRA of financial responsibilities in regard to certain supplies and stores issued from Military Sources for UNRRA operated Camps, were the subjects of much discussion; solutions were achieved. UNRRA screening teams completed their tour of all UNRRA Camps and the Commission returned to ROME. It is too early yet to say what the final results will determine but it would appear that some 10,000 camp inmates will again become the responsibility of D.P.R.S.C., in addition to the 8,000 which D.P.R.S.C. still hold. UNRRA will be left with Jews and perhaps 1,000 others. A reconnaissance was made of the NAPLES area to find suitable accomodation for Displaced Persons Camps in that area. This accomodation is required to take the place of MODENA and possibly BOLOGNA No. 2, which are required by the Italian Army. The main event of the month was the unauthorized arrival of 1,014 Jewish refugees at the Port of LA SPEZIA. The party consisted of 611 Men, 400 Women and 3 Children who, on arrival, boarded a small coastal vessel named "EDDE" which had been partially converted to take passengers, and in which a considerable quantity of rations had been stored. Accomodation was offered to the Jews on arrival at LA SPEZIA, in a specially prepared Camp in CHIAVARI, but this was flatly declined. On the refusal of the Italian Government to allow them to sail, the refugees went on hunger strike at dawn on 8th April. The hunger strike was terminated on 10 April as a result of an address given to them by Prof. Harold Laski, who promised to take up their case and endeavour to obtain permission for their entry into PALESTINE. About this time, they had threatened to stage a mass suicide if the required permission to enter PALESTINE was not granted. On 26 April a representative of the Inter-Governmental Committee for Refugees stated that he had received information from the British Embassy on the evening of the 25th that 769 Jewish subjects would be admitted to PALESTINE. After discussion, the Jews refused to consider sailing unless all were allowed to go. All have subsequently been permitted to sail. A large influx of Jewish refugees into North West Group Camps was reported. These refugees were partly from local areas where previously they had been receiving UNRRA local financial assistance. A disturbance at IT 17 Camp TURIN occurred where between 300-400 non-orthodox Jews rioted against a similar number of orthodox Jews. The disturbance was in no way directed against the Command of the Camp but disagreement arose over a 1,130 Lire subsidy advanced for extra messing by the J.D.C. during the Jewish religious celebrations. The position appeared serious at first but was quelled by the Commandant and his staff. Repatriation to JUGOSLAVIA improved last month and TRIESTE reports showed 333 Jugoslavs repatriated. It is

0450
Declassified E.O. 12356 Section 3.3/NND No. 765015

series being the outbreak which occurred at San Vittore Prison, MILAN, on 21st April 1946. In this case some prisoners surprised and disarmed 4 prison guards holding them as hostages and after a short time the prisoners gained complete control of the interior of the prison. CC.RR. and troops were called and prevented escapes. A state of siege ensued and the prisoners were not finally overcome until the afternoon of 24th April. Casualties were 4 killed, 56 wounded. Later an enquiry by the Italian authorities into the circumstances of the outbreak was held. The seriousness of this episode may bring home to the authorities the inadequacy of the prison guard service. Other attempted outbreaks took place in EMILIA Region but none was comparable to the MILAN outbreak.

DISPLACED PERSONS AND REPATRIATION SUB-COMMISSION

2. The difficulties which are being experienced during the interim period between take-over of Camps and assumption by UNRRA of financial responsibilities in regard to certain supplies and stores issued from Military Sources for UNRRA operated Camps, were the subjects of much discussion; solutions were achieved. UNRRA screening teams completed their tour of all UNRRA Camps and the Commission returned to ROME. It is too early yet to say what the final results will determine but it would appear that some 10,000 camp inmates will again become the responsibility of D.P.R.S.C., in addition to the 8,000 which D.P.R.S.C. still hold. UNRRA will be left with Jews and perhaps 1,000 others. A reconnaissance was made of the NAPLES area to find suitable accomodation for Displaced Persons Camps in that area. This accomodation is required to take the place of MODENA and possibly BOLOGNA No. 2, which are required by the Italian Army. The main event of the month was the unauthorized arrival of 1,014 Jewish refugees at the Port of LA SPEZIA. The party consisted of 611 Men, 400 Women and 3 Children who, on arrival, boarded a small coastal vessel named "VEDE" which had been partially converted to take passengers, and in which a considerable quantity of rations had been stored. Accomodation was offered to the Jews on arrival at LA SPEZIA, in a specially prepared Camp in CHIAVARI, but this was flatly declined. On the refusal of the Italian Government to allow them to sail, the refugees went on hunger strike at dawn on 8th April. The hunger strike was terminated on 10 April as a result of an address given to them by Prof. Harold Laski, who promised to take up their case and endeavour to obtain permission for their entry into PALESTINE. About this time, they had threatened to stage a mass suicide if the required permission to enter PALESTINE was not granted. On 26 April a representative of the Inter-Governmental Committee for Refugees stated that he had received information from the British Embassy on the evening of the 25th that 769 Jewish subjects would be admitted to PALESTINE. After discussion, the Jews refused to consider sailing unless all were allowed to go. All have subsequently been permitted to sail. A large influx of Jewish refugees into North West Group Camps was reported. These refugees were partly from local areas where previously they had been receiving UNRRA local financial assistance. A disturbance at IT 17 Camp TURIN occurred where between 300-400 non-orthodox Jews rioted against a similar number of orthodox Jews. The disturbance was in no way directed against the Command of the Camp but disagreement arose over a 1,130 Lire subsidy advanced for extra messing by the J.D.C. during the Jewish religious celebrations. The position appeared serious at first but was quelled by the Commandant and his staff. Repatriation to JUGOSLAVIA improved last month and TRIESTE reports showed 333 Jugoslavs repatriated. It is hoped shortly to send Anglo-American representatives into SLOVENIA to further encourage the repatriation. If this is successful, attempts will be made to visit other districts in JUGOSLAVIA.

Declassified E.O. 12356 Section 3.3/NND No. 786015

PART III.

ECONOMIC SECTION.

FOOD DIVISION

1. In Italian Territory the current cereal ration of 200 grams of bread daily and 500 grams pasta monthly was maintained in April. Rice was substituted for pasta in much of the North. Grain arrivals in April amounted to 176,994 tons or about 85,000 tons below the monthly maintenance requirements. Because of insufficient arrivals and small amassing of local grain, Italian wheat stocks were reduced far below the danger level. As of May 1st only 3 days supply remained in the port warehouses. In addition there was roughly 10 or 12 days supply held in the distributing system (mills pasta factories etc.) These figures are estimates as official inventories are not yet reported.

2. The Italian Government has not reconciled itself to reducing further the bread and pasta ration. It plans to make an all-out campaign to increase local amassing sufficiently to enable a reduction to be permanently avoided. Under the Government's plan cereal producers, who were permitted to retain their future rations out of production will be required to surrender a portion of their retentions, thereby causing them to make sacrifices in the same way that the non-producers sacrificed when the pasta ration was reduced from 2000 to 500 grams per month about the first of the year. A bonus of 1400 lire per quintal for soft grain and 1600 lire per quintal for hard grain in addition to the former price of 900 lire and 1000 lire respectively will be paid for the grain turned in. Producers will be permitted to turn in larger amounts than those asked for which they will also be paid the bonus. Bonuses will also be paid for barley, rye, maize and rice. The purpose of the bonuses is of course to bring the amassing price more in line with black market prices.

3. Cereal collections during April were the smallest of any month since last harvest and totalled less than the equivalent of one small shipment of grain. On the basis of official figures, 672000 metric tons, or more than a third of the total estimated deliveries are still outstanding. It is doubtful that the Government decree for supplementary amassing will be effective in obtaining large deliveries of grain as the prices offered, although increased, are still less than half the prices offered on the free market.

4. The sugar situation was better than at the end of March, 1700 tons of imported sugar being expected in April and May. Sufficient sugar arrived in April to permit a distribution of 100 grams per person to normal consumers and it is expected that this ration will be repeated in May.

5. Central and Southern Italy have sufficient olive oil to permit the distribution of the ration through June and Northern ITALY is securing its fats from locally produced butter and lard. The fat situation in the North is precarious but the High Commissioner for Food hopes to be able to give sufficient lard and refined oils to assure the distribution until the end of June.

6. Stocks of meat and fish in Italy will meet the rations and a special distribution of 300 grams of fish per person in cities over 30,000 population was made in April continuing through May. Stocks of dried vegetables were very low and it is not expected that May committments will be fully met.

7. Large quantities of soup and milk were on hand in the various warehouses throughout the country. Means of utilizing the large stocks of milk were being discussed by UNRRA and the Italian Government. No decision as to the use of the soup was made because it was felt it would provide a useful substitute for pasta should it be necessary to reduce the pasta ration further.

AGRICULTURAL DIVISION.

Declassified E.O. 12356 Section 3.3/NND No. 785015

supply held in the distributing system (mills pasta factories etc.) These figures are estimates as official inventories are not yet reported.

2. The Italian Government has not reconciled itself to reducing further the bread and pasta ration. It plans to make an all-out campaign to increase local amassing sufficiently to enable a reduction to be permanently avoided. Under the Government's plan cereal producers, who were permitted to retain their future rations out of production will be required to surrender a portion of their retentions, thereby causing them to make sacrifices in the same way that the non-producers sacrificed when the pasta ration was reduced from 2000 to 500 grams per month about the first of the year. A bonus of 1400 lire per quintal for soft grain and 1600 lire per quintal for hard grain in addition to the former price of 900 lire and 1000 lire respectively will be paid for the grain turned in. Producers will be permitted to turn in larger amounts than those asked for which they will also be paid the bonus. Bonuses will also be paid for barley, rye, maize and rice. The purpose of the bonuses is of course to bring the amassing price more in line with black market prices.

3. Cereal collections during April were the smallest of any month since last harvest and totalled less than the equivalent of one small shipment of grain. On the basis of official figures, 672000 metric tons, or more than a third of the total estimated deliveries are still outstanding. It is doubtful that the Government decree for supplementary amassing will be effective in obtaining large deliveries of grain as the prices offered, although increased, are still less than half the prices offered on the free market.

4. The sugar situation was better than at the end of March, 1700 tons of imported sugar being expected in April and May. Sufficient sugar arrived in April to permit a distribution of 100 grams per person to normal consumers and it is expected that this ration will be repeated in May.

5. Central and Southern Italy have sufficient olive oil to permit the distribution of the ration through June and Northern ITALY is securing its fats from locally produced butter and lard. The fat situation in the North is precarious but the High Commissioner for Food hopes to be able to give sufficient lard and refined oils to assure the distribution until the end of June.

6. Stocks of meat and fish in Italy will meet the rations and a special distribution of 300 grams of fish per person in cities over 30,000 population was made in April continuing through May. Stocks of dried vegetables were very low and it is not expected that May committments will be fully met.

7. Large quantities of soup and milk were on hand in the various warehouses throughout the country. Means of utilizing the large stocks of milk were being discussed by UNRRA and the Italian Government. No decision as to the use of the soup was made because it was felt it would provide a useful substitute for pasta should it be necessary to reduce the pasta ration further.

AGRICULTURAL DIVISION.

8. The weather during the first three weeks of April was very dry over practically all of Italy. However, during the last few days of the month the drought was broken by good rains in practically all areas except the extreme Northern provinces, including VENEZIA GIULIA and UDINE. The crop outlook was improved considerably by the recent rains which came before many crops were

Declassified E.O. 12356 Section 3.3/NND No. 781015

0454

Declassified E.O. 12356 Section 3.3/NND No. 785015

PAGES MISSING OR

PAGINATION INCORRECT -

FILMED AS FOUND

14. It was learned that the occupation troops in AUSTRIA and GERMANY were in the habit of buying supplies from Italian merchants, paying in lire and it appeared that these payments were debited against the cost of occupation for Allied Forces in ITALY. It being obviously unjust that such an arrangement should continue, Finance Branch took the matter up to obtain a clarification and directive from the Combined Chiefs of Staff.

15. B.M.A. TRIPOLITANIA and the Allied Commission discussed trade between ITALY and TRIPOLITANIA and it was suggested that a Clearing Account be set up together with two control offices, one by B.M.A. and the other by the Italian Government.

INDUSTRY DIVISION.

16. The general industrial situation was overshadowed by the American coal strike and anxiety and apprehension existed through all the industrial areas of the country regarding its consequences. Confidence which was beginning to return, suffered a sharp setback. On the other hand the improvement in the power situation helped the big users of electric power. Difficulty was experienced by the Italian industries in the disposing of manufactured products, especially textiles due to large stocks held and lack of export markets. The number of requests received from the Italian Government for the derequisition of industrial premises continued to increase and successful representations were made in several cases. There was also evidence on the part of the Military authorities to cooperate fully on these cases, especially so in connection with food processing plants, state monopoly concerns and plants specialising in reconstruction. The timber plan submitted by the Italian Government through AC to AFHQ was rejected by them on the grounds that it involved too many small firms and would be difficult to operate. An alternative plan was submitted and agreement reached between the Italian Forestry representatives, the Italian Government and the Military. Timber requirements were reduced to a minimum and will be drawn from two areas instead of one, thus spreading the load: agreement on prices was also reached and it is hoped that this problem is now settled

17. The amount of imported coal discharged in ITALY and SICILY during the month of April totalled approximately 722,600 tons and in addition to this some 82,394 tons of Sardinian coal were discharged during the month. Production of Sardinian coal totalled approximately 90,400 tons during the month showing a small increase of 2,000 tons over that for March.

18. A joint meeting of the Southern and Central Italy Advisory Committees was held in ROME to make arrangements for transmitting 110,000 KW of capacity, of which 80,000 KW was to be sent to SOUTHERN ITALY. In June it is expected to transmit 150,000 KW of capacity, of which 50,000 KW will be for SOUTHERN ITALY. Very little change in power allocations was made for SOUTHERN ITALY for May. For CENTRAL ITALY an increase of 19,000 KW of demand and 10,000,000 KWH of energy was allowed for May, most of the increase to be furnished by power to be transmitted from NORTHERN ITALY. Electrical Division was asked to have a representative present at the discussions on renewal of the wholesale power contract between the CIELI Co. of ITALY and the S.C.D.E. Co. of FRANCE, which expired on 30 June. The French Co. desires to renew the contract for a period of one year.

TRANSPORTATION AND SHIPPING BRANCH.

19. A total of 225 kilometres of Italian State Railway Steam Lines were re-opened to traffic during March and as of 31 March there was a total of 14,804.9 kilometres of Italian State Railway lines in operation, including steam and electric and both single and double track; 17 kilometres of double tracking were completed during March. There were 5063 steam and 1900 electric, making a grand total of 6963 locomotives in stock at the end of March; this was an increase of 22 over the number in stock as of 28 February. 48,658,479 [illegible] per daily during March which was an increase of 4,094,840

Declassified E.O. 12356 Section 3.3/NND No. 785015

16. The general industrial situation was overshadowed by the [illegible] strike and anxiety and apprehension existed through all the industrial areas of the country regarding its consequences. Confidence which was beginning to return, suffered a sharp setback. On the other hand the improvement in the power situation helped the big users of electric power. Difficulty was experienced by the Italian industries in the dispensing of manufactured products, especially textiles due to large stocks held and lack of export markets. The number of requests received from the Italian Government for the de-requisition of industrial premises continued to increase and successful representations were made in several cases. There was also evidence on the part of the Military authorities to cooperate fully on these cases, especially so in connection with food processing plants, state monopoly concerns and plants specialising in reconstruction. The timber plan submitted by the Italian Government through AC to AFHQ was rejected by them on the grounds that it involved too many small firms and would be difficult to operate. An alternative plan was submitted and agreement reached between the Italian Forestry representatives, the Italian Government and the Military. Timber requirements were reduced to a minimum and will be drawn from two areas instead of one, thus spreading the load: agreement on prices was also reached and it is hoped that this problem is now settled

17. The amount of imported coal discharged in ITALY and SICILY during the month of April totalled approximately 722,600 tons and in addition to this some 62,394 tons of Sardinian coal were discharged during the month. Production of Sardinian coal totalled approximately 90,400 tons during the month showing a small increase of 2,000 tons over that for March.

18. A joint meeting of the Southern and Central Italy Advisory Committees was held in ROME to make arrangements for transmitting 110,000 KW of capacity, of which 30,000 KW was to be sent to SOUTHERN ITALY. In June it is expected to transmit 150,000 KW of capacity, of which 50,000 KW will be for SOUTHERN ITALY. Very little change in power allocations was made for SOUTHERN ITALY for May. For CENTRAL ITALY an increase of 19,000 KW of demand and 19,000,000 KWH of energy was allowed for May, most of the increase to be furnished by power to be transmitted from NORTHERN ITALY. Electrical Division was asked to have a representative present at the discussions on renewal of the wholesale power contract between the CIELI Co. of ITALY and the S.C.D.E. Co. of FRANCE, which expired on 30 June. The French Co. desires to renew the contract for a period of one year.

TRANSPORTATION AND SHIPPING BRANCH.

19. A total of 225 kilometres of Italian State Railway Steam Lines were re-opened to traffic during March and as of 31 March there was a total of 14,804.9 kilometres of Italian State Railway lines in operation, including steam and electric and both single and double track; 17 kilometres of double tracking were completed during March. There were 5063 steam and 1900 electric, making a grand total of 6963 locomotives in stock at the end of March; this was an increase of 22 over the number in stock as of 28 February. 48,658,479 ton kilometres were run daily during March which was an increase of 4,094,840 over February and a total of 33,617,200 passenger kilometres daily were run during March which was a decrease of 1,207,339 over February. 6,946 passengers were carried by the various services run by the "Wagon Lits" or "Pullman" during March. 119,355 tons of coal and 5,853,354 gallons of fuel oil were consumed during the month. The supply of materials for rehabilitation of the track and for repair of wagons was fairly satisfactory. Cement required was available

Declassified E.O. 12356 Section 3.3/NND No. 785015

appreciably damaged by the dry weather. The condition of the wheat is unusually good, considering the dry winter and the lack of fertilizers. Present prospects indicate a somewhat larger yield than was earlier estimated. Grasshoppers threatened to cause serious damage to crops in Southern and Insular Italy, especially in SALERNO Province and in SARDINIA, where large numbers of the insects were reported to be hatching in late April. Control measures designed in anticipation of such a plague were being applied in so far as was possible. Agricultural supplies imported during April consisted principally of fertilizers and farm machinery. Approximately 20,000 tons of nitrogenous fertilizers were imported against YT requisition and some 300 ploughs, 400 grain binders and 600 mowers were received. Two hundred tons of flax seed were imported by UNRRA from IRELAND for seeding in Northern Italy. Deliveries of grain to the Ammasso during April were insignificantly small compared with the need for cereal, but larger amounts were expected in the future as a result of a new directive requiring producers to deliver at least 6% of authorized with-holdings. Prices for such grain were to be more than double former prices.

9. Reforestation of areas denuded during the war constituted the major problem of the Forestry Corps. A small start was made this year, but the planting season was considerably shortened by the very dry weather. The fishery industry during April surpassed all previous post-war monthly catches of fish. As a result retail prices of fresh fish declined during April. Ocean fishing was resumed and is expected to increase in importance by mid-summer.

FINANCE BRANCH

10. The supply of Metropolitan lire to the Allied Forces in Italy under the terms of the Currency Agreement proceeded without any difficulties or delays. During April the Italian Government submitted to the Council of Foreign Ministers in LONDON a document entitled "Memorandum of the Economic and Financial Question Connected with the Peace Treaty", the main purpose of the memorandum being to counter any claims for reparations from ITALY that may be advanced by any of the United Nations. The main lines of argument were: (a) as a co-belligerent, fighting at the side of the Allies, ITALY suffered extensive material losses and damages; (b) the present state of the Italian economy is such that Italy needs all of her industrial equipment and current output to rebuild her economic structure and increase her exports in order that she may buy in the world market her essential imports.

11. During the month it was widely reported in the American and Italian press that the U.S. Government had under consideration the granting to ITALY of that portion of the Suspense Account which is the dollar equivalent of the lire expended in Italy by the U.S. Army for the purchase of local goods and services. The net troop expenditure portion of the Suspense Account has already been made available to the Italian Government as a credit. It was unofficially estimated that the amount involved, were the credit to be granted, would be some 110-120 million dollars.

COMMERCE (FOREIGN TRADE) BRANCH

12. Another major change in the functions of Commerce (Foreign Trade) Branch was that AFHQ was no longer responsible for the screening of Reserved Commodity list items. Negotiations took place with representatives of the Military Government of the American Occupied Zone in GERMANY, for the exchange of goods.

13. Representatives of the U.S. Group of Military Government U.S. Zone GERMANY, visited this Headquarters to discuss the possibility of exchanges of [illegible] American Zone in GERMANY and ITALY; the imports into

Declassified E.O. 12356 Section 3.3/NND No. 785015

larger amounts were expected in the future as a result of a new [illegible] quoting producers to deliver at least 6% of authorised withholdings. Prices for such grain were to be more than double former prices.

9. Reforestation of areas denuded during the war constituted the major problem of the Forestry Corps. A small start was made this year, but the planting season was considerably shortened by the very dry weather. The fishery industry during April surpassed all previous post-war monthly catches of fish. As a result retail prices of fresh fish declined during April. Deep sea fishing was resumed and is expected to increase in importance by mid-summer.

FINANCE BRANCH

10. The supply of Metropolitan lire to the Allied Forces in Italy under the terms of the Currency Agreement proceeded without any difficulties or delays. During April the Italian Government submitted to the Council of Foreign Ministers in LONDON a document entitled "Memorandum of the Economic and Financial Question Connected with the Peace Treaty", the main purpose of the memorandum being to counter any claims for reparations from ITALY that may be advanced by any of the United Nations. The main lines of argument were: (a) as a co-belligerent, fighting at the side of the Allies, ITALY suffered extensive material losses and damages; (b) the present state of the Italian economy is such that Italy needs all of her industrial equipment and current output to rebuild her economic structure and increase her exports in order that she may buy in the world market her essential imports.

11. During the month it was widely reported in the American and Italian press that the U.S. Government had under consideration the granting to ITALY of that portion of the Suspense Account which is the dollar equivalent of the lire expended in Italy by the U.S. Army for the purchase of local goods and services. The net troop expenditure portion of the Suspense Account has already been made available to the Italian Government as a credit. It was unofficially estimated that the amount involved, were the credit to be granted, would be some 110-120 million dollars.

COMMERCE (FOREIGN TRADE) BRANCH

12. Another major change in the functions of Commerce (Foreign Trade) Branch was that ALSOM was no longer responsible for the screening of Reserved Commodity list items. Negotiations took place with representatives of the Military Government of the American Occupied Zone in GERMANY, for the exchange of goods.

13. Representatives of the U.S. Group of Military Government U.S. Zone GERMANY, visited this Headquarters to discuss the possibility of exchanges of goods between the occupied American Zone in GERMANY and ITALY; the imports into this zone from ITALY are intended for the civilian population. The Representatives had a meeting with the Minister of Foreign Trade which the Director of this Branch attended. The Italian Government wanted to know whether GERMANY could supply certain goods normally imported from that country prior to the war and it was agreed that a certain limited amount of reciprocal trade could be done. The system as to how this trade could be carried out was discussed and it was decided that the Italian Government would be credited in dollars, this account to be used as a type of "clearing" and ITALY would have to undertake to use the dollar credit to offset imports from GERMANY.

Declassified E.O. 12356 Section 3.3/NND No. 785015

but steel was in short supply and while timber was available, it was not sufficient either for ties or wagon repairs.

20. 41,037 load carrying vehicles and 3,740 buses were in circulation at the beginning of the month. This was an increase of 1,417 load carrying vehicle and 30 buses over the February figures. These figures did not include the three wheel and small motor cars adjusted for goods transport. Fuel was in short supply, only 225,000 gallons of gasoline or petrol and 182,000 gallons of diesel oil being allotted monthly for the operation of motor transport. Tyres were also in short supply; the PIRELLI and MICHELIN Tyre Factories were in production but their output could not meet demands as both raw rubber and coal were in short supply.

21. A total of 152,101 tons of coastwise shipping moved during the month which was a decrease of 52,045 tons from March 1946 but an increase of 92,101 tons over April 1945. The decrease was due to non-availability of commodities at ports for loading. 127 ships with UNRRA and Italian Program cargoes of 964,127 tons arrived in Italian ports during April. Ship repairs progressed satisfactorily, 28 ships of different kinds being repaired and put back into operation during the month. 65 Italian cargo, tanker and passenger ships of over 500 tons carrying capacity each were being used for civilian traffic, and the capacity of ports greatly improved during the month as a result of both increase in number of piers available and repair of quay fittings and tracks as well as additional dredging.

CAPTURED ENEMY MATERIALS BRANCH.

22. The numbers of releases made to the Italian Government increased during the month and a considerable quantity of material which was no longer required for military purposes was declared surplus and made available for handing over to the Italian Government. A total of 293 releases were made to ARAR and 438 signed and completed release notes were received from ARAR. This reduced the outstanding release notes to 109 and a promise was received from ARAR that the position would be brought up to date during the month.

23. 8 dumps containing scrap vehicles were handed over to ARAR, the total number involved being 334 vehicles. Vehicles hulks reported and found were disposed of in accordance with 2 District instructions and a total of 1,752,000 lire was paid into No. 1 A/C, A.F.H.Q. 4,201,145 lire accrued through the disposal of horse flesh prior to 30 December 1945 was also paid to A.F.H.Q. The Italian Government commenced breaking down ammunition in accordance with AFHQ directive and two dumps were cleared and the contents passed to factories for breaking down.

24. Lists and schedules showing inter alia source and destination of Italian equipment and material sent out of ITALY by the Germans were prepared from the RUK records and arrangements were made to locate this equipment and for the interrogation of a number of former RUK personnel. The situation of the DAT/DU funds was investigated and a decision awaited regarding their disposal. A review of the complicated HASAG liquidation was undertaken and a full report prepared. Complete schedules of RUK orders for blankets in North ITALY were prepared, and a complete index of all RUK, Rustungskontor, Roges, OT, Supreme Commission U.C.S. and ex-German embassy files in the keeping of this Branch completed.

1856

Declassified E.O. 12356 Section 3.3/NND No. 785015

21. A total of 152,101 tons of coastwise shipping moved during the month which was a decrease of 52,045 tons from March 1946 but an increase of 92,101 tons over April 1945. The decrease was due to non-availability of commodities at ports for loading. 127 ships with UNRRA and Italian Program cargoes of 964,127 tons arrived in Italian ports during April. Ship repairs progressed satisfactorily, 28 ships of different kinds being repaired and put back into operation during the month. 65 Italian cargo, tanker and passenger ships of over 500 tons carrying capacity each were being used for civilian traffic, and the capacity of ports greatly improved during the month as a result of both increase in number of piers available and repair of quay fittings and tracks as well as additional dredging.

CAPTURED ENEMY MATERIALS BRANCH.

22. The numbers of releases made to the Italian Government increased during the month and a considerable quantity of material which was no longer required for military purposes was declared surplus and made available for handing over to the Italian Government. A total of 295 releases were made to ARAR and 438 signed and completed release notes were received from ARAR. This reduced the outstanding release notes to 109 and a promise was received from ARAR that the position would be brought up to date during the month.

23. 8 dumps containing scrap vehicles were handed over to ARAR, the total number involved being 334 vehicles. Vehicles hulks reported and found were disposed of in accordance with 2 District instructions and a total of 1,752,000 lire was paid into No. 1 A/C, A.F.I. 4,201,145 lire accrued through the disposal of horse flesh prior to 30 December 1945 was also paid to A.F.I. The Italian Government commenced breaking down ammunition in accordance with AFHQ directive and two dumps were cleared and the contents passed to factories for breaking down

24. Lists and schedules showing inter alia source and destination of Italian equipment and material sent out of ITALY by the Germans were prepared from the RUK records and arrangements were made to locate this equipment and for the interrogation of a number of former RUK personnel. The situation of the DAI/DU funds was investigated and a decision awaited regarding their disposal. A review of the complicated HASAG liquidation was undertaken and a full report prepared. Complete schedules of RUK orders for blankets in North ITALY were prepared, and a complete index of all RUK, Rustungskontor, Rogos, CT, Supreme Commission U.C.S. and ex-German Embassy files in the keeping of this Branch completed.

1856

Declassified E.O. 12356 Section 3.3/NND No. 785015

PART IV

PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB-COMMISSION

PUBLIC RELATIONS BRANCH

1. Arrangements were made to facilitate the entry into TRIESTE of a party of French journalists who were travelling as guests of the Italian Government. Information services were given to a party of important American newspaper executives and publishers visiting ROME as guests of the War Department.

2. Press releases for general use as well as several home town releases on individuals were issued. The Bulletin was continued and received the commendation of the Chief Commissioner as a unifying instrument of morale in this last stage of the Allied Commission. Complete sets of the Bulletin were in process of preparation for dispatch to universities and libraries in ENGLAND and AMERICA.

3. The Daily Digest of the ROME press was continued and increased in size due to the necessity of adequate covering of the electoral campaign. Normal services continued in the Library Section.

NAVY SUB-COMMISSION

4. In view of the numerous minefields still existing in Italian waters, and the great need for the increase of coastal shipping, the Italian Royal Navy set up degaussing installations at various ports for the protection of ships from magnetic mines. Italian navy personnel were trained by British Officers, and a large quantity of degaussing stores and equipment, including a mobile wiping unit was transferred to the Italian Royal Navy by the Royal Navy. While a number of items were still expected from MALTA, the degaussing service operated satisfactorily.

5. The Italian Royal Navy have now assumed complete responsibility for the rendering safe of mines washed ashore on the East and West coast of ITALY. Italian Navy personnel were trained by British Officers and the special gear required for this work, including non-magnetic tools, was made available by the Royal Navy. Specially fitted vehicles were also supplied to the Italian Navy Mine and Bomb Disposal Units in order that large stretches of coast might easily be covered. The Units were fully operational and working efficiently.

6. Trawlers sweeping in the Gulf of POLICASTRO were expected to complete operations during the month and will proceed to SARDINIA to begin clearance off SAINT ANTIOCO AND SAN PIETRO. In addition the check sweep off OTRANTO was completed, thus permitting the cancellation of the danger area off the Aprilian Coast.

LAND FORCES SUB-COMMISSION

7. Italian Army strength as at 1st April was 152.738 exclusive of 61,420 CC.RR. There was a surplus of 5715 not yet discharged due to the fact that certain classes of men, although due for release, could not be in fact as they were overseas e.g. CYRENAICA, ERITREA, and arrangements for repatriation were delayed. The CC.RR. was some 13,000 below the authorized ceiling of 75,000 therefore the total authorized ceiling for the Army including CC.RR. was not at any time exceeded.

8. A conference was held at GHQ on 9 April to discuss the provision of training equipment urgently required for training at the Central Military Schools. This resulted in the release of the major portion of the equipment most urgently

Declassified E.O. 12356 Section 3.3/NND No. 785015

executives and publishers visiting ROME as guests of the War Department.

2. Press releases for general use as well as several home town releases on individuals were issued. The Bulletin was continued and received the commendation of the Chief Commissioner as a unifying instrument of morale in this last stage of the Allied Commission. Complete sets of the Bulletin were in process of preparation for dispatch to universities and libraries in ENGLAND and AMERICA.

3. The Daily Digest of the ROME press was continued and increased in size due to the necessity of adequate covering of the electoral campaign. Normal services continued in the Library Section.

NAVY SUB-COMMISSION

4. In view of the numerous minefields still existing in Italian waters, and the great need for the increase of coastal shipping, the Italian Royal Navy set up degaussing installations at various ports for the protection of ships from magnetic mines. Italian navy personnel were trained by British Officers, and a large quantity of degaussing stores and equipment, including a mobile wiping unit was transferred to the Italian Royal Navy by the Royal Navy. While a number of items were still expected from MALTA, the degaussing service operated satisfactorily.

5. The Italian Royal Navy have now assumed complete responsibility for the rendering safe of mines washed ashore on the East and West coast of ITALY. Italian Navy personnel were trained by British Officers and the special gear required for this work, including non-magnetic tools, was made available by the Royal Navy. Specially fitted vehicles were also supplied to the Italian Navy Mine and Bomb Disposal Units in order that large stretches of coast might easily be covered. The Units were fully operational and working efficiently.

6. Trawlers sweeping in the Gulf of POLICASTRO were expected to complete operations during the month and will proceed to SARDINIA to begin clearance off SANT ANTIOCO AND SAN PIETRO. In addition the check sweep off OTRANTO was completed, thus permitting the cancellation of the danger area off the Aprilian Coast.

LAND FORCES SUB-COMMISSION

7. Italian Army strength as at 1st April was 152.738 exclusive of 61,420 CC.RR. There was a surplus of 5715 not yet discharged due to the fact that certain classes of men, although due for release, could not be in fact as they were overseas e.g. CYRENAICA, ERITREA, and arrangements for repatriation were delayed. The CC.RR. was some 13,000 below the authorized ceiling of 75,000 therefore the total authorized ceiling for the Army including CC.RR. was not at any time exceeded.

8. A conference was held at GHQ on 9 April to discuss the provision of training equipment urgently required for training at the Central Military Schools. This resulted in the release of the major portion of the equipment most urgently required.

10. Further work was accomplished on a new order of Battle as a result of the 10,000 increase of strenght of the CC.RR. The new Order of Battle provides for an approximate 20% increase of strength in Legions, and the employment of the TRIESTE Legion as Mobile Units with Legions where there are no Mobile Bns. The

0462

Declassified E.O. 12356 Section 3.3/NND No. 785015

War Ministry has promulgated a decree calling back into service, CC.RR. of the 1915-22 Classes, at present in "Congedo"; many of these men have expressed a desire to return to service. It was estimated that 7,000-8,000 extra men will be available for duty by the end of May and there was a total of 1,905 recruits in training. 168 Staghound Armoured Cars, released to Mobile Bns were in actual possession of the units to which they had been allotted; the distribution of ammunition for the Staghounds was arranged and in progress and the translation and printing of instructional handbooks respecting the vehicles was in hand. 43 M/Cs and 3 Jeeps were released to Mobile Bns during the month. Distribution was made to Legions of 7,000 new automatic rifles from the BERETTA Arms Factory but delay was occasioned with the remaining 3,000 promised, owing to lack of cartridge magazines. Reports continue to be received from LOs and other sources, of the improved efficiency and morale of the CC.RR.

11. A public relations organization was set up by the Ministry of War and a P.R. Officer at each Terr. HQ was envisaged. It was hoped that this organization will quickly improve both morale in the army itself and the esteem with which the army is held by the public.

12. The preparations for the provisioning of the Italian Navy and Air Force by the Italian Government w.e.f. 1 June 46 are well under way and no difficulties are anticipated. To date some 170 railway truckloads of medical machinery have been received at FLORENCE from MERANO. Notification was received from GHQ that medical stores in short supply could not be supplied from Allied sources.

POW Division

13. Progress continued with the repatriation of Italian POW, figures for the month of April being: - from British hands 43,627; from US hands 333; from other sources 14,160 thus making a total of 58,120.

AIR FORCE SUB-COMMISSION

14. During the month the Italian Air Force despatched a Commission composed of experts to participate in the PARIS Conference on Civil Aviation. They discussed International Civil Air Lines and the problems of bases. From April 5th all IAF Nucleus Commands were disbanded, this being part of the general plan to revert to the normal peace-time organization. Commissions were set up by the Italian Air Ministry to review the retirement of senior officers. These Commissions were generally unpopular with the Italians because they feel that a stable government should be in power before work of this nature is carried out. A three day Congress was held in MILAN to discuss the technical and economical aspect of air transport in ITALY. Subjects discussed were the inception of air lines, aircraft and organization.

15. The activity of Aviation Firms slowed down owing to the lack of new contracts from the Italian Air Force Administration. The new Italian SM95 made its debut in the military courier service on the 27th of April. This aircraft is a four engined aircraft which can carry a maximum of 50 passengers and has a top speed of 390 kilometres per hour. Aeronautical inventions studied during the month included principle for the gradual and automatic variation in flight of airscrew pitch and a mounting for piston-shafts designed to increase efficiency. The Italian Air Ministry received applications from MILAN Polytechnic for permission to resume study and research in the Laboratorio di Aeronautica. Permission was granted for experiments to be continued into the structure of parachutes to withstand high-speed opening.

Declassified E.O. 12356 Section 3.3/NND No. 785015

11. A public relations organization was set up by the Ministry of War and a P.R. Officer at each Terr. HQ was envisaged. It was hoped that this organization will quickly improve both morale in the army itself and the esteem with which the army is held by the public.

12. The preparations for the provisioning of the Italian Navy and Air Force by the Italian Government w.e.f. 1 June 46 are well under way and no difficulties are anticipated. To date some 170 railway truckloads of medical machinery have been received at FLORENCE from MERANO. Notification was received from GHQ that medical stores in short supply could not be supplied from Allied sources.

POW Division

13. Progress continued with the repatriation of Italian POW, figures for the month of April being: - from British hands 43,627; from US hands 333; from other sources 14,160 thus making a total of 58,120.

AIR FORCE SUB-COMMISSION

14. During the month the Italian Air Force despatched a Commission composed of experts to participate in the PARIS Conference on Civil Aviation. They discussed International Civil Air Lines and the problems of bases. From April 5th all LAF Nucleus Commands were disbanded, this being part of the general plan to revert to the normal peace-time organization. Commissions were set up by the Italian Air Ministry to review the retirement of senior officers. These Commissions were generally unpopular with the Italians because they feel that a stable government should be in power before work of this nature is carried out. A three day Congress was held in MILAN to discuss the technical and economical aspect of air transport in ITALY. Subjects discussed were the inception of air lines, aircraft and organization.

15. The activity of Aviation Firms slowed down owing to the lack of new contracts from the Italian Air Force Administration. The new Italian SM95 made its debut in the military courier service on the 27th of April. This aircraft is a four engined aircraft which can carry a maximum of 50 passengers and has a top speed of 390 kilometres per hour. Aeronautical inventions studied during the month included principle for the gradual and automatic variation in pitch of airscrew and a mounting for piston-shafts designed to increase efficiency. The Italian Air Ministry received applications from MILAN Polytechnic for permission to resume study and research in the Laboratorio di Aeronautica. Permission was granted for experiments to be continued into the structure of parachutes to withstand high-speed opening.

16. A great deal of prominence was given by Allied and local newspapers to the mysterious dropping of wireless sets by unknown aircraft in various parts of ITALY. In fact no wireless transmitters were dropped by aircraft in ITALY, but a number of "Radio Sonde" were despatched for meteorological purposes, and it was these instruments that were found and started the spate of rumours.

0464

Declassified E.O. 12356 Section 3.3/NND No. 785015

17. Two LAF Officers are to be attached to the American A.T.C. - Ciampino Airfield. They will undertake a 30 days course in the study of A.T.C.'s system of radio communication and meteorology.

18. During April the CAVs at ROME and BRINDISI took over Aircraft Safety duties in Southern Italy from the RAF. The change-over appeared to have been made satisfactorily, but landline difficulties were still being experienced between the central CAV at ROME and the subsidiaries at BOLOGNA and BRINDISI. This trouble was being covered by the Italian W/T point to point system.

19. All but a very few sub-depots were concentrated into CALLARATE and NOVARA and the equipment from these few remaining depots will be transferred within thenext few weeks to these central depots.

20. About 1000 Prisoners of War were repatriated during the month, amongst whom were officers from INDIA. The morale of POWs arriving from British and American Camps was high and their physical condition good.

COMMUNICATIONS SUB-COMMISSION

21. Telephone Services were opened to AUSTRIA with one line each from MILAN, BOLOGNA and TRIESTE to VIENNA, and a second MILAN - LONDON line was complete. A few important internal inter-urban circuits were provided including a second GENOA - ROME cct and a TRIESTE - MILAN cct. Considerable headway was made with the new switchboard installations at FLORENCE and NAPLES, two of the most congested centres.

22. With the completion of the 12 channels voice frequency telegraph system MILAN-PARIS via the MODANE tunnel new circuits were brought into operation including MILAN - PARIS; (2), ROME - PARIS; GENOA - PARIS; TURIN - PARIS; MILAN - LONDON. In addition a GENOA - LONDON and a ROME - LONDON channel were ready to be brought into use and a considerable number of small offices in the areas round BOLOGNA and TURIN cut off by war damage were restored. Arrangements were made for the Army to pass traffic over the Italcable ROME - MILAN radio link should civil disturbance cut all land routes. Sabotage in VENEZIA GIULIA dropped slightly lately but is still bad, particularly the TRIESTE - FIUME service.

23. By Ministerial Decree dated 7th March 1946, the Italian Government increased the rates of postage to foreign countries as from 1st April 1946 to approximately three times those in force since 1st April 1945. With the commencement on 4th April of the bi-weekly Trans-World Air Service from CAIRO to the U.S.A. via ROME a direct route for the ITALY U.S.A. Air Mail despatches became possible. Unfortunate the capacity available for Italian Air Mails by this service (about 100 Kilos per flight) was insufficient to accommodate all the traffic, which amounts to about 60 Kilos per day. The overflow is being sent to PARIS (for connection with the FRANCE-U.S.A. service) utilising Italian internal and SWISS air services with rail links. It is hoped that an increased frequency of the Trans-World service will soon take effect and provide for the direct transmission of all correspondence. Air Mails to GREAT BRITAIN, EGYPT, and various other countries continued to be conveyed by R.A.F. services. The R.A.F. service which carried the Italian Air Mail to HOLLAND was withdrawn. The Air Mail fee from ITALY to other European countries was increased from 15 Lire to 20 Lire each 20 grammes. Traffic in gift parcels continued to be very heavy. During the month 102018 parcel bags were unloaded each bag weighing an average of 20 Kilos.

24. Inspection at NAPLES revealed that serious difficulty was still being experienced by the Post Office in obtaining prior information regarding various ships under British control. It was possible to make arrangements which should improve the system of obtaining shipping information. As regards the acceptance

Declassified E.O. 12356 Section 3.3/NND No. 786015

thenext few weeks to these central depots.

20. About 1000 Prisoners of War were repatriated during the month, amongst whom were officers from INDIA. The morale of POWs arriving from British and American Camps was high and their physical condition good.

COMMUNICATIONS SUB-COMMISSION

21. Telephone Services were opened to AUSTRIA with one line each from MILAN, BOLOGNA and TRIESTE to VIENNA, and a second MILAN - LONDON line was complete. A few important internal inter-urban circuits were provided including a second GENOA - ROME cct and a TRIESTE - MILAN cct. Considerable headway was made with the new switchboard installations at FLORENCE and NAPLES, two of the most congested centres.

22. With the completion of the 12 channels voice frequency telegraph system MILAN-PARIS via the MODANE tunnel new circuits were brought into operation including MILAN - PARIS; (2), ROME - PARIS; GENOA - PARIS; TURIN - PARIS; MILAN - LONDON. In addition a GENOA - LONDON and a ROME - LONDON channel were ready to be brought into use and a considerable number of small offices in the areas round BOLOGNA and TURIN cut off by war damage were restored. Arrangements were made for the Army to pass traffic over the Italcable ROME - MILAN radio link should civil disturbance cut all land routes. Sabotage in VENEZIA GIULIA dropped slightly lately but is still bad, particularly the TRIESTE - FIUME service.

23. By Ministerial Decree dated 7th March 1946, the Italian Government increased the rates of postage to foreign countries as from 1st April 1946 to approximately three times those in force since 1st April 1945. With the commencement on 4th April of the bi-weekly Trans-World Air Service from CAIRO to the U.S.A. via ROME a direct route for the ITALY U.S.A. Air Mail despatches became possible. Unfortunate the capacity available for Italian Air Mails by this service (about 100 Kilos per flight) was insufficient to accommodate all the traffic, which amounts to about 60 Kilos per day. The overflow is being sent to PARIS (for connection with the FRANCE-U.S.A. service) utilising Italian internal and SWISS air services with rail links. It is hoped that an increased frequency of the Trans-World service will soon take effect and provide for the direct transmission of all correspondence. Air Mails to GREAT BRITAIN, EGYPT, and various other countries continued to be conveyed by R.A.F. services. The R.A.F. service which carried the Italian Air Mail to ATHENS was withdrawn. The Air Mail fee from ITALY to other European countries was increased from 15 Lire to 20 Lire each 20 grammes. Traffic in gift parcels continued to be very heavy. During the month 102018 parcel bags were unloaded each bag weighing an average of 20 Kilos.

24. Inspection at NAPLES revealed that serious difficulty was still being experienced by the Post Office in obtaining prior information regarding various ships under British control. It was possible to make arrangements which should improve the system of obtaining shipping information. As regards the acceptance of mails on British controlled ships it is still not practicable for the Post Office to make formal mail contracts with shipping Companies but temporary arrangements were made with Sea Transport A.F.H.Q. for the mails to be accepted by S.T. ships against non-negotiable receipt. Proposals were submitted to the G.P.O. LONDON advocating a

Declassified E.O. 12356 Section 3.3/NND No. 785015

special system to be adopted until normal liner berth working is resumed. So far as American shipping is concerned the Post Office was pressed to come to an agreement with W.S.A. to operate a similar system to that suggested in the case of British shipping and so terminate the present undesirable arrangement by which the mails for AMERICA are sent to LEGHORN for despatch with U.S.Army mails. A considerable part of the despatches to the U.S.A. consists of empty mail bags due to be returned for use in the gift parcel service.

Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Declassified E.O. 12356 Section 3.3/NND No. 785015

Elley W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Declassified E.O. 12356 Section 3.3/NND No. 785015

Director
D/Director
Chief Telecoms
Chief Postal
H Q Coms O.
Asst Chief Postal
Censorship
Chief Clerk

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
AP 724

MONTHLY REPORT

JULY - 1946

Ref: 824/EC

September 1946

CONFIDENTIAL

1853

Declassified E.O. 12356 Section 3.3/NND No. 785015

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
AP 794
o-o-o-o-o-o-o-o-o-o-o-o-o-o-o-o-o-o-o-o-o-o-o

MONTHLY REPORT

JULY - 1946

Ref: 824/EC

September 1946

CONFIDENTIAL

1853

REP.157.

Declassified E.O. 12356 Section 3.3/NND No. 785015

CONFIDENTIAL

HEADQUARTERS, ALLIED COMMISSION
APO 794

MONTHLY REPORT

JULY - 1946

INDEX

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

CONFIDENTIAL

Declassified E.O. 12356 Section 3.3/NND No. 785015

0472

POLITICAL SUMMARY

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

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

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

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

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

1852

Declassified E.O. 12356 Section 3.3/NND No. 785015

(See Appendix A for a complete list of the council of Ministers).

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

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

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

5. The name of Signor TOGLIATTI was absent from the Government for the 1852 reason that he had preferred to remain outside in order to look after the affairs of the Communist Party. Signor NENNI was appointed Minister without Portfolio but will take over as Minister of Foreign Affairs after the Peace Treaty. He is also deputy to the President of Council of Ministers..

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

Declassified E.O. 12356 Section 3.3/NND No. 785015

PART I - LIAISON GROUP REPORTS

LIGURIA REGION.

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

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

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

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

5. Rail connections between CAMPASSO and BIVIO SUCCURSALE and between CAMPASSO and BIVIO NOVAROLO were expected to be in operation on 5 August 46. Digging and masonry work proceeded on tunnels and the doubling of the line between STAZZANO and ARQUATA was approximately 50% complete. The laying of the second line between BUSCO and S. MARGHERITA and of the siding at MULINETTI were completed. During the month a total of 341,191 tons was loaded in the station of GENOA, 48853 tons in SAVONA and 179,038 tons in other stations.

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

1851

CUNEO PROVINCE.

7. There was little political activity in the upper ROYA Valley. The majority of people appeared to have recovered from the shock administered by the announcement of the decision of the Foreign Ministeres in PARIS. However, there was a general feeling of optimism regarding the possibility of the decision being reversed. There were no incidents of any kind during

of pre-fascist colonies caused grave concern while a more [illegible] taken generally of the disposition of territory acquired during the fascist regime. The people were looking to their new Government for alleviation of unemployment and the high cost of living, and efforts were made to enforce the Government's decision regarding the employment of "Reduci" by private firms. There was considerable opposition to this by industrialists and the owners of private firms.

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

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

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

5. Rail connections between CAMPASSO and BIVIO SUCCURSALE and between CAMPASSO and BIVIO NOVAROLO were expected to be in operation on 5 August 46. Digging and masonry work proceeded on tunnels and the doubling of the line between STAZZANO and ARQUATA was approximately 50% complete. The laying of the second line between RECCO and S. MARGHERITA and of the siding at MULINETTI were completed. During the month a total of 341,191 tons was loaded in the station of GENOA, 48353 tons in SAVONA and 179,038 tons in other stations.

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

1851

CUNEO PROVINCE.

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

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

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

NAPLES, CAMPANIA, CALABRIA.

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

similar to the AOSTA Valley Autonomy, this he believed, would guarantee an administrative and commercial independence that would satisfy both ITALY and FRANCE.

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

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

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

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

NAPLES, CAMPANIA, CALABRIA.

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

BOLZANO PROVINCE.

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

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

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

30,000 at the end of the month. Unrest due to unemployment was manifested in a number of places. Schemes for giving employment on a large scale continued to be delayed. The general rise in wages tended to unbalance labour economy. Some progress was made towards derequisitioning and the ANSALDO Works at POZZUOLI were reopened. There continued to be considerable agitation over requisitioned premises; mainly against those cases where the properties did not appear to be fully utilized.

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

BOLZANO PROVINCE.

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

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

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

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

AMG UDINE

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

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

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

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

28. During the month Public Works projects totalling 48,851,775 lire were approved. Unemployment relief by Public Works programmes reached its full volume. Unemployed figures were approximately 54,000, nearly double that of VENEZIA GIULIA. Public opinion was seriously disturbed by the lack of migration facilities and the slow progress in financing public schemes. High prices continued to be the cause of considerable dissatisfaction.

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

slightly. A strong rumour that TARVISIO might be ceded to the Slavs in exchange for some part of ISTRIA resulted in a deputation from the Commune calling upon the Prefect protesting against any such suggestion. The rumour was denied by the Foreign Ministry.

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

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

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

28. During the month Public Works projects totalling 48,851,775 lire were approved. Unemployment relief by Public Works programmes reached its full volume. Unemployed figures were approximately 54,000, nearly double that of VENEZIA GIULIA. Public opinion was seriously disturbed by the lack of migration facilities and the slow progress in financing public schemes. High prices continued to be the cause of considerable dissatisfaction.

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

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

AMG VENEZIA GIULIA.

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

32. Heavy demands were made on the Civil Police during the month. During the General Strike (between the 1st and 12 July) called by the U.I.S a total of 414 arrests were made; 138 civilians were injured and 3 killed. Police casualties numbered 1 killed and 11 injured. Serious injuries were also sustained by 2 Allied personnel. After the Civil Police had been fired upon several times the Corps Commander on 1 July authorized them to carry arms on ordinary patrols during the day. The 12 critical days of the strike were characterised by small and more frequent demonstrations, fights between mobs of opposing factions and attacks by them on their respective party buildings. Frequent use of firearms was made by civilians and several cases of grenade throwing occurred resulting in damage to property. Following the declaration of the illegality of the strike the police were very active in preventing transport of foodstuffs from Zone "B" into the occupied territory for the purpose of feeding the strikers. The morale of the Police Force was well maintained due principally to the active participation in operations of Allied officers and armed auxiliary police both American and British who were called out to assist. In VENEZIA GIULIA "ordinary crimes" (i.e. non-political crimes) decreased. Thefts in the marshalling yards in TRIESTE decreased due to the posting of additional guards. Although persistent thefts from wagons in the yard are admitted the alleged thefts of UNRRA supplies destined for JUGOSLAVIA are strongly refuted.

33. Practically all the Political crimes occurred during the first few days of the month particularly while the illegal strike was in progress. They were mostly offences against persons (assaults etc) although there were numerous cases of damage to property. The difficulty with the political crimes was that generally none of the parties concerned would assist the police due to fear of reprisals and sometimes fear of investigation into their own activities. The activities of the Jugoslav elements who abduct people, usually Jugoslavs and take them into Zone B were a cause of grave concern to many people particularly Anti-Tito Jugoslavs who were reduced to a state of terror. By comparison with pre-occupation standards the crime figures would be considered satisfactory if it were not for the number of crimes directly due to the extraordinary political situation. On the night of 6 July a number of Allied service personnel in TRIESTE retaliated vigorously and effectively when 40 Allied soldiers were attacked and stoned by about 1000 excited Italians. The attack was the climax of an Anti-Allied outburst following the publishing of the Big Four Decisions regarding TRIESTE. There were no serious consequences.

34. The prison population showed a slight increase and although the prisons contained over 25 of their normal capacity conditions as regards hygiene and sanitation were very good.

Declassified E.O. 12356 Section 3.3/NND No. 785015

for a few hours the town was to some degree in the hands of Communist strikers and SLOVENE peasants. The strike was called off on 12 July without any of the strikers' demands having been met. The outstanding feature of July's disorders was the attempted Anti-Allied manifestation which resulted only in ugly fights between Italian elements and Allied soldiers. This manifestation was fostered mainly by the local Christian Democrat and Action Parties backed by irresponsible newspapers.

32. Heavy demands were made on the Civil Police during the month. During the General Strike (between the 1st and 12 July) called by the UAIS a total of 414 arrests were made; 158 civilians were injured and 3 killed. Police casualties numbered 1 killed and 11 injured. Serious injuries were also sustained by 2 Allied personnel. After the Civil Police had been fired upon several times the Corps Commander on 1 July authorised them to carry arms on ordinary patrols during the day. The 12 critical days of the strike were characterised by small and more frequent demonstrations, fights between mobs of opposing factions and attacks by them on their respective party buildings. Frequent use of firearms was made by civilians and several cases of grenade throwing occurred resulting in damage to property. Following the declaration of the illegality of the strike the police were very active in preventing transport of foodstuffs from Zone "B" into the occupied territory for the purpose of feeding the strikers. The morale of the Police Force was well maintained due principally to the active participation in operations of Allied officers and armed auxiliary police both American and British who were called out to assist. In VENEZIA GIULIA "ordinary crimes" (i.e. non-political crimes) decreased. Thefts in the marshalling yards in TRIESTE decreased due to the posting of additional guards. Although persistent thefts from wagons in the yard are admitted the alleged thefts of UNRRA supplies destined for JUGOSLAVIA are strongly refuted.

33. Practically all the Political crimes occurred during the first few days of the month particularly while the illegal strike was in progress. They were mostly offences against persons (assaults etc) although there were numerous cases of damage to property. The difficulty with the political crimes was that generally none of the parties concerned would assist the police due to fear of reprisals and sometimes fear of investigation into their own activities. The activities of the Jugoslav elements who abduct people, usually Jugoslavs and take them into Zone B were a cause of grave concern to many people particularly anti-Tito Jugoslavs who were reduced to a state of terror. By comparison with pre-occupation standards the crime figures would be considered satisfactory if it were not for the number of crimes directly due to the extraordinary political situation. On the night of 6 July a number of Allied service personnel in TRIESTE retaliated vigorously and effectively when 40 Allied soldiers were attacked and stoned by about 1000 excited Italians. The attack was the climax of an anti-Allied outburst following the publishing of the Big Four Decisions regarding TRIESTE. There were no serious consequences.

34. The prison population showed a slight increase and although the prisons contained over 25% of their normal capacity conditions as regards hygiene and sanitation were very good.

35. A General Court sat in TRIESTE on 3 July and continued until the 27 July to try 7 members of the VENEZIA GIULIA Police Force charged in connection with the SERVOLA Church flag incident in March. Charges were pre-intentional homicide and assault with intent to inflict bodily injury. All defendants were acquitted. (For further information on Legal activities VENEZIA GIULIA see Legal Sub-Commission).

Declassified E.O. 12356 Section 3.3/NND No. 785015

36. Revenue from indirect taxation showed a marked increase. Revenue for 1946/47 was estimated at 2,861,000,000 Lire. Local Government indirect taxes steadily increased although they do not provide nearly sufficient revenue to meet expenditure. Certain Slovene communes, intimated that they would pay no further taxes under AMG Administration being of the belief that they would shortly become part of JUGOSLAVIA.

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

38. Normal rations were distributed during the month with the exception of pasta. It was intended to reinstate the 2000 grams monthly pasta ration but late arrivals of flour prevented full distribution. The balance will be distributed in August. The bread ration was increased from 200 to 250 grams. POLA's special 300 grams ration was not increased. A plan was devised during the month to provide an alternative source of bread supply in the event of the threatened bakers' strike. [illegible] GIULIA and military police confiscated some 90 tons of cereals and foodstuffs, largely imported from Zone B for distribution to strikers. Sufficient rain in May and June resulted in a successful harvest of grains, fruits and vegetables. The hay and fodder supplies although inferior to that of last year were not sufficient and will mean importing hay from other parts of ITALY. Repairs to war damaged properties and drainage of land flooded by the Germans was a contributing factor to the excellent harvest. Reafforestation projects were carried out and further plans drawn up.

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

40. Industry during the month was adversely affected by the general strike. The strike, backed by the pro-Jugoslav element was by no means popular and a considerable number of strikebreakers remained at work. Resumption of work on 13 July resulted in clashes between non-strikers and ex-strikers. These clashes became progressively worse and at the CANTIERI OF S. MARCO and MONFALCONE the managements were unable to control the situation. To prevent bloodshed and destruction, the directors of CANTIERI RIUNITI DELL'ADRIATICO on their own responsibility and without prior reference to AMG closed these two yards on 16 July, affecting 10,000 workers. The Yard was reopened on 19 July under the control of the Chief Industries and Utilities Officer in charge, assisted by 2 American and 2 British officers of AMG. Fifty American and fifty British troops were provided for the maintenance of law and order. The workers resumed and quickly settled down. Allowing for normal absenteeism, attendance was practically 100. From the start, workers appeared well pleased and a good standard of production was maintained. On 31 July both yards were returned to normal management, one AMG Officer remaining at each yard as an observer. Textiles, electrical engineering and building materials continued to be the most prosperous sections of industry. Orders were obtained from BULGARIA for two 3000 ton cargo vessels. Port reconstruction, almost brought to a standstill by the strike, went ahead. The GORIZIA cotton mill worked at 40% of capacity in spite of the strike.

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

Declassified E.O. 12356, Section 3.3/NND No. 785015

[illegible] is for increases in wages, the latest being [illegible]. Most of the remainder was the movement of people and goods from POLA. Most of the movement was by sea and no transportation difficulties were encountered. The numbers of people desirous of moving from POLA to Zone A were said to be in the vicinity of 28,000.

38. Normal rations were distributed during the month with the exception of pasta. It was intended to reinstate the 2000 grams monthly pasta ration but late arrivals of flour prevented full distribution. The balance will be distributed in August. The bread ration was increased from 200 to 250 grams. POLA's special 1 300 grams ration was not increased. A plan was devised during the month to provide an alternative source of bread supply in the event of the threatened bakers' strike. ANGLO GIULIA and military police confiscated some 50 tons of contraband foodstuffs, largely imported from Zone B for distribution on strikers. Sufficient rain in May and June resulted in a successful harvest of grains, fruits and vegetables. The hay and fodder supplies although inferior to that of last year were not sufficient and will mean importing hay from other parts of ITALY. Repairs to war damaged properties and drainage of land flooded by the Germans was a contributing factor to the excellent harvest. Reafforestation projects were carried out and further plans drawn up.

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

40. Industry during the month was adversely affected by the general strike. The strike, backed by the pro-Jugoslav element was by no means popular and a considerable number of strikebreakers remained at work. Resumption of work on 13 July resulted in clashes between non-strikers and ex-strikers. These clashes became progressively worse and at the CANTIERI OF S. MARCO and MONFALCONE the managements were unable to control the situation. To prevent bloodshed and destruction, the directors of CANTIERI RIUNITI DELL'ADRIATICO on their own responsibility and without prior reference to MG closed these two yards on 16 July affecting 10,000 workers. The yard was reopened on 19 July under MG control with the Chief Industries and Utilities Officer in charge, assisted by 2 American and 2 British officers of MG. Fifty American and fifty British troops were provided for the maintenance of law and order. The workers returned to the yards gradually settled down. Allowing for normal absenteeism, attendance was practically 100% from the start, workers appeared well pleased and a good standard of production was maintained. On 31 July both yards were returned to normal management, one MG Officer remaining at each yard as an observer. Textiles, chemical engineering and building materials continued to be the most prosperous sections of industry. Orders were obtained from BULGARIA shipowners for two 3000 ton cargo vessels. Port reconstruction, almost brought to a standstill by the strike, went ahead. The GORIZIA cotton mill worked at 40% of capacity in spite of the strike.

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

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

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

1949

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 786015

PART II

CIVIL AFFAIRS SECTION

LEGAL SUB-COMMISSION

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

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

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

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

PUBLIC SAFETY SUB-COMMISSION

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

5. In UDINE public order was tranquil throughout the month, but in VENEZIA GIULIA serious disturbances occured almost daily during the first half of July. The trouble arose when Jugoslavs demonstrated against an Italian cycle race, interfering with the cyclists near MONFALCONE on 30 June 46. Counter demonstrations in TRIESTE by Italians led to a general strike being declared which lasted [illegible] until 12 July. In the meantime demonstrations by both Italians and Jugoslavs occurred daily. The VENEZIA GIULIA Civil Police were reinforced by American and British Military Police and although at times hard pressed, they kept the situation under control. During the latter part of the month the situation again became normal and the Military Police aid was withdrawn.

Declassified E.O. 12356 Section 3.3/NND No. 785015

tried on 137 charges by Summary Courts. These figures showed an increase in cases tried by Superior courts and a decrease of Summary Court cases in comparison with June figures. The greater number of cases handled by Superior Courts may be attributed largely to Civil Disturbances which occurred in this area recently. The lesser number of cases disposed of by Summary Courts may be considered as indicative of a more normal trend.

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

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

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

PUBLIC SAFETY SUB-COMMISSION

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

5. In UDINE public order was tranquil throughout the month, but in VENEZIA GIULIA serious disturbances occured almost daily during the first half of July. The trouble arose when Jugoslavs demonstrated against an Italian cycle race, interfering with the cyclists near MONFALCONE on 30 June 46. Counter demonstrations in TRIESTE by Italians led to a general strike being declared which lasted until 12 July. In the meantime demonstrations by both Italians and Jugoslavs occurred daily. The VENEZIA GIULIA Civil Police were reinforced by American and British Military Police and although at times hard pressed, they kept the situation under control. During the latter part of the month the situation again became normal and the Military Police aid was withdrawn.

DISPLACED PERSONS

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

The second sentence of para 6, page 23 of a/m report reads as follows, "The handover to UNRRA of Displaced Persons Camps is now completed".

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

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

1847

Declassified E.O. 12356 Section 3.3/NND No. 785015

PART II.

FOOD & AGRICULTURE BRANCH

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

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

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

4. Good weather for harvesting and threshing prevailed during July in all parts of ITALY except the extreme Northern Provinces where local rains interfered to some extent with these operations. Seasonally dry weather was experienced throughout central and Southern ITALY and approached drought conditions in so far as the production of green vegetables and fodder were concerned. However there was no serious concern evident. Reports on Wheat yields were very satisfactory although no final figures on production are yet available. The estimated total production is 5,976,220 tons but it will probably be raised to over 6,000,000 tons after all figures are received. Corn (maize) gave promise of a heavy yield due to favourable weather conditions. Most of the hemp in the Southern Provinces was cut and the lifting of sugar beets commenced. Wheat amassing continued satisfactorily in most Provinces except in the South where deliveries were disappointing. Control measures have never been popular in SOUTHERN ITALY and the disappointment felt there over the referedum results has not resulted in a strong desire to cooperate with the new republican government. Total wheat collections for all ITALY as in July was 2, 386,000 tons.

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

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

COMMERCE (FOREIGN TRADE) BRANCH

7. As a result of communications from Civil Affairs CAIRO and discussions held with the Italian Ministry of Foreign Trade in June, the views of the Italian Government regarding trade between TRIPOLITANIA, ERITREA, and CYRENAICA were submitted to the respective Military Administrations. The present position as regards trade between ITALY and her former Colonies is on a merchant basis. Compensation

Declassified E.O. 12356 Section 3.3/NND No. 785015

to 2000 grams per month on 1 July [illegible]

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

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

4. Good weather for harvesting and threshing prevailed during July in all parts of ITALY except the extreme Northern Provinces where local rains interfered to some extent with these operations. Seasonally dry weather was experienced throughout central and Southern ITALY and approached drought conditions in so far as the production of green vegetables and fodder were concerned. However there was no serious concern evident. Reports on Wheat yields were very satisfactory although no final figures on production are yet available. The estimated total production is 5,976,220 tons but it will probably be raised to over 6,000,000 tons after all figures are received. Corn (maize) gave promise of a heavy yield due to favourable weather conditions. Most of the help in the Southern Provinces was cut and the lifting of sugar beets commenced. Wheat amassing continued satisfactorily in most Provinces except in the South where deliveries were disappointing. Control measures have never been popular in [illegible] ITALY and the disappointment felt there over the referedum results has not resulted in a strong desire to cooperate with the new republican government. Total wheat collections for all ITALY as in July was 2, 386,000 tons.

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

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

COMMERCE (FOREIGN TRADE) BRANCH.

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

INDUSTRY & UTILITIES BRANCH.

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

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

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

12. No important generating units were restored to service during the month. However, a 12,000 KW unit at the natural steam plant in the LARDARELLO area and a 10,000 KW unit at PESCARA are due to be restored and begin production in the early part of August. These machines will furnish power to the CENTRAL and SOUTHERN ITALY grids. Due to an estimated deficit of 13% electric power requirements brought about by the drought conditions which affected stream flow plants, the Central Commission for the distribution and Utilization of Electric Power of the Italian Government issued a formal order directing that all consumers, with certain exceptions, reduce their consumption of power in August by 15% of their June consumption. The classes of customers to be exempted are electric traction, hospitals and similar institutions, food preservation industries, water systems, bonifiche, and power companies. It was the general opinion of the Committee that this curtailment will have to continue until adequate rainfall resumes, possibly November.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

12. No important generating units were restored to service during the month. However, a 12,000 KW unit at the natural steam plant in the LARDARELLO area and a 10,000 KW unit at PESCARA are due to be restored and begin production in the early part of August. These machines will furnish power to the CENTRAL and SOUTHERN ITALY grids. Due to an estimated deficit of 13% electric power requirements brought about by the drought conditions which affected stream flow plants, the Central Commission for the distribution and Utilization of Electric Power of the Italian Government issued a formal order directing that all consumers, with certain exceptions, reduce their consumption of power in August by 15% of their June consumption. The classes of customers to be exempted are electric traction, hospitals and similar institutions, food preservation industries, water systems, bonifiche, and power companies. It was the general opinion of the Committee that this curtailment will have to continue until adequate rainfall resumes, possibly November.

TRANSPORTATION & SHIPPING BRANCH

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

14. There was a general increase in freight traffic especially at the ports, due to arrival simultaneously of grain and coal cargoes. The average port loadings during the month were 1457 wagons of which 565 were coal and 188 grain. During the last fortnight average daily loadings were 2000 wagons. The demand for wagons far exceeded the supply and the situation was critical.

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

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

CAPTURED ENEMY MATERIALS BRANCH

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

communication resumed between BOLOGNA and PADUA.

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

CAPTURED ENEMY MATERIALS BRANCH

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

0 4 9 6 6

PART IV

INDEPENDENT SUB-COMMISSIONS

NAVY SUB-COMMISSION

1. Repatriation of Italian Prisoners of War continued to be the principal occupation of the active units of the Italian Fleet. The cruisers MONTECUCCOLI and DUCA degli ABRUZZI rade a combined total of five trips to PORT SAID returning 600 prisoners on each return trip. In addition the transport MIRAGLIA, the SESTRIERE and CITTA' di ALESSANDRIA were employed in this service. The ex-hospital ship TOSCANA was employed in repatriating Italian civilians from MASSAWA. Italian minesweeping units continued to make progress in clearing the coast of mines and underwater obstructions.

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

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

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

LAND FORCES SUB-COMMISSION

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

1845

occupation of the active units of the Italian Fleet. The cruisers SCIPIONE and DUCA degli ABRUZZI made a combined total of five trips to PORT SAID returning 600 prisoners on each return trip. In addition the transport MIRAGLIA, the SFESTRIERE and CITTA' di ALESSANDRIA were employed in this service. The ex-hospital ship TOSCANA was employed in repatriating Italian civilians from MASSAWA. Italian minesweeping units continued to make progress in clearing the coast of mines and underwater obstructions.

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

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

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

LAND FORCES SUB-COMMISSION

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

6. Release of transport by the War Ministry continued to be unsatisfactory. Figures based on the new reduced war establishment showed that Carabinieri were in possession of 65% of their establishment. 1845

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

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

PRISONERS OF WAR.

9. A total of 31,036 POW were repatriated during the month. (30,243 from British hands and the remainder from other sources). Two ships were allotted to repatriate 1,100 sick PW and PW from AUSTRALIA whose early return was requested on compassionate grounds. These ships are scheduled to leave FREMANTLE 3 August. Further efforts were being made to obtain ships in order that mass repatriation might begin.

Declassified E.O. 12356 Section 3.3/NND No. 785015

Declassified E.O. 12356 Section 3.3, NND No. 785015

incapetent and that the wrong type of person was being retained for service. There were also numerous press attacks on recent promotions and retirements of certain senior officers. The majority of these attacks were malicious and without foundation. However a number of Colonels were promoted to Generals to afford them better pensions on retirement.

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

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

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

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

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

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

COMMUNICATIONS SUB-COMMISSION

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

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

AIR FORCES SUB-COMMISSION

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

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

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

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

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

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

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

COMMUNICATIONS SUB-COMMISSION

Declassified E.O. 12356 Section 3.3/NND No. 785015

certain senior officers. The majority of these attacks were [illegible] foundation. However a number of Colonels were promoted to Generals to afford them better pensions on retirement.

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

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

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

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

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

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

COMMUNICATIONS SUB-COMMISSION

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

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

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

Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Declassified E.O. 12356 Section 3.3/NND No. 785015

APPENDIX "A"

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

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

Declassified E.O. 12356 Section 3.3/NND No. 786015

December 1945

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

Director
D/Director
Chief Telecoms
Chief Postal
H Q. Coms O.
Asst. Chief Postal
Censorship
Chief Clerk

REP. 151

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 794

MONTHLY REPORT

JUNE - 1946

12 August 1946.

Ref.: 824/EC

CONFIDENTIAL

1843

Declassified E.O. 12356 Section 3.3/NND No. 785015

CONFIDENTIAL

HEADQUARTERS, ALLIED COMMISSION
APO 794

MONTHLY REPORT

JUNE - 1946

INDEX

		Page No.
	POLITICAL SUMMARY	1 - 3
PART I	AMG AND LIAISON GROUP REPORTS	4 - 16
	Liguria Region	4 - 5
	Lombardia Region	6 - 7
	Piemonte Region	7 - 8
	Venezia Region	8 - 9
	Naples, Campania and Calabria	9
	Apulia and Puglie and Marche	9 - 10
	Emilia Region	10 - 11
	Bolzano	11 - 12
	Abruzzi and Lazio	12
	Rome City and Province	13
	AMG Udine Province	13 - 16
	AMG Venezia Giulia	
PART II	CIVIL AFFAIRS SECTION	17 - 18
	Local Government Sub-Commission	17
	Legal Sub-Commission	17
	Public Health Sub-Commission	17
	Public Safety Sub-Commission	17 - 18
	Displaced Persons Sub-Commission	18
PART III	ECONOMIC SECTION	19 - 21
	Food and Agriculture Branch	19
	Commerce (Foreign Trade) Branch	19
	Industry and Utilities Branch	20
	Transportation and Shipping Branch	20 - 21
	Captured Enemy Materials Branch	21
PART IV	INDEPENDENT SUB-COMMISSIONS	22 - 23
	Navy Sub-Commission	22
	Land Forces Sub-Commission (SACMLA)	22
	Prisoners of War Division	22
	Communications Sub-Commission	22 - 23
	Air Forces Sub-Commission	23 - 24

Declassified E.O. 12356 Section 3.3/NND No. 785015

MONTHLY REPORT

JUNE - - - 1946

INDEX

		Page No.
	POLITICAL SUMMARY	1 - 3
PART I	AMG AND LIAISON GROUP REPORTS	4 - 16
	Liguria Region	4
	Lombardia Region	4 - 5
	Piemonte Region	6 - 7
	Venezia Region	7 - 8
	Naples, Campania and Calabria	8 - 9
	Abruzzi and Puglie and Marche	9
	Emilia Region	9 - 10
	Bolzano	10 - 11
	Abruzzi and Lazio	11 - 12
	Rome City and Province	12
	AMG Udine Province	13
	AMG Venezia Giulia	15 - 16
PART II	CIVIL AFFAIRS SECTION	17 - 18
	Local Government Sub-Commission	17
	Legal Sub-Commission	17
	Public Health Sub-Commission	17
	Public Safety Sub-Commission	17 - 18
	Displaced Persons Sub-Commission	18
PART III	ECONOMIC SECTION	19 - 21
	Food and Agriculture Branch	19
	Commerce (Foreign Trade) Branch	19
	Industry and Utilities Branch	20
	Transportation and Shipping Branch	20 - 21
	Captured Enemy Materials Branch	21
PART IV	INDEPENDENT SUB-COMMISSIONS	22 - 23
	Navy Sub-Commission	22
	Land Forces Sub-Commission (MTLA)	22
	Prisoners of War Division	22
	Communications Sub-Commission	22 - 23
	Air Forces Sub-Commission	23 - 24

CONFIDENTIAL

Declassified E.O. 12356 Section 3.3/NND No. 785015

POLITICAL SUMMARY

1. The elections were held throughout ITALY except in VENEZIA GIULIA and BOLZANO Province on June 2nd and 3rd. According to all reliable accounts they passed off without incident. The poll was particularly heavy and abstentions were low. Voting was conducted with a dignity and a clear determination on the part of the voters to prove to the world that in their first ostensible step towards democracy the people of ITALY were fully and willingly to play their part. The rumours and counter rumours of widespread incidents during and after the elections were proved to be unfounded: the threatened 'coups d'etat' and 'coups de main' did not take place. Even during the critical week of counting, when between the loyal house and the King's Ministers, the country remained calm though anxiously interested.

2. Politically, the results of the election brought no great surprise. The Christian Democrats were supported by 35.2% of the voters, the Socialists and Communists came next with 20.7% and 18.9% respectively. The National Democrats, Uomo Qualunque (which perhaps was a surprise packet) and the Republican Party, all obtained a million votes, while the other parties had but negligible success.

3. Appendix "A" gives a complete review of the Election results.

4. The Referendum, of course, caused far more difficulty and heart burning. It was generally expected, before the polls, that the result would be very close, but there seems to have been lack of foresight on the part of the Government as to how to deal with inevitable wrangling and hair splitting which would take place in this event.

5. Immediately prior to the elections on June 1st, King Humbert made a statement expressing sympathy with the voters' task and appeal to do his duty in the ornate and he declared his pledge to accept the results of the Referendum calling upon the supporters of the Monarchy also to respect the decision of the majority without reservation". He also went on to say that should the Referendum show that the majority of the people were in favour of the Monarchy, he pledged his self that as soon as the Constituent Assembly had established its task, the Italian people would again be given the opportunity to express their views on the institution and would form up the representatives of the people to do so. By that time feelings would have calmed down and the people would have time to make a mature choice.

6. The early results of the Referendum started to trickle out and by June 5th it became reasonably clear that the public would vote by a narrow margin. The Queen and the royal children left ITALY on June 5th by Italian warship for PORTUGAL and from there onwards there was much speculation and indeed controversy as to the position of the King. Victory having already been unofficially accorded to the Republic many thought that the King would and should leave for PORTUGAL forthwith.

7. The trouble was that the results of the Referendum, together with appeals had to be scrutinised by the Supreme Court of Cassation who, by law, were required to finish their labours by June 17th. It was hoped that they would have finished by June 10th. But, however, until June 10th the Court made any utterance and then produced only an interim report.

8. On June 6th it became known that certain groups of Monarchists had entered protests against the legality of the Referendum claiming that according to Decree Law No. 98 of March 16th, 1946, the Referendum should be calculated on the "Majority of voting electors". Thus, for example, if 25 million votes

Declassified E.O. 12356 Section 3.3/NND No. 785015

1842

de Maifi' did not take [illegible]. Even during the critical week of controversy between the Royal House and the King's Ministers, the country remained calm - though intensely interested.

2. Politically, the results of the election brought a great surprise. The Christian Democrats were supported by 35.2% of the voters; the Socialists and Communists came next with 20.7% and 18.9% respectively. The National Democrats, Uomo Qualunque (with perhaps not a negligible packet) and the Republican Party, all obtained a million votes, while the other parties had but negligible numbers.

3. Appendix "A" gives a complete review of the Election results.

4. The Referendum, of course, caused the most difficulty and heart burning. It was generally expected, before the polls, that the result would be very close, but there seems to have been lack of foresight on the part of the Government as to how to deal with anything but a clear majority which would take place in this event.

5. Immediately prior to the elections on June 1st, King Umberto made a statement expressing sympathy with the voters' position and stating that it was his duty as the crowned and hereditary Head of State to accept the results of the Referendum calling upon the supporters of the Monarchy also to respect "the decision of the majority whatever that may be". He then went on to say that should the Referendum show that the majority of the people were in favour of the Monarchy, he pledged his word that as soon as the Constituent Assembly had accomplished its task, the Italian people would again be given the opportunity to express their views on the institutional question and would form of the Government given of the people. [illegible] vest. By this time feelings would have calmed down and the people would be more ready to make a serene choice.

6. The early results of the Referendum soon began to trickle out and by June 5th it became increasingly clear that the Republic would win by a narrow margin. The Queen and the Royal Children left Italy on June 5th by British cruiser for Portugal and from then onwards there was much speculation and indeed controversy as to the position of the King. Victory having already been unofficially conceded to the Republic many thought that the King would and should leave for Portugal forthwith.

7. The trouble was that the results of the Referendum, together with any [illegible] had to be scrutinised by the Supreme Court of Cassation who, by law, were required to finish their labours by June 17th. It was hoped that they would have finished by June 6th. Not, however, until June 10th did the Court make any utterance and then produced only an inconclusive [illegible]

8. On June 6th it became known that certain groups of Royalists had entered protests against the legality of the Referendum claiming that according to Decree Law No. 98 of March 16th, 1946, the Referendum should be calculated on the "Majority of voting electors". Thus, for example, if 26 million votes were cast and 2 million were found to be technically invalid, the majority in the Referendum would nevertheless have to be over 13 million rather than over 12 million. A report was also received by the Allied Commission from the head of the Italian Communist Union for intervention by the Allied authorities to check if not to suppress the work of the Court. The letter was forwarded to the Prime Minister for such action as he might deem appropriate and the writer was so informed.

Declassified E.O. 12356 Section 3.3/NND No. 785015

9. On June 10 the Court of Cassation made their interim report to the Government on a basis of almost complete returns. The report concluded that the Court would pass final judgment on the protests and claims before complete results of the Referendum were proclaimed. The Council of Ministers thereafter immediately issued a communique stating that the Council had taken note of the Court's findings which indicated a majority favouring the Republic, calling upon all Italians to preserve calm and order and declaring June 11 a national holiday in honour of the Republic. The interim report of the Court, however, led to a most unfortunate situation, inasmuch as those members of the Government of Republican tendencies desired the Republic to be proclaimed immediately on the basis of the Court's interim report, while the King was not convinced that it was proper for him to transfer the powers to the Provisional President of the Republic until the definite findings of the Court had been rendered. The King proposed the appointment of Signor PIETRI as his Lieutenant General since under Decree Law No. 98 Signor PIETRI would automatically assume the functions of Chief of State on the final proclamation of the Republic. Under this proposal the King intended to retire to the country until the Court's final decision was known. The Government asked the King to set forth in detail the manner in which he proposed to appoint the Lieutenant General and the powers which he would assign to him. The King's formal reply came on June 12 in a letter to the Prime Minister which was simultaneously published in known newspapers outlining his willingness to await the decision of the majority of Italian electors and concluding with the statement that he was sure that he and the Government would continue their cooperation for the sake of Italian unity. The Government, after three meetings during the day, took a different view of the situation and issued a communique early on June 13 in which it adopted the position that the interim report on the Referendum by the Court had automatically established a transitional regime and that as a result thereof, the functions of the Chief of State fell automatically to the President of the Council of Ministers. During these negotiations the King made a sudden and secret decision to leave Italy. He left the ROME airport at 7 o'clock on the afternoon of June 13 by Italian aircraft, joining his wife and children in PESCHIERA the next day. The first news of the King's departure from ROME was received in the Allied Commission by a telephone call from the airport one half hour after the plane took off. The destination was unknown. Shortly after 5 PM the Minister of the Royal Household informed the Chief Commissioner, Allied Commission, that the King had left ITALY. He would not disclose that the King's destination was but stated that a royal proclamation would be issued that evening. The Proclamation, released that evening, recalled the King's oft-expressed wishes to abide by the decision of the people, but stated that in view of the prevailing and partial results known by the Court of Cassation, the various protests and the question raised as to the manner of calculating the majority, the King had decided to await the official and final decision of the Court of Cassation. The Proclamation went on to say that in violation of the law, the Italian government had accomplished a "revolutionary" act by assuming powers that did not belong to it. Thus, it stated, the King was faced with the alternative of causing bloodshed or creating violence, and in order not to become an accomplice to the illegality could not do so to spare the people further suffering, he had decided to leave the country. He added that he felt it his duty as an Italian and as King to protest against the violence committed. He called on his followers to abstain from anything that would threaten the unity of the country and released all those who had sworn allegiance to the King from their oath. The King's departure was carefully concealed from the Italian Government who learned of it from other channels. A statement was issued by the Government branding the King's Proclamation as a "spiteful" document and explaining that a difficult situation, which has developed not without dignity but ended on an undignified note. The Prime Minister spoke to the nation on the same day. The Court of Cassation issued its final official report on the Referendum on June 18. According to the Court's final report the Republic received 12,717,923 votes and the Monarchy 10,719,284. The Court decided that the phrase in the electoral law "majority of the electoral vote" must be interpreted as meaning a majority of the electors who expressed themselves through valid votes. There

Declassified E.O. 12356 Section 3.3/NND No. 785015

of the Republic until the formal proclamation of the Republic. Under King proposed the appointment of Signor DE GASPERI as his Lieutenant General since under Decree Law No. 98 Signor DE GASPERI would automatically assume the functions of Chief of State on the final proclamation of the Republic. Under this proposal the King intended to retire on the country until the Court's final decision was known. The Government asked the King to set forth in detail the manner in which he proposed to appoint the Lieutenant General and the powers which he would assign to him. The King's formal reply came on June 12 in a letter to the Prime Minister which was also immediately published in order to express his willingness to await the decision of the majority of Italian electors and concluding with the statement that however slim that majority, either continues their cooperation for the sake of Italian unity. The Government, after three meetings during the day, took a different view of the situation and issued a communique early on June 13 in which it accepted the position that the interim report on the Referendum by the Court had automatically established a transitional regime and that as a result thereof, the functions of the Chief of State fell automatically to the President of the Council of Ministers. During these negotiations the King made a sudden and secret decision to leave Italy. He left the ROME airport at 4 o'clock on the afternoon of June 13 by Italian aircraft, joining his wife and children in PORTUGAL the next day. The first news of the King's departure from ROME was received in the Allied Commission by a telephone call from the airport one half hour before the plane took off. The destination was unknown. Shortly after 9 PM the Minister of the Royal Household informed the Chief Commissioner, Allied Commission, that the King had left Italy. He would not disclose what the King's decision was but added that a Royal proclamation would be issued that evening. The Proclamation, published that evening, recalled the King's oft-expressed willingness to abide by the decision of the people, but stated that in view of the preliminary and partial results made known by the Court of Cassation, the various protests and the question raised as to the manner of calculating the majority, the King had decided to await the official and final decision of the Court of Cassation. The Proclamation went on to say that in violation of the law, the Italian Government had accomplished a "revolutionary act by assuming powers that did not belong to it. Thus, it stated, the King was faced with the alternative of causing bloodshed or entering into force, and in order not to become an accomplice to the illegality and to spare the people further suffering, he had decided to leave the country. He added that he felt it his duty as an Italian and a King to protest against the violence committed. He called on his followers to abstain from expressing what would therefore be unity of the country and released all those who had sworn allegiance to the King from their oath. The King's departure was carefully concealed from the Italian Government and learned of it from other channels. A statement was issued by the Government branding the King's Proclamation as an "unlawful" document and explaining that a difficult situation, which had developed not without dignity had ended on an undignified note. The Prime Minister spoke to the nation on the same day. The Court of Cassation issued its final official report on the Referendum on June 18. According to the Court's final report the Republic received 12,717,923 votes and the Monarchy 10,719,284. The Court decided that the phrase in the electoral law "majority of the electoral vote" must be interpreted as meaning a majority of the electors who expressed themselves through valid votes. There were approximately one million and a half invalid votes. Immediately thereafter the Council of Ministers approved a decree establishing procedures in view of the change in the institutional form of the state. The Italian tricolor was established provisionally as the national flag without the Savoy coat of arms. The Government also approved a decree dissolving the Senate on the date the Constituent Assembly should convene.

Declassified E.O. 12356 Section 3.3/NND No. 785015

10. The Constituent Assembly opened in ROME at Palazzo Montecitorio on June 25th. Giuseppe SARAGAT, Socialist party leader, was elected President of the Assembly. The session was opened by Signor [illegible] and the Prime Minister replied on behalf of the Government. Both speeches referred to the meeting of the Council of Foreign Ministers in PARIS and reiterated the concern that ITALY should not be subjected to a punitive peace. The President of the Italian Republic was elected by the Constituent Assembly on June 28. The Assembly's choice by 396 out of 504 votes cast, was Enrico DE NICOLA, a Neapolitan jurist, 69 years old, with a distinguished legal and parliamentary career behind him.

11. The text of the Revised Armistice as agreed by the Four Foreign Ministers at PARIS on May 16th was officially communicated to Signor DE GASPERI on June 1st. It was intended that the agreement covering the Armistice terms should be signed by the Supreme Allied Commander and the Italian Government at the same time as two supplementary agreements between the UNITED STATES and ITALY and the UNITED KINGDOM and ITALY respectively regarding the maintenance of Allied troops in ITALY.

12. With the elections over Foreign Affairs - and in particular the Conclusions and decisions of the Council of Four in PARIS claimed the anxious attention of the Government, the parties and the Press, and the deep concern of all thinking Italians. The Prime Minister stated that the Italian community would never be able to endure such an "amputation" and public feeling ran high over the proposed terms of the Peace Treaty. On June 29 Italians received what was clearly a shock to the rudeness in the decision of the PARIS Conference to uphold FRANCE's claims on the FRENCH border, particularly at [illegible], TENDA and MONCENISIO. The Prime Minister called the news bitter and unexpected, an injustice against ITALY and a very great error against Italo-French friendship; he spoke of efforts made to prove to FRANCE that democratic ITALY had repudiated Mussolini's aggressive policy - "ITALY renounced her privileges in TUNISIA - undertook to repair ten French ships sunk in Italian waters - signed a commercial agreement extremely considerate of French requirements - and declared that she was ready to give to FRANCE the upper TIRIA and VESUBIO VALLEYS, [illegible] and the STRETTA VALLEY and the LITTLE ST. BERNARD PASS. For MONCENISIO she proposed an Italo-French corporation for the common use of water power resources". Newspaper articles were violent and somewhat hysterical.

13. The Amnesty Decree was approved by the Council of Ministers on 21 June and consisted of 17 articles, granting amnesty for political offences committed between the date of the Italian liberation, 25 July 1943 and 18 June 1946, for all common offences punishable with imprisonment not exceeding 5 years and a remission of 3 years for longer sentences. It also included political offences committed after 8 September 1943 even if punishable with longer sentences. As for Fascist crimes, death sentences will be commuted to life imprisonment, and lesser sentences will be reduced by one third. The Amnesty will not apply to premeditated murder, criminal conspiracy, corruption of public officials, offences against the Allied Forces etc. It applied to fascist political crimes only in connection with those only if the offenders did not have an "elevated responsibility of civil or military command", and did not participate in massacres, mutilations, murders etc. The question of the application of the Amnesty to offenders against Allied Forces is under examination.

1841

Declassified E.O. 12356 Section 3.3/NND No. 786015

11. The text of the Revised Armistice as agreed by the Four Foreign Ministers at PARIS on May 16th was officially communicated to Signor DE GASPERI on June 1st. It was intended that the agreement covering the Armistice terms should be signed by the Supreme Allied Commander and the Italian Government at the same time as two supplementary agreements between the UNITED STATES and ITALY and the UNITED KINGDOM and ITALY respectively regarding the maintenance of Allied troops in ITALY.

12. With the sittings over Foreign Affairs - and in particular the Trieste-tions and decisions of the Council of Four in PARIS claimed the serious attention of the Government, the parties and a section of the Press, and the hope concern of all thinking Italians. The Prime Minister stated that the Italian community would never be able to endure such an "amputation" and public feeling ran high over the proposed terms of the Peace Treaty. On June 29 Italians received what was clearly a shock to the majority in the decision of the PARIS Conference to uphold FRANCE's claims on the FRENCH Alpine, particularly at BRIGA, TENDA and MONT CENIS. The Prime Minister called the news bitter and unexpected, an injustice against ITALY and a very great error against Italo-French friendship; he spoke of efforts made to prove to FRANCE that democratic ITALY had repudiated Mussolini's aggressive policy - "ITALY recovered her privileges in TUNISIA - undertook to repair ten French ships out of Italian waters - signed a reconciliation agreement extremely considerate of French requirements - and declared that she was ready to give to FRANCE the upper VALLEY and VESUBIO VALLEY, PIEDMONT and the STRETTA VALLEY and the LESSINI ST. BRENNER PASS. For MONT CENIS she proposed an Italo-French cooperation for the common use of water power resources". Newspaper articles were violent and somewhat hysterical.

13. The Amnesty Decree was approved by the Council of Ministers on 21 June and consisted of 11 articles, granting amnesty for political crimes committed between the date of the Italian Liberation, 8 May 1945 and 18 June 1946, for all common offences punishable with imprisonment not exceeding 5 years and for resistance of 5 years for longer sentences. It also included political offences committed after 8 September 1943 even if punishable with longer sentences. As for fascist crimes, death sentences will be commuted to life imprisonment, and lesser sentences will be reduced by one third. The Amnesty will not apply to premeditated murder, criminal conspiracy, destruction of public property, offences against the Allied Forces etc. It applied to fascist political crimes only in connection with the commission of civil or military crimes, or did not participate in massacres, atrocities, murders etc. The question of the application of the Amnesty to offences against Allied Forces is under consideration.

1841

Declassified E.O. 12356 Section 3.3/NND No. 785015

Declassified E.O. 12356 Section 3.3/NND No. 785015

PART I - LIAISON GROUP REPORTS.

LIGURIA REGION.

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

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

3. There was an increase in unemployment figures, the largest section was that of the industrial workers where unemployed increased 1,250 during the month. The total registered unemployed in LIGURIA was 39,914, total increase during the month being 3,559.

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

5. Goods unloaded in the Port of GENOA during the month totalled 311,684 tons. Work on rail junctions, lines and tunnels proceeded satisfactorily

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

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

LOMBARDIA REGION.

7. The elections on 2 June were carried out in an orderly and somewhat restrained manner; no serious incidents occurred apart from a hand grenade thrown into the offices of "LA STAMPA", a prominent independent newspaper; no one was injured. Although the Republic obtained a strong majority in the Region there was no reaction by the Monarchists and they appeared to take their defeat in an attitude of tranquillity. There was no indication that the initial stages of the new Government would be disturbed by political disorders or attempts to restore the Monarchy. Both Republicans and Monarchists were collaborating closely with the sole purpose of ensuring the reconstruction of ITALY. It had been the opinion of the majority that FRANCE and ITALY would come to an agreement without frontier changes and the disappointment following the decision of the Four Foreign Ministers to accede to FRANCE's request for

was felt at the decisions of the Foreign Ministers in PARIS. Little local partisanship was apparent in the Italian zone along the FRANCO-SWISS Border; it appeared to be generally accepted that FRANCE would receive concession of the TENDA-BRIGA area.

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

3. There was an increase in unemployment figures, the largest section was that of the industrial workers where unemployed increased 1,250 during the month. The total registered unemployed in LIGURIA was 39,914, total increase during the month being 3,559.

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

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

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

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

LOMBARDIA REGION.

7. The elections on 2 June were carried out in an orderly and somewhat restrained manner; no serious incidents occurred apart from a hand grenade thrown into the offices of "LA UNITA", a prominent independent newspaper; no one was injured. Although the Republic obtained a strong majority in the Region there was no reaction by the Monarchists and they appeared to take their defeat in an attitude of tranquillity. There was no indication that the initial stages of the new Government would be disturbed by political disorders or attempts to restore the Monarchy. Both Republicans and Monarchists were collaborating closely with the sole purpose of ensuring the reconstruction of ITALY. It had been the opinion of the majority that FRANCE and ITALY would come to an agreement without frontier changes and the disappointment following the decision of the Four Foreign Ministers to accede to FRANCE's request for the zones of TENDA, BRIGA and MONCENISIO was given much prominence in the MILAN Press and considered by the people as nothing short of disastrous. It was felt too that the clause referring to the continued supply of part of the electrical energy to ITALY was merely a temporary compensation which will ultimately prove to be for the sole benefit of FRANCE. Maestro TOSCANINI's decision not to go to PARIS was received with great satisfaction in MILAN.

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

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

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

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

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

1951

Declassified E.O. 12356 Section 3.3/NND No. 785015

cerns must engage unemployed with [illegible]
total personnel. The problem of the daily subsidy was remedied by the supply of extra funds. Relations between Allied military and civilians continued to be good. The CC.RR carried out numerous arms raids and recovered considerable quantities of arms and ammunition. Approximately 50 arrests were made in this connection.

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

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

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

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

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

PIEMONTE REGION.

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

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

20. The cost of living remained about the same with a tendency to increase. The price of fresh fruit, much of which was damaged by excessive rain, remained very high. Flour rose in price and there were many complaints as to the poor quality of the bread issued. Prices of butter, oil, milk and wine showed a tendency to decrease. Harvesting of hay was retarded and in some cases ruined by the torrential rain which prevailed in the Region. The harvest of rice was very promising although cultivation was put back by industrial disputes in the rice fields which have subsequently been settled. Chemicals, particularly phosphates, were in very short supply but insecticides were becoming more plentiful. Hail storms caused some damage to crops particularly the CUNEO-SALUZZO area. Unemployment remained widespread throughout the Region although in the BIELLA (wool and cloth) district, factories were working full time and were employing extra hands. Coal continued to be the great need in the factories. FIAT stated that they had all the steel, etc., which they require to allow them to go into full production but their great deficiency is coal. This firm, which is the heart of TURIN, was turning out 40% of its pre-war production. Much hope was centred in the recent negotiations with BELGIUM for the importation of Belgian coal and the absorption also of unemployed Italian workers in the Belgian coal mines. There were a number of short lived strikes and several demonstrations by "reduci", ex-deportees and ex-partisans. The demonstrations were staged as

Declassified E.O. 12356 Section 3.3/NND No. 785015

of the Allied Commission [illegible] in favour of the Italian claims to these territories. The decision of the Ministers came, therefore, as a shock. The immediate reaction was expressed in [illegible] surprise that FRANCE should have made the request, followed by expressions of anti-French sentiments. Anti-Anglo/US sentiments were also expressed. However, the inhabitants behaved with calm and no untoward incidents occurred. At MONCENISIO feelings were much less tense although a similar atmosphere maintained. There was much more general concern expressed over the ultimate fate of TRIESTE. There was a considerable improvement in the situation in the AOSTA VALLEY where since the elections calm has prevailed. The Regional press reported reasonably objectively on the conduct of affairs in PARIS but there was a lively feeling of betrayal by the Allies of promises made during the war, of short memory, lack of appreciation of the efforts made by ITALY to redeem her Fascist past, and a general feeling that ITALY could not have been treated much worse if she had refrained from co-belligerency. There were no signs of neo-Fascist activities.

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

20. The cost of living remained about the same with a tendency to increase. The price of fresh fruit, much of which was damaged by excessive rain, remained very high. Flour rose in price and there were many complaints as to the poor quality of the bread issued. Prices of butter, oil, milk and [illegible] showed a tendency to decrease. Harvesting of hay was retarded and in some cases ruined by the torrential rain which prevailed in the Region. The harvest of rice was very promising although cultivation was put back by industrial disputes in the rice fields which have subsequently been settled. Chemicals, particularly phosphates, were in very short supply but insecticides were becoming more plentiful. Hail storms caused some damage to crops particularly the CUNEO-SALUZZO area. Unemployment remained widespread throughout the Region although in the BIELLA (wool and cloth) district, factories were working full time and were employing extra hands. Coal continued to be the great need in the factories. FIAT stated that they had all the steel, etc., which they require to allow them to go into full production but their great deficiency is coal. This firm, which is the heart of TURIN, was turning out 40% of its pre-war production. Much hope was centred in the recent negotiations with BELGIUM for the importation of Belgian coal and the absorption also of unemployed Italian workers in the Belgian coal mines. There were a number of short lived strikes and several demonstrations by "reduci", ex-deportees and ex-partisans. The demonstrations were staged as protests against the alleged failure of various enterprises, statal, parastatal and private firms, to assume the quota into industry of this class of persons required by law. These demonstrations were held in an orderly manner and demands were being considered. Manufacturers complained that business was stationary and of a lack of orders.

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

felt regarding the power stations at BRUGA, TEDA and MONCENISIO, and their probable control by the French.

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

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

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

VENEZIA REGIONE.

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

26. The general crime situation remained reasonably good and all civilian police agencies functioned fairly well. However, local Allied military authorities in the area were concerned over the weakness of the civilian administrative and police officials and agencies in maintaining public order. There developed a definite increase in the number of strikes particularly in the VENICE area but police made little effort to interfere when incidents arose during such strikes. In the PADOVA area there were several anti-Allied incidents yet at no time were the police able to effectively control the crowd.

27. The general food situation continued to be reasonably good although the cost of living did not change. The shops continued to be filled with foodstuffs and little effort was made to control the number of courses served in restaurants. The basic bread ration remained at 200 grams and 300 grams of rice or pasta. The general grain situation throughout the Region indicated about a third increase in both production and amassing over last year, the estimated wheat production in 1946 totalling 636,800 tons. Total unemployment figures decreased during the month to 177,698, a decrease of about 20,000 over the previous month. The industrial situation remained unchanged due principally to the lack of coal and raw materials. The woollen mills in VICENZA Province were expecting the arrival of 20,000 bales of wool in the near future which will mean work for 18 months. The cotton, metal and hemp

Declassified E.O. 12356 Section 3.3/NND No. 785015

persons.

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

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

VENEZIA REGIO .

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

26. The general crime situation remained reasonably good and all civilian police agencies functioned fairly well. However, local Allied military authorities in the area were concerned over the weakness of the civilian administrative and police officials and agencies in maintaining public order. There developed a definite increase in the number of strikes particularly in the VENICE area but police made little effort to interfere when incidents arose during such strikes. In the PADOVA area there were several anti-Allied incidents yet at no time were the police able to effectively control the crowd.

27. The general food situation continued to be reasonably good although the cost of living did not change. The shops continued to be filled with foodstuffs and little effort was made to control the number of courses served in restaurants. The basic bread ration remained at 200 grams and 500 grams of rice or pasta. The general grain situation throughout the Region indicated about a third increase in both production and amassing over last year, the estimated wheat production in 1946 totalling 636,300 tons. Total unemployment figures decreased during the month to 177,696, a decrease of about 20,000 over the previous month. The industrial situation remained unchanged due principally to the lack of coal and raw materials. The woollen mills in VICENZA Province were expecting the arrival of 20,000 bales of wool in the near future which will mean work for 18 months. The cotton, metal and hemp industries were practically stationary and production of jams and marmalade slowed up due to the sugar shortage. The Michelin Tyre Company in TRENTO employed about 450 persons and was producing 6 tons of thread per day for tyre covers. The Caproni factory at RIVA now makes furniture, window casings, etc. Strikes in the VENICE area increased, the workers in each case demanding pay increases, particularly motor bus and ferry boat employees. Several demonstrations were held by "reduci" demanding employment. While none of these labour disturbances resulted in any unusual incidents they indicated a trend towards industrial unrest.

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

29. The month saw a tremendous increase in the number of Italians from VENEZIA GIULIA and especially POLA making their way into this Region. Communes had become so overburdened with these persons, most of whom were unable to maintain themselves or their families, that Sindaci were exerting every effort to get them placed in the Post Bellica refugee centres. Another problem was the movement by the Italian Government of families from NORTH AFRICA. These too were gradually finding their way into the refugee camps. In the PADOVA Post Bellica refugee centre there was a total of 1713 refugees and in VERONA camp a total of 413. In VENICE area Post Bellica were caring for about 1300 persons.

30. The public health situation remained good.

NAPLES, CAMPANIA AND CALABRIA.

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

30. The public health [illegible]

NAPLES, CAMPANIA AND CALABRIA.

31. The elections for the Constituente and the Referendum for the constitutional form of the State took place in a correct and orderly manner. Polling was heavy though somewhat less than for the administrative (Communal) elections and women were again much in evidence in the voting. A few minor irregularities were reported but there was nothing of a serious nature. In all constituencies except CATANZARO the Christian Democrats proved to be the most popular single party. In CATANZARO both Communists and Socialists outnumbered Christian Democrats. NAPLES, the most important centre, returned 38 Deputies of whom 13 were Christian Democrats, 8 National Democratic Union, 4 Communist and 6 Uomo Qualunque. All electoral colleges South of AQUILA, PESCARA, CHIETI and TERAMO showed a majority of votes for the Monarchy in the Referendum - a total of nearly 2½ million votes out of the overall total of 5 million votes recorded in the 9 Provinces. When the results of the Referendum became known there was great disappointment. The Monarchists staged a large demonstration when the Queen and her children left NAPLES, which, however, went off without violence although one man was killed. Subsequent to this elements of trouble became more in evidence; there were even anti-clerical incidents. The departure of King UMBERTO from ITALY on the 13 June took the tension out of the situation and the Republic appeared to be accepted. The choice of Enrico de NICOLA, a NAPLES born lawyer with (according to local reports) an unimpeachable political record, as the first President of the Republic, made a very good impression.

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

BARI AND FOGGIA DISTRICTS.

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

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

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

41. Polish Displaced Persons Camps at TARANTO and BARLETTA were efficiently organised and well run, particularly as regards education and hospital facilities. 18.8

EMILIA REGION.

42. The elections and referendum passed off in an atmosphere of calm; there was much less excitement evinced than at the local elections in April. Great interest was shown by the population as was evidenced by the heavy polling. The Communists and Socialists were victorious in this Region. [illegible] appeared to be satisfied with the result although some dis- [illegible] of the Communist Party. Public

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

BARI AND FOGGIA MARCHE.

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

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

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

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

1809

EMILIA REGION.

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

0525
Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

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

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

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

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

50. Italian courts continued to function slowly.

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

BOLZANO PROVINCE.

52. During the month news and rumours from PARIS almost completely

Declassified E.O. 12356 Section 3.3/NND No. 785015

owners and the farmers which affected the amassing. Other foods were plentiful; fresh fruits and vegetables were in abundance and quantities of fish at prices that fluctuated according to the catch. Meat was expensive. The shops continued to be well stocked with goods, particularly textiles including silk. The position of industry remained unchanged, the shortage of coal and raw materials being the main obstacles to reconstruction.

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

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

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

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

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

50. Italian courts continued to function slowly.

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

BOLZANO PROVINCE.

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

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

56. Orders were received to the effect that the Displaced Persons Camp No.19 was to be handed over to the Italian Government by 21 July. There were 1,188 Displaced Persons in the Camp of whom 1,161 were GERMANS. Discussions regarding their return to GERMANY were in progress.

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

decree; (b) those who opted for [illegible] but did not remove themselves to GERMANY must renounce their option in writing within two months of the publication of the decree or their option will be enforced and they will automatically become aliens; (c) those already in GERMANY must apply in writing to the Ministry of Interior within two years of the signing of the Peace Treaty with ITALY. Each individual application will be examined by a Committee formed of one Judge, six German-speaking and six Italian-speaking members in BOLZANO. Much work has been done to further the interests of the German people during the last six months; autonomy has been granted, citizenship regularised, dual language authorised, courses of instruction run for German-speaking Communal Secretaries, schools organised for instruction in both languages. All Italianised names changed into their original form, re-employment of discharged Forestry personnel and arrangements made for the reception of South Tyrolean POW's.

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

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

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

56. Orders were received to the effect that the Displaced Persons Camp No.19 was to be handed over to the Italian Government by 21 July. There were 1,188 Displaced Persons in the Camp of whom 1,161 were GERMANS. Discussions regarding their return to GERMANY were in progress.

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

ABRUZZI and LAZIO.

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

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

ROME CITY AND PROVINCE.

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

ROME CITY AND PROVINCE.

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

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

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

AMG UDINE PROVINCE

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

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

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

72. Public Works approved by the the Magistrato totalled 517 million lire, 60% of the programme authorized by the Ministry. Severe storms during the month caused much damage to roads; in one storm alone some 13 million lire worth of damage was done to Route 13 (L of C to UDINE and AUSTRIA).

73 A total of 1380 refugees passed through the Refugee Centre of which 1162 were Italians. The remainder included Poles, Russians, Jugoslavs, Hungarians, Austrians and Roumanians. 18.6

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

AMG VENEZIA GIULIA

75. A number of disturbances and political incidents took place during the month. These began with the Italian elections and Referendum on June 2nd and culminated in the stoning at PIERIS on 30th June of the "Round Italy" bicycle race. Public agitation was maintained at a high pitch throughout the month by the protracted PARIS discussions on the fate of VENEZIA GIULIA and TRIESTE. The predominant [illegible] felt that POLA and FIUME were

Declassified E.O. 12356 Section 3.3/NND No. 785015

VENEZIA GIULIA; this was increased during the month by a number of incidents provoked by Slav or pro-Slav elements throughout the Province, some of which had repercussions chiefly in the CIVIDALE area. Polling during the elections was particularly high in those areas to which the Slavs lay claim.

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

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

72. Public Works approved by the the Magistrato totalled 517 million lire, 60% of the programme authorized by the Ministry. Severe storms during the month caused much damage to roads; in one storm alone some 13 million lire worth of damage was done to Route 13 (L of C to UDINE and AUSTRIA).

73 A total of 1380 refugees passed through the Refugee Centre of which 1162 were Italians. The remainder included Poles, Russians, Jugoslavs, Hungarians, Austrians and Roumanians. 1856

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

AMG VENEZIA GIULIA

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

76. Civil Police were fully employed actively engaged during the month in dealing with the many demonstrations, processions, meetings and political incidents: leaves and rest days had to be suspended. Morale of the Force was maintained principally by active participation of Allied officers during this critical time. Crime returns showed a slight increase but this may be accounted for by greater efficiency in the keeping of records and an increased tendency on the part of the public to report crimes to the police. With effect from 7 June the control of wheat amassing commenced. In the MONFALCONE Area the AMG Order was disregarded by many farmers. On 24 June a crowd of demonstrators forced the main gate of the Prison at MONFALCONE with the intention of setting free the detainees. They did not succeed. In the GORIZIA Zone Finance Guards operated successfully against Black marketeers. Conduct of Allied troops was generally good, there being no cases of serious misconduct in public. Prison population showed a slight increase and there existed considerable excitement amongst the inmates of the prisons because the General Amnesty, conceded recently by the Italian Government does not apply to VENEZIA GIULIA.

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

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

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

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

81. Normal rations were issued during the month with the exception of pasta which had to be cut from 2000 to 500 grams. Imported stocks of grain were exhausted on 26 June. One ship scheduled with 8000 tons of flour failed to arrive but by speeding up the amassing only a small quantity had to be borrowed from British Army sources.

Declassified E.O. 12356 Section 3.3/NND No. 785015

principally by active participation of [illegible]. Crime returns showed a slight increase but this may be accounted for by greater efficiency in the keeping of records and an increased tendency on the part of the public to report crimes to the police. With effect from 7 June the control of wheat amassing commenced. In the MONTALCONE Area the AMG Order was disregarded by many farmers. On 24 June a crowd of demonstrators forced the main gate of the Prison at MONTALCONE with the intention of setting free the detainees. They did not succeed. In the GORIZIA Zone Finance Guards operated successfully against Black marketeers. Conduct of Allied troops was generally good, there being no cases of serious misconduct in public. Prison population showed a slight increase and there existed considerable excitement amongst the inmates of the prisons because the General Amnesty, conceded recently by the Italian Government does not apply to VENEZIA GIULIA.

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

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

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

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

81. Normal rations were issued during the month with the exception of pasta which had to be cut from 2000 to 500 grams. Imported stocks of grain were exhausted on 26 June. One ship scheduled with 8000 tons of flour failed to arrive but by speeding up the amassing only a small quantity had to be borrowed from British Army sources.

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

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

87. Labour Offices continued to perform excellent work. There was an increase of 1446 in unemployment figures in the whole of VENEZIA GIULIA. Categories mainly affected were clerical, maritime, and metal workers. During June, food costs for a standard family reached the lowest index since January both in TRIESTE and GORIZIA. Meetings both public and private (on industrial premises) reached a record level during the month. This increased activity intended mainly to provoke agitation was coupled with a more intractable attitude of the "Sindaci Unici" and suggested that the political machine behind the Sindaci Unici was paving the way towards a climax.

88. Public Health during the month was good. Typhoid in TRIESTE showed a slight increase. The Comitati Assistenza Post-Bellica (a Jewish organization) functioned satisfactorily and was organizing summer children's holiday camps.

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

90. Politically Italian schools comported themselves well. The PWOO School Section intensified its attacks on the school administration of the Territory. Unauthorized text books were confiscated in SLOVENE schools of S.GIOVANNI and BARCOLA. The PWOO School Section called a meeting of AMG teachers and instructed them that they would be required to go to Jugoslavia for training during the summer months. However, AMG has established a summer refresher course in Slovene language and educational methods and attendance will be a prerequisite to employment during the coming school year. Slavic schools have been continually interrupted by nationalist and political upheavals during the past year. They have been engulfed in

Declassified E.O. 12355 Section 3.3/NND No. 785015

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

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

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

87. Labour Offices continued to perform satisfactory work. There was an increase of 1,446 in unemployment figures in the whole of VENEZIA GIULIA. Categories mainly affected were clerical, maritime, and metal workers. During June, food costs for a standard family reached the lowest index since January both in TRIESTE and GORIZIA. Meetings both public and private (on industrial premises) reached a record level during the month. This increased activity intended mainly to provoke agitation was coupled with a more intractable attitude of the "Sindaci Unici" and suggested that the political machine behind the Sindaci Unici was paving the way towards a climax.

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

0542

Declassified E.O. 12356 Section 3.3/NND No. 785015

PART II

CIVIL AFFAIRS SECTION

LOCAL GOVERNMENT SUB-COMMISSION

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

LEGAL SUB-COMMISSION

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

PUBLIC HEALTH SUB-COMMISSION

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

PUBLIC SAFETY SUB-COMMISSION

4. Good order prevailed during the two days of the elections and Referendum on the 2nd and 3rd of June. This tranquility prevailed for 8 days until the first published results. Demonstrations involving crowds varying from a few hundred to several thousands took place without any serious results until 11 June. That evening a large Monarchist demonstration consisting of several thousand people collected outside the Communist Headquarters in NAPLES demanding that Republican and Communist flags be removed. Strong action was necessary to disperse the crowd who fired on the Police and threw hand grenades. 7 persons were killed and 64 civilians and Police wounded. In VENEZIA GIULIA demonstrations took place in TRIESTE on 12th and 30th June. On the former date there was an unauthorized anti-Italian demonstration by about 2000 people. The demonstrators refused to disperse and opened fire on the police. Finally tear gas bombs were used by Allied officers and order was restored. There were 23 civilian casualties

0543
Declassified E.O. 12356 Section 3.3/NND No. 785015

elections that electoral certificates were being [illegible]. In view of the large number of voters, particular attention was paid to this point. The number of certificates remaining undelivered at the close of the polls was 5.2% of the registered electorate. Numerous complaints were made to the Allied Commission alleging that the elections had been irregularly or fraudulently conducted and requesting that AC should intervene. The policy adopted by Allied Commission was to refuse to receive such complaints and refer the complainants to the remedies under the Italian law which are considered adequate. The Chief Commissioner called upon the Italian Minister on 21 June and expressed on behalf of the United States and British Governments their congratulations on the orderly manner in which the elections were carried out.

LEGAL SUB-COMMISSION.

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

PUBLIC HEALTH SUB-COMMISSION.

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

PUBLIC SAFETY SUB-COMMISSION.

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

DISPLACED PERSONS SUB-COMMISSION

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

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

7. On the 4 June the M/V "BEAUHARNAIS" of 820 tons flying the flag of the PANAMA REPUBLIC arrived in GENOA from NEW YORK. The vessel called in GENOA to put a member of the crew ashore who was sick. She then sailed to SAVONA where certain repairs were carried out. Reports stated that nightly trucks with civilian drivers came alongside the vessel and loads were placed on board. These proceedings aroused the suspicion of the authorities of SAVONA who suspected that the ship was about to embark clandestine passengers. On 6 June the Captain of the vessel asked the Harbour Master of SAVONA for sailing orders to PORT SAID and at 2100 hrs that day the ship left SAVONA. Public Safety Agents noticed that the vessel, instead of sailing due south for PORT SAID, took a westerly course and anchored soon after off the shore of VADO LIGURE. The officers immediately left for VADO LIGURE and arrived just in time to be present at the arrival of a number of civilian trucks which discharged 1250 Jews who were immediately taken on board the vessel by the boats belonging to the "BEAUHARNAIS". The Jews had no documents and declared that they had come from various concentration camps. Attempts were made by Finance Guards to prevent the Jews boarding the ship but were unsuccessful owing to their small numbers. Consequently the Jews got safely on board, the ship's moorings were cut and the vessel sailed.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

7. On the 4 June the M/V "BEAUHARNAIS" of 320 tons flying the flag of the PANAMA REPUBLIC arrived in GENOA from NEW YORK. The vessel called in GENOA to put a member of the crew ashore who was sick. She then sailed to SAVONA where certain repairs were carried out. Reports stated that nightly trucks with civilian drivers came alongside the vessel and loads were placed on board. These proceedings aroused the suspicion of the authorities of SAVONA who suspected that the ship was about to embark clandestine passengers. On 6 June the Captain of the vessel asked the Harbour Master of SAVONA for sailing orders to PORT SAID and at 2100 hrs that day the ship left SAVONA. Public Safety Agents noticed that the vessel, instead of sailing due south for PORT SAID, took a westerly course and anchored soon after off the shore of VADO LIGURE. The officers immediately left for VADO LIGURE and arrived just in time to be present at the arrival of a number of civilian trucks which discharged 1250 Jews who were immediately taken on board the vessel by the boats belonging to the "BEAUHARNAIS". The Jews had no documents and declared that they had come from various concentration camps. Attempts were made by Finance Guards to prevent the Jews boarding the ship but were unsuccessful owing to their small numbers. Consequently the Jews got safely on board, the ship's moorings were cut and the vessel sailed.

Declassified E.O. 12356 Section 3.3/NND No. 785015

Declassified E.O. 12356 Section 3.3/NND No. 785015

PART III - ECONOMIC SECTION

FOOD AND AGRICULTURE BRANCH.

1. The wheat situation, which appeared to be very critical at the beginning of the month, improved rapidly towards the middle of the month due to unexpected deliveries made in ordering and delivering the new harvest. The estimate of August / June for June arrivals was 15,000 tons but a small wheat delivery reached 30,000 tons by the 30th June. Temporary breadfuses were reported in a few localities at the beginning of the month but these were rapidly met by the prompt transfer of flour from other areas. Small arrivals of foreign wheat were the lowest in June of any month since 1945 and could have resulted in a more shortages of flour had not the new harvest been available. Total imports for the month were 120,000 tons. The predicted reduction of the bread ration proved to be unnecessary. However, the suspension of the pasta ration was extended through June in order to conserve flour stocks as much as possible. Estimated stocks on at 1st July were 465,000 tons. Supply into and vegetables were plentiful in nearly all provinces and were relatively cheap. A satisfactory plan was worked out by the Italian Government for the employment of food surplus by the Allied Forces for Displaced Persons and for Gandhi Hoods of civilians employed by Allied Military Units; much progress was made during the month in moving substantial supplies and in setting up a supply programme against future needs for Displaced Persons. Two ships arrived in AMG Territory during the month carrying miscellaneous foodstuffs.

2. Good weather conditions for harvesting and threshing prevailed generally throughout Italy during the month. As a result nearly all the excellent crops of cereals were harvested and threshing was well under way. Most vegetable, maize crops and pastures were in need of more moisture and heavy hail caused some damage, mainly in VENETIA and PIEDMONT, especially to corn and sugar beet. Wheat yields were high in most provinces notably Apulia, where production (167,000 tons more than last year) was estimated at 2 1/2 times the crop also promising to be good, as barley, oats, maize and rice crops were in excellent harvests of 1946. Rice showed an unusual tendency to run to leaf, no doubt in some rains in low temperatures. The seedling and replanting is expected to the principal rice growing area. The production of potatoes is expected to be double that of 1946. Damage was caused by frost which in some provinces by strong winds but in general fruit was reported to be plentiful and of good quality.

3. The only agricultural machinery [illegible] and IT requisitions were nitrogen fertilizers, ploughs, tractors and spare parts.

COMMERCIAL (INCLUDING TRADE) BRANCH.

4. During the month discussions were held with the Ministry of Foreign Trade regarding trade between ITALY and the OCCUPIED TERRITORIES. ITALY is anxious to resume her trade with her former colonies in the raw materials and food available in these areas. Currently, ITALY has many things which are needed in these areas. The question of ITALY's need for dollars appears to be solved if an enormous quantity of lire is not to be created. Allied Loans for such purposes are more palatable than Italian Government Loans from other countries. (A) temporary imports, (B) finally adopted, the second (B) to be impossible, UNRRA stating that deficiencies in their imports is due entirely to non-availability of the supply. Import of POL products by ship to ensure must now be done through C.I.F.

The Trade Agreement between Zones A and B [illegible] was still

rapidly as the prompt transfer of flour from other provinces. [illegible] of foreign wheat were the lowest in June of any month since 1945 and would have resulted in acute shortages of flour had not the new harvest been available. Total imports for the month were 170,000 tons. The predicted reduction of the bread ration proved to be unnecessary. However, the suspension of the ration was extended through June in order to conserve flour stocks as much as possible. Estimated stocks on 1st July were 445,000 tons. Sugar, fats and dried vegetables were in short supply during the month. Fresh fruits and vegetables were plentiful in nearly all parts except where ruined by storms. A satisfactory plan was worked out by the Italian Government for the repayment of food supplied by the Allied Forces for Displaced Persons and for Italian Heads of civilians employed by Allied Military Units; much progress was made during the month in making actual repayment and in setting up a supply programme against future needs for Displaced Persons. Two ships arrived in ADC territory during the month carrying miscellaneous foodstuffs.

2. Good weather conditions for harvesting and threshing prevailed generally throughout Italy during the month. As a result nearly all the excellent crops of cereals were harvested and threshing was well under way. Most vegetables, maize crops and pastures were in need of more moisture and heavy hail caused some damage mainly in Venetia and Friuli especially to corn and sugar beet. Wheat yields were with few exceptions notably high. Big crops were predicted, (167,000 tons more than was forecast in May). Yields of other cereals were also proving to be good, notably oats which had reached a stage like the crop harvests of 1945. Rice also in an unsatisfactory condition on 30 June. Heavy rains and low temperatures were causing real fears that, as early in June of the principal rice growing areas. The production of potatoes is expected to be double that of 1946. Grape was coming on to the front trees in some provinces by strong winds but in general fruit was reported to be well and of good quality.

3. The only purchases recorded during the month against U.N.R.R.A. and UNRRA requisitions were nitrogen fertilizers, ploughs, tractors and spare plough parts

COMMERCE (EXTERNAL TRADE) AGREEMENTS.

4. During the month [illegible] were held with the Ministry of Foreign Trade regarding trade between ITALY and the OCCUPIED TERRITORIES. ITALY is anxious to resume her trade with her former colonies in the raw materials and food available in these areas. Conversely, ITALY has many things which are needed in these areas. The question of ITALY's need for [illegible] paper remained to be solved if an enormous quantity of trees is not to be felled. Allied Commission suggested three possibilities: (A) temporary imports, (B) loans from other countries, (C) sub-allocations from UNRRA. The first was finally adopted, the second (B) is under consideration, the third (C) appeared to be impossible, UNRRA stating that deficiencies in their imports is due entirely to non-availability of the supply. Import of POL products by private enterprise must now be done through C.I.F.

5. The Trade Agreement between Zones A and B [illegible] was still under discussion.

Declassified E.O. 12356 Section 3.3/NND No. 785015

INDUSTRY & UTILITIES BRANCH.

6. The general industrial situation was again overshadowed by the anticipated arrival of coal, the actual receipts being less than 50% of what was expected and the latter are being only 30% of normal pre-war consumption. Stocks, however, were increased but little expansion of the basic industries can be expected until clear fi ures can considerably improved.

7. Some pro ress was made during the month in the denazification of industrial undertakings. These included a flour processing plant, tobacco curing warehouses, and a textile plant, all of which have been returned to their owners' control. The i vestment plan of AMGOT POZZUOLI (only nine months) was partly denazified by the British Army. It will be completely vetted in 3 months time. Three others, unfortunately, have been requisitioned by the US Navy for/store and dockyard. This has been taken up with AFHQ and an answer is awaited. Polish Corps was not allowed to retain premises in the Anzio Area. There was little change in the number of denazifications of industrial of June was fairly successful in the matter of denazification of industrial premises.

8. The Timber Plan is moved by AFHQ and implemented by the Italian Government appears to be functioning in a satisfactory manner. Additional timber for the textiles will be required for the third quarter of the year.

9. During the month of July the use of household gas will be extended from 1½ to 2½ hours daily, as a result of a larger allocation of coal to the gas companies. Gas production was 77,975 tons in June. This is an decrease of approximately 11,000 tons as compared with May. The decrease was occasioned by the diversion of workmen to the harvest and the anticipated production for July will be about 100,000 tons a month. expansion. Production of liquid fuel will be about 150,000 tons a month.

10. There is too little city oil now to make supply both for civilian and Italian military vehicles. However, since the receipt of recent shipments which should relieve the situation considerably, deliveries of coal oil from AMGOT and ALSICE have been made to the increased demand of North Italian industries. These industries are also being converted from coal to fuel oil in many plants and to the use of wood, chiefly in the sugar refining and ceramic industries.

11. Transfer of work on the GAIA sub-station which will permit an additional 15,000 KW of power to be transmitted from SARDINIA to Central Italy which will then total upwards only 150,000 KW. The first 3,500 KW unit of the SARDINIA plant was energized three times during the month and will be connected to the S Italian ELECTRIC grid. (Date was not specified in May 1944). Power allocations for July are 3 MEGAWATTS and SICILY 1. It was announced unchanged. Some small allocations will be allowed for industrial operations in SOUTHERN ITALY.

12. The Ministry of the Treasury took an adverse position on the proposed 14 million lire aerostatic project between NAPLES and MESSINA. The matter is being considered.

TRANSPORTATION & SHIPPING BRANCH.

13. Rail passenger traffic remained very heavy during the month and the shortage of passenger stock was severely felt, particularly after 15 June when passenger services which had been suspended due to shortage of coal, were resumed Internal freight traffic, since mid-June, the south but Port traffic was reduced owing to increased allocations of coal.

Declassified E.O. 12356 Section 3.3/NND No. 759015

for/steel [illegible] Polish Corps was [illegible] United. Polish Corps was [illegible] area. There was little change in the [illegible] of June was fairly successful in the [illegible] premises.

8. The Timber Plan [illegible] ment appears to be functioning in a [illegible] for the sawmills will be [illegible].

9. During the month of July the use of [illegible] 1½ to 2½ hours daily, as a result of [illegible] companies. Shipments [illegible] crease of approximately 11,000 tons [illegible] occasioned by the diversion of [illegible] campaign. Production of lignite [illegible].

10. Heavy motor lubricating oil was in short supply both for civilian and Italian [illegible] vehicles. [illegible] which should achieve the [illegible] VEDO LIGUIN and [illegible] industries. [illegible] oil in many places due to the [illegible] coming industries.

11. Transfer work at the [illegible] additional 15,000 KW of power to be [illegible] Italy which will then total approximately 150,000 KW. The first 6,500 KW unit of the [illegible] connected to the S [illegible] grid. ([illegible] Power allocations for July for S [illegible] Some [illegible] S [illegible].

12. The Ministry of the Treasury took an [illegible] 1½ million lire [illegible] being considered.

TRANSPORTATION & SHIPPING TRAFFIC.

13. Rail passenger traffic remained very heavy during the month and the shortage of passenger stock was severely felt, particularly after 15 June when passenger services which had been suspended due to shortage of coal, were resumed. Internal freight traffic, [illegible] the month but Port traffic was reduced owing to decreased receipts of coal.

Declassified E.O. 12356 Section 3.3/NND No. 785015

14. On the 13th June traffic on the TARVISIO-UDINE line was interrupted due to heavy rain. Between [illegible] on the 16th June. The bridge at [illegible] between [illegible] and VILLACH was destroyed on the 17 June; it is hoped that it will be repaired by the 10 July. At the beginning of the month the electric line between [illegible] and VILLACH was completed and the 132 [illegible] of the [illegible] electric line. Electric traction was also established between [illegible] and UDINE via [illegible], and MILAN-MODENA

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

CAPTURED ENEMY MATERIAL.

16. Releases for the month totalled 79 as compared with 13 during May. There were many enclaves outstanding, some of these are the large vehicle dumps in the North. The transportation side of ALU showed definite improvement, proof of this being the reduction in signal transmission notes. Releases in the North were of a general nature, while in the South were composed of armoured vehicles, assorted road making machinery, M.T. spares, [illegible], telephone and high tension cable, assorted gas cylinders and wooden telegraph poles; all representing considerable cash value. Liaison produced a large amount of undisclosed C.M.E. in the [illegible] area and prospectives were sent up with a view to listing and handing over materials to the Italian Government. All AUK files were handed over to the archives branch, Allied Commission.

Declassified E.O. 12356 Section 3.3/NND No. 785015

and bridges proceed retrieving.

CAPTURED EQUIPMENT IS REPORTED.

16. Returns for the month totalled [illegible] ... Enemy Key. There were many returns outstanding, and of these are the large vehicle dumps in the North. The classification side of [illegible] proof of this is by the examination in sight, some three notes. Returns in the North were of a general nature, as in the South were engineer of armoured vehicles, armoured road making machinery, [illegible] high tension cable, [illegible] optical [illegible] equipment [illegible] value. Also received a large number of undercarriage C.T.V. in the Dibeen area and [illegible] with a view to listing [illegible] to the Italian Government. All MUK files were handed over to the Archives Branch, Allied Commission.

1852

Declassified E.O. 12356 Section 3.3/NND No. 785015

PART IV

DEPARTMENT SUB-COMMISSIONS

NAVY SUB COMMISSION

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

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

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

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

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

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

LAND FORCES SUB-COMMISSION

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

constituted at RIMINI.

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

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

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

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

LAND FORCES SUB-COMMISSION

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

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

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

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

PRISONERS OF WAR DIVISION

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

COMMUNICATIONS SUB-COMMISSION

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

14. The Italcable Service of US Troops telegrams between FORLIA and GORIZIA APO's and USA was extended so that telegrams are sent by electric means all the way.

15. A new Airmail service to SOUTH AMERICA was introduced at the beginning of the month. Correspondence is despatched 3 times weekly from NAPLES to AMSTERDAM for onward transmission by the British Service.

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

17. The Ministry of Posts and Telegraphs propose to re-introduce Internal Parce Post Service with effect from 16 August 46. A request has been made for the dorequisit of the NAPLES MEDIOVIA SORTING OFFICE presently being used as an APO.

AIR FORCES SUB-COMMISSION

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

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

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

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

1831

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

23. The stolen M 79 aircraft from LINATE airfield MILAN (reported last month) was flown to BELGRADE from GORIZIA airfield by Slav pilots escorted by two Slav fighters.

24. Arrangements were in hand for initiating the proposed regular service between MILAN and BOLZANO. Authority was given for the use of aircraft to spray fruit and crops with insecticide. The undertaking was of an experimental nature and if

Declassified E.O. 12356 Section 3.3/NND No. 786015

for onward transmission by the British Service.

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

17. The Ministry of Posts and Telegraphs propose to re-introduce Internal Parce Post Service with effect from 16 August 46. A request has been made for the derequisit of the MARLES FERROVIA SORTING OFFICE presently being used as an AMG.

AIR FORCES SUB-COMMISSION

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

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

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

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

1831

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

23. The stolen SM 79 aircraft from LECCE airfield MILAN (reported last month) was flown to BELGRADE from CORNEGLIANO airfield by Slav pilots escorted by two Slav fighters.

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

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

26. About 600 POW were repatriated during the month.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

EMERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Declassified E.O. 12356 Section 3.3/NND No. 785015

0558

Declassified E.O. 12356 Section 3.3/NND No. 785015

Yours truly,

ELLIS V. SILVEY
Rear Admiral, USNR
Chief Commissioner

Director
D/Director
Chief Telecoms
Chief Postal
H Q., Coms O.
Asst Chief Postal
Censorship
Chief Clerk

pp 31-32

REP 157

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 794

MONTHLY REPORT

MAY - 1946

July 1946

Ref.: 324/TEC

1830

CONFIDENTIAL

Declassified E.O. 12356 Section 3.3/NND No. 785015

0560

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 794
o-o-o-o-o-o-o-o-o-o-o-o-o-o-o-o-o-o-o

MONTHLY REPORT

MAY - 1946

INDEX

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

pg 9

Declassified E.O. 12356 Section 3.3/NND No. 785015

MONTHLY REPORT

MAY - 1946

INDEX

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

CONFIDENTIAL

Declassified E.O. 12356 Section 3.3/NND No. 785015

Declassified E.O. 12356 Section 3.3/NND No. 785015

POLITICAL SUMMARY.

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

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

3. Signor de GASPERI proposed that in view of these assurances the Council of Ministers should accept King UMBERTO's succession. Signor TOGLIATTI formerly protested against what he termed a "violation of the institutional truce". Eventually after many hours of discussion, the Council approved a decree law of one single article providing that all the regulations on the limits of the powers of the Crown in accordance with Decree No. 98 of March 5 1946 should remain in force and that Decrees and judgements should be issued in the name of "UMBERTO THE SECOND, KING OF ITALY" only. On the same day the new King made a proclamation to the Italian people in which he swore before God that he would loyally respect the fundamental laws of the State as renewed and perfected by the people's will and he confirmed his pledge to respect, like all other Italians, the free decisions of the imminent elections which he was certain would be taken bearing in mind the best interests of the country.

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

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

6. Political activity reached its peak during the month and every party entered the ring with energy and vehemence. The gloves were truly down and political polemics filled the pages of every newspaper. Not until May 25th was the Italian Government officially informed that the Allied Governments regarded the institutional truce as terminated but long before that both

said he had no reason to doubt this. The King's abdication was the subject of bitter comment in the Left Wing press, particularly the Communist organ; the Royal Family was accused of having violated the truce on the Institutional question.

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

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

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

5. The abdication was generally interpreted, especially in Left Wing political circles, as an astute move on the part of the Monarchist Party to improve its chances in the forthcoming elections. Certain sections of the pro-monarchical supporters campaigned vigorously for a postponement of the election, or at least of the holding of the referendum, on the grounds that the country had not been allowed sufficient time to settle down in order to take a calm decision on this important matter and that, moreover, many hundreds of thousands of Italians would be unable to express their opinion on June the 2nd. This campaign took the form of approaches to various Allied officers, including the Chief Commissioner Allied Commission. In order to remove any form of misconception on the responsibility of the Allies in this matter a statement was published in the press to the effect that no communications or petitions requesting Allied Commission intervention would be received by the Allied Commission.

6. Political activity reached its peak during the month and every party entered the ring with energy and vehemence. The gloves were truly down and political polemics filled the pages of every newspaper. Not until May 25th was the Italian Government officially informed that the Allied Governments regarded the institutional truce as terminated but long before that both Ministers and other supporters of the Monarchy and Republic had been attacking each other keener and tough in preparation for the referendum. It was remarkable how quickly and extensively the Monarchists developed their campaign and the betting changed from long odds against the Monarchy at the beginning of the month to even chances and indeed short odds for the Monarchy during the last week. The KING himself was the principle protagonist in this eleventh hour rally of his supporters. He was ubiquitous, and comporting himself everywhere with dignity and energy, did much to swing a great number of voters towards the Monarchist cause. It was, however, generally realized both by him and his followers that the Monarchist campaign had opened too late and with insufficient organization and stimulus to achieve victory at the polls.

Declassified E.O. 12356 Section 3.3/NND No. 785015

7. Throughout the month there was a constant flow of rumours that a coup d'etat would be attempted before or during the elections. It was pointed out that the political parties would take advantage of the enormous amount of arms and ammunition illegally held by the population and diverted into political channels to gain their ends by force rather than by the will of the people. It was reported that Communists had organized their coup to gain control of the Ministry of Interior which he intended to distribute amongst the civil police and armed men which he intended to enrol as auxiliary police in order to overcome opposition organized by Partigiani or auxiliary police in order to overcome the allegedly Monarchist CC.RR. and so sway the will of the people, if not to usurp the power for the Republicans. As election day came nearer, so the reports became more numerous and more colourful and a perusal of them might have led a stranger to believe that there would be no free elections and that June 2nd and the days following would see widespread disorders, extensive arrests, with coups d'etat by several of the parties and certainly little chance of free elections. Enquiries made, however, by the Allied Commission from their Liaison Groups throughout the country proved that these reports, as is often the case in Italy, were without real foundation. It appeared that were members of each of the main parties, in their anxiety and in their suspicion of their opponents' intentions to resort to force, had prepared plans of defensive measures. These measures were sometimes little more than plans based on paper but which had little chance of implementation even if there was any real desire amongst the leaders of the parties who considered them. It seemed to the observer that a certain number of the Italian political hotheads would not believe that countrymen could go to the polls and peacefully elect a Constituente Assembly and give their choice for their institutional future. This cloud of rumours had flown during the last days of the month when it became apparent that at any rate the elections would be held.

8. Numerous important political speeches were made, notably one by Sig. de GASPERI in ROME on May 11th. He appealed for greater unity within the Christian Democrat Party and expressed his belief that in spite of the need and disaster, Italians would save themselves and would save ITALY.

9. On the same day, Signor NENNI spoke in MILAN; he called again for the maintenance of the alliance between the Socialists and Communists. He referred to the dangers of any foreign policy which might be attending the formation of any so-called bloc of great powers.

10. Sunday, May 12th, was noted for numerous political speeches throughout the country. The President of the Council spoke in TRENTO where he disclosed that there had been attempts to induce the Government to postpone the election while on the other hand exaggerated fears had been expressed on the subject of a possible coup d'etat. These difficulties, he said, had been overcome without affecting the formal pledge on the part of the KING and the nation to submit to the arbitration of the people on June 2nd. Signor de GASPERI emphasised again the importance of the presence in the Constituent Assembly of a mature group of men who stood for liberty, order and progress as well as for the maintenance and defence of spiritual, Christian traditions. The rest of his speech at TRENTO was devoted to a study of the local ethnic problem. He hoped that common sense would prevail and that it would be possible to reach a loyal agreement between the two ethnic groups in the ALTO ADIGE based on equity, justice and democracy. Speaking later in the day at ROVERETO he dealt with the Colonies and declared that Italians would

Declassified E.O. 12356 Section 3.3/NND No. 785015

Minister of Liberty was said to have at his disposal a vast number of arms and armored cars which he intended to distribute amongst the civil police agencies organized by partigiani as auxiliary police in order to overcome the allegedly Communist C.G.I.L. and so sway the will of the people, if not to usurp the power for the Republicans. As election day came nearer, so the reports became more numerous and more colourful and a perusal of them might have led a stranger to believe that there would be no free elections and that June 2nd and the days following would see widespread disorders, extensive arrests, with coups d'etat by several of the parties and certainly little chance of free elections. Enquiries made, however, by the Allied Commission from their Liaison Groups throughout the country proved that those reports, as is so often the case in Italy, were without real foundation. It appeared that some members of each of the main parties, in their anxiety and in their suspicion of their opponents' intentions to resort to force, had prepared defensive measures. These measures were sometimes little more than plans based on paper but which had little chance of implementation even if there was any real desire amongst the leaders of the parties who sanctioned them. It seemed to the observer that a certain number of the Italian political hotheads did not believe that countrymen would go to the polls and peacefully elect a Constituents Assembly and give their choice for their institutional future. This cloud of rumours died down during the last days of the month when it became apparent that as early as the elections would be held.

8. Numerous important political speeches were made, notably one by Sig. de GASPERI in ROME on May 11th. He appealed for greater unity within the Christian Democrat Party and expressed his belief that in spite of the national disaster, Italians would save themselves and would save ITALY.

9. On the same day, Signor NENNI spoke in MILAN; he called again for the maintenance of the alliance between the Socialists and Communists. He referred to the dangers of any foreign policy which might ultimately lead to any so-called bloc of great powers.

10. Sunday, May 12th, was noted for numerous political speeches throughout the country. The President of the Council spoke in TRENTO where he disclosed that there had been attempts to induce the Government to postpone the election while on the other hand unwarranted fears had been expressed on the subject of a possible coup d'etat. These difficulties, he said, had been overcome without affecting the formal pledge on the part of the KING and the nation to submit to the arbitration of the people on June 2nd. Signor de GASPERI emphasised again the importance of the presence in the Constituent Assembly of a mature group of men who stood for liberty, order and progress as well as for the maintenance and defence of spiritual Christian tradition. The rest of his speech at TRENTO was devoted to a study of the local ethnic problem. He hoped that common sense would prevail and that it would be possible to reach a loyal agreement between the two ethnic groups in the ALTO ADIGE based on equity, justice and democracy. Speaking later in the day at ROVERETO Signor de GASPERI dealt with the Colonies and declared that Italians could not accept a bargain at their expense.

11. During the month the Council of Ministers transacted a certain amount of business other than that arising out of the abdication and the preparations for the holding of the national elections. At their meeting on May 10th, Signor de GASPERI made a full report on his mission to PARIS. He stated that the JUGOSLAV representatives had adopted an extremely rigid attitude. He, for his part, had made it clear that no democratic Italian Government could accept the loss of TRIESTE and he had refused the RUSSIAN offer of colonial compensations. He had also expressed the hope that ITALY might be allowed to retain her Navy as an international force in the services of the UNO. As regards the Colonies he had suggested a form of mandate in which ITALY would take part as soon as she was admitted to the UNO.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

State Dept. [illegible]
[illegible] preparation.

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

Declassified E.O. 12356 Section 3.3/NND No. 785015

PART I - LIAISON GROUP REPORTS

LIGURIA REGION.

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

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

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

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

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

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

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

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

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

5. The food situation remained unchanged. Black market bread was noticeably scarce, but vegetables and fresh fruits were plentiful as was fresh fish; these have helped the poorer classes to eke out their rations. The general shortage was reflected in the fact that thousands fed at the Mense Popolare in spite of the generally poor quality and small quantity of the food. There were sufficient flour stocks to maintain the bread ration until 11/12 June at which date a grain ship was expected. The excessive rainfall for the past few weeks was of benefit only to the vegetable and forage crops. Grain crops, except those on the high ground were beaten down, a fact which will increase harvesting difficulties. The humid conditions together with strong winds resulted in the loss of a great amount of immature fruits. Fruit trees and vines were also affected by disease. Anti-fungicides such as copper sulphate and sulphur were increasingly available and their price was reduced but fertilizers remained scarce and the need for them was great. The crop situation however, was good, and a return to normal weather conditions within the next few weeks would restore much of the damage that has been done.

6. The handover of 71 Displaced Persons Camp in GENOA to UNRRA was completed. General health in the Region was extremely good, the only instance of prevalent diseases being measles.

Declassified E.O. 12356 Section 3.3/NND No. 785015

7. Rail movements for the month dropped below those of April, partly due to the diminished number of vessel arrivals. Movements into 13 Corps Area and the rest of ITALY were met successfully and without difficulty. Work on the doubling of the line between BIVIO POLCEVERA and MIGNANEGO was commenced; this is one of the most important lines leading to the North. Doubling of the track on the GENOA-LA SPEZIA line between LAVAGNA and RIVA TRIGOSO was completed. During the first 20 days of May only 6 colliers arrived in the ports of GENOA and SAVONA carrying a total of 49,051 tons of UNRRA coal. This resulted in practically a complete stoppage of labour. The usual varied items of cargo continued to arrive with an increase over April. The warehouse situation was again critical and complete cargoes of cotton were back-piled on the docks. Every effort was being made to obtain storage space away from the port areas and contracts were drawn up with the Italian Military Authorities to lease barracks not in use by the Army.

8. A total of 190,067 tons for Genoa and 151,885 tons for SAVONA were handled during the month.

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

LOMBARDIA REGION.

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

11. The re-organisation of the MILAN Questura proceeded quietly but satisfactorily. In all the provinces the auxiliaries were being systematically reduced. So far as the CC.RR. were concerned there was a decided improvement in the situation as regards clothing, weapons and transport. There was still however a great shortage of personnel. The morale of the CC.RR. was good but the poor rate of pay was causing dissatisfaction. The Guardia di Finenza functioned almost normally but were badly handicapped by a serious shortage of clothing, transport, arms and ammunition. In every province the CC.RR. showed both zeal and initiative in searching for hidden arms. Two big dumps were found in the mountainous region of SONDRIO. One was buried under 6 feet of earth and the other was underneath the cement bottom of an irrigation channel. Two other substantial deposits were found in the mountainous region of PAVIA. These were under the control of an auxiliary Agente di P.S. who was arrested. He stated that the deposits were formed under the express direction of two men who were local Communist party candidates in the national elections. In all, the CC.RR. made 47 raids and the items found include 90 machine guns, 79 sub-machine guns, 126 rifles, 754 grenades, 293 cases of ammunition, 3037 detonators, 2528 Kilos of explosives and numerous other such articles. The agenti of P.S. made 15 raids (9 in MILAN CITY) with successful results. The crime situation was satisfactory and in some areas there was a decrease in recorded crimes.

12. Food prices showed a certain decrease, mainly due to the seasonal production. 75,400 quintals of wheat were expected to be consigned in

Declassified E.O. 12356 Section 3.3/NND No. 785015

continued to arrive with an increase over April. The [illegible] again critical and complete cargoes of cotton were back-piled on the docks. Every effort was being made to obtain storage space away from the port areas and contracts were drawn up with the Italian Military Authorities to lease barracks not in use by the Army.

8. A total of 190,067 tons for Genoa and 151,885 tons for SAVONA were handled during the month.

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

LOMBARDIA REGION.

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

11. The re-organization of the MILAN Questura proceeded quietly but satisfactorily. In all the provinces the auxiliaries were being systematically reduced. So far as the CC.RR. were concerned there was a decided improvement in the situation as regards clothing, weapons and transport. There was still however a great shortage of personnel. The morale of the CC.RR. was good but the poor rate of pay was causing dissatisfaction. The Guardia di Finanza functioned almost normally but were badly handicapped by a serious shortage of clothing, transport, arms and ammunition. In every province the CC.RR. showed both zeal and initiative in searching for hidden arms. Two big dumps were found in the mountainous region of SONDRIO. One was buried under 6 feet of earth and the other was underneath the cement bottom of an irrigation channel. Two other substantial deposits were found in the mountainous region of PAVIA. These were under the control of an auxiliary Agente di P.S. who was arrested. He stated that the deposits were formed under the express direction of two men who were local Communist party candidates in the national elections. In all, the CC.RR. made 47 raids and the items found include 90 machine guns, 79 sub-machine guns, 126 rifles, 754 grenades, 293 cases of ammunition, 3037 detonators, 2528 Kilos of explosives and numerous other such articles. The agenti of P.S. made 15 raids (9 in MILAN CITY) with successful results. The crime situation was satisfactory and in some areas there was a decrease in recorded crimes.

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

to be divided among the most important plants of which: 550 million went to BREDA and 200 million to ISOTTA FRASCHINI.

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

15. Owing to lack of coal, 38 trains from and to MILAN had to be withdrawn during the Holidays.

PIEMONTE REGION.

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

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

18. The cost of living remained approximately the same with a slight [illegible] the price of bread, pasta, flour and vegetables in the more ag- [illegible] of fruit remained very high and was the cause [illegible] to be of very poor

Declassified E.O. 12356 Section 3.3/NND No. 785015

for the reconstruction of living houses burnt by the [illegible] prisal.

15. Owing to lack of coal, 38 trains from and to MILAN had to be withdrawn during the Holidays.

PIEMONTE REGION.

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

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

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

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

VENEZIE REGION

24. In the early part ofMay most newspapers and public attention was focused on the PARIS Peace Conference, with particular emphasis on the future disposition of the Italian Fleet. The situation in this area finally climaxed with the demonstration instigated by members of the Italian Royal Navy in St. Mark's square VENICE on 9 May 46 during a band ceremony staged by the British Navy in the presence of Lieut. Gen. Harding, Admiral Kinahan and other Allied Officials. The band ceremonies were admirably executed and completed in perfect order but immediately thereafter the demonstrators closed in on the reviewing party and considerable disorder but no violence occurred. Each political party accused the others of being responsible for the demonstration. However it was generally believed that the entire affair was staged by outsiders, for the local Venetians of all classes resented the demonstration. About the middle of May

Declassified E.O. 12356 Section 3.3/NND No. 785015

manufactured articles [illegible]

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

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

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

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

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

VENEZIA REGION

24. In the early part ofMay most newspapers and public attention was focused on the PARIS Peace Conference, with particular emphasis on the future disposition of the Italian Fleet. The situation in this area finally climaxed with the demonstration instigated by members of the Italian Royal Navy in St. Mark's square VENICE on 9 May 46 during a band ceremony staged by the British Navy in the presence of Lieut. Gen. Harding, Admiral Kinahan and other Allied Officials. The band ceremonies were admirably executed and completed in perfect order but immediately thereafter the demonstrators closed in on the reviewing party and considerable disorder but no violence occurred. Each political party accused the others of being responsible for the demonstration. However it was generally believed that the entire affair was staged by outsiders, for the local Venetians of all classes resented the demonstration. About the middle of May attention was once more focused on the coming elections - buildings were covered with political posters - speakers and leaders of all parties visited the region and addressed meetings, and the newspapers carried on an extensive campaign but throughout it all, the atmosphere was unusually orderly and no incidents occured. The most immediate source of irritation to the civilians was caused by the Military requisitions in the VENICE and LIDO areas. The Italians found much cooperation from the Allied Military Authorities in this matter, but military committments for ports, warehouses, offices and rest areas were such that many normal activities must of necessity be curtailed. This particularly applied to civilian tourist trade and accomodations on the LIDO. Neo-fascist activities in VENEZIA appeared to be more rumor than actual fact and this applied to many alleged activities of other

Declassified E.O. 12356 Section 3.3/NND No. 786015

parties.

25. The crime situation throughout the Area was normal. Questure and CC.RR. made quite a number of good arrests in connection with armed robberies and the collection of arms. There was a considerable decrease in the number of cases of Military telephone lines being cut. Relations between the civilians and Allied Military were reasonably good with only a few isolated incidents being reported. The prisons were still crowded both with prisoners convicted as well as those awaiting trial. In VERONA 771 political prisoners were still being held awaiting trial. The difficulty lay in the courts not having adequate personnel to try the cases. Inadequate equipment for all civilian police agencies continued to create a problem. 1000 bush shirts dyed green were issued to auxiliary agents of the Public Safety Units in VENICE and PADOVA. The Mobile Battalion of Carabinieri stationed in PADOVA with the detachment of 200 stationed at TREVISO were well trained and armed. Recently, after many inquiries, they received ammunition for use in their armoured car weapons. They are under the control of the Legion Commander in PADOVA, but may not be utilized without orders from ROME.

26. Due to plenty of rain and warm weather all crops throughout the Region were good. The wheat crop was estimated to be near normal and was ripening so rapidly that most of the grain will be cut by the 15th of June. Fruits of all types were in abundance and growers were making every effort in cooperation with UNRRA to transport the crop to other sections of ITALY and even to AUSTRIA and GERMANY. The food situation during May was reasonably good with prices remaining approximately the same as those of April. It was estimated that visible wheat stocks would be exhausted in this Region by the 10th June and UNRRA is doubtful whether they could supply any additional grain or flour. Sugar rations were cut to 100 gr. most of which came from local sources. An additional shipment of sugar is due in from LEGHORN about June 10th. Oil and fat supplies continued scarce and were uncontrolled. The Regional Inspector of Alimentazione stated that no fats would be available for issue to the public during June. Total requirements of fats and oil for this region on the basis of 130 gr. per person would amount to 7000 qls. per month. However the "black market" will continue to supply oils and fats to those who can pay prices of 700 lire per Kg. Coal allotments were received and while the amount was far from sufficient yet there was enough coal on hand to meet allocations for the next thirty to sixty days. The general labour situation did not improve, there being 190,000 persons unemployed during April in the eight provinces of this Region as against 195,000 at the close of May. While extensive public works projects were approved there appeared to be considerable delay in getting under way with construction. There were a few scattered strikes and demonstrations for higher wages but generally the labour situation remained quiet. The silk industry anticipated a considerable increase in production this year due to the good weather and favourable growing conditions.

27. The Genio Civile of all provinces were active in submitting projects and a high percentage were approved in ROME but there continued to be a delay in actual construction, which seemed to be due to lack of materials in many cases. The construction of "popular houses" was getting well under way in most provinces. The majority of projects consist of road repair, bridges, hydraulic works, repairs to Public buildings, slum clearance and Port improvements. 18.5

28. The refugee camp at PORTA S. GIORGIO near VERONA had 468 refugees,

Declassified E.O. 12356 Section 3.3/NND No. 785015

dents being reported. The prisons were still crowded [illegible]
convicted as well as those awaiting trial. In VERONA 771 political prisoners were still being held awaiting trial. The difficulty lay in the courts not having adequate personnel to try the cases. Inadequate equipment for all civilian police agencies continued to create a problem. 1000 bush shirts dyed green were issued to auxiliary agents of the Public Safety Units in VENICE and PADOVA. The Mobile Battalion of Carabinieri stationed in PADOVA with the detachment of 200 stationed at TREVISO were well trained and armed. Recently, after many inquiries, they received ammunition for use in their armoured car weapons. They are under the control of the Legion Commander in PADOVA, but may not be utilized without orders from ROME.

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

27. The Genio Civile of all provinces were active in submitting projects and a high percentage were approved in ROME but there continued to be a delay in actual construction, which seemed to be due to lack of materials in many cases. The construction of "popular houses" was getting well under way in most provinces. The majority of projects consist of road repair, bridges, hydraulic works, repairs to Public buildings, slum clearance and Port improvements. 18.5

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

REGION OF CALABRIA-CAMPANIA AND NAPLES.

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

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

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

35. Owing to redeployment of units, employment by Allied Forces decreased. Exclusive of the RAF, civilians employed by the Allies in the NAPLES Area [illegible] to 40,000.

Declassified E.O. 12356 Section 3.3/NND No. 785015

to increase their services. Telegraph service was re-
and VENICE and another between VENICE and FERRARA. Telegraph service was re-
established on 22 May between VENICE and TRIESTE. A total of 4 telegraph Offices
were re-opened within the Region during the month, with 6 additional scheduled
for re-opening in June, bringing the numbers practically up to the pre-war level.
Seven long distance telephone circuits were added during the month, including
three from VERONA to BOLZANO. Prior to the war the TELVE Company had 31
telephone exchanges and the TEMO 197 exchanges in operation in this area. TELVE
is now back to normal with 31 exchanges and TEMO has 103 with 9 more to be
opened in June.

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

REGION OF CALABRIA-CAMPANIA AND NAPLES.

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

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

TOSCANA REGION.

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

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

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

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

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

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

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

18-4

BARI AND PUGLIE MARCHE REGION.

45. Great interest in the elections was shown by all Parties. There were no disturbances, although at TARANTO when Togliatti, the Minister for Justice and leader of the Communist Party made a speech, he was howled down by the Italian sailors and a few individuals engaged in an exchange of fisticuffs. Again, later in the month Signor TOGLIATTI was obliged to give

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

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

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

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

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

BARI AND PUGLIE MARCHE REGION. 18.4

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

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

49. Further premises were dorequisitioned during May including 95 apartments and 8 W/houses.

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

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

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

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

54. 285 millions lire was granted for Public Works in BARI Province, 30 millions for TARANTO. More and more road repair was to be seen throughout the area and an increase in general repair work was also in evidence.

55. No. 1 Transit Camp was handed over to UNRRA on the 15th May. During the first fortnight of May, 1035 persons arrived in the Camp and 540 left BARI.

Declassified E.O. 12356 Section 3.3/NND No. 785015

were brought under control and no extensive damage was done. Fuel and lubricants were generally insufficient for agricultural needs but a good production of wheat and other cereals is expected, also of leguminous plants. Production of fodder was satisfactory. The condition of tobacco in LECCE Province was excellent and a good production of wine and olive oil is also expected.

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

49. Further premises were dorequisitioned during May including 93 apartments and 8 W/houses.

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

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

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

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

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

55. No. 1 Transit Camp was handed over to UNRRA on the 15th May. During the first fortnight of May, 1035 persons arrived in the Camp and 540 left BARI.

Declassified E.O. 12356 Section 3.3/NND No. 785015

ISLAND OF SICILY

56. Political excitement was increased in the last few days of the month by visits from ORLANDO, DE GASPERI and the King, all of whom had very good receptions. TOGLIATTI on the other hand was whistled at almost continuously at PALERMO. Chief interest appeared to be in the institutional question rather than the party situation, for the Sicilians have a strong leaning towards the Monarchy and were trying to poll every monarchist vote possible in order to counter-balance northern republican votes. On the party issue the strongest parties were the Democratic Christians (easy first), followed by the UDN, Sicilian Independence, Uomo Qualunque and Socialists. Electioneering was more bitter in the PALERMO area than in the east of the Island and there were a few minor clashes without, however, grave consequences. Great anxiety was felt by the authorities in PALERMO for the days immediately following the announcement of the result of the referendum and the usual rumours of insurrections and violence all without proof were rife. The distribution of election certificates varied considerably; in ENNA and CALTANISSETTA Provinces over 96% were distributed whereas in PALERMO the distribution was less than 90%; the PALERMO authorities blamed this on deaths, removals etc.

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

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

59. The situation in the sulphur industry was not good. The production is on primitive lines and if the owners pay reasonable wages they cannot hope to compete in the world market with others. This industry was in need of capital and modernisation in technique; it has the advantage of producing very high quality sulphur close to Europe. The workers were dissatisfied with the present wages and food scales, and the position gave continual anxiety to the Public Safety Authorities. Cotton prospects were slightly improved by a rise in prices, and there was optimism in AGRIGENTO. If the soap trade in MESSINA could reopen it would largely solve the province's unemployment problem; the PALERMO Authorities have not allowed them to use the necessary fats. The cost of living rose very steeply owing to manipulation of the bread black market in some provinces. Official figures could only be treated sceptically, as in SIRACUSA, for example bread increased 5 lire a kilo a day to the new height of 40 at CATANIA. The one thing certain was that the cost

Declassified E.O. 12356 Section 3.3/NND No. 785015

Monarchy and were trying to poll [illegible]
counter-balance northern republican votes. On the party issue the strongest parties were the Democratic Christians (easy first), followed by the UDN, Sicilian Independence, Uomo Qualunque and Socialists. Electioneering was more bitter in the PALERMO area than in the east of the Island and there were a few minor clashes without, however, grave consequences. Great anxiety was felt by the Authorities in PALERMO for the days immediately following the announcement of the result of the referendum and the usual rumours of insurrections and violence all without proof were rife. The distribution of election certificates varied considerably: in ENNA and CALTANISSETTA Provinces over 96% were distributed whereas in PALERMO the distribution was less than 90%; the [illegible] authorities blamed this on deaths, removals etc.

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

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

59. The situation in the sulphur industry was not good. The production is on primitive lines and if the owners pay reasonable wages they cannot hope to compete in the world market with others. This industry was in need of capital and modernisation in technique; it has the advantage of producing very high quality sulphur close to Europe. The workers were dissatisfied with the present wages and food scales, and the position gave continual anxiety to the Public Safety Authorities. Cotton prospects were slightly improved by a rise in prices, and there was optimism in AGRIGENTO. If the soap trade in MESSINA could reopen it would largely solve the province's unemployment problem; the PALERMO Authorities have not allowed them to use the necessary fats. The cost of living rose very steeply owing to manipulation of the bread black market in some provinces. Official figures could only be treated sceptically, as in SIRACUSA, for example bread increased 6 lire a kilo a day to the new height of 290 a kilo as opposed to 140 at CATANIA. The one thing certain was that the cost of living reached a figure which was impossible for a large part of the populati

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

EMILIA REGION

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

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

66. The grain situation in the Region did not improve during the month, but the bread ration was maintained. There was no distribution of pasta rations in some Provinces. The [illegible] amassing programme yielded some 33,000 quintali of grain up to the end of May. This was not considered to be satisfactory b the Prefects. Undoubtedly, there was still a fairly strong black market in grain and flour, despite the firm action of the Prefects and police agencies in stopping vehicles and impounding such grain. Pasta and bread was still on sale in all civilian restaurants. There was plenty of meat - at high prices; indeed, every form of food could be bought by those who had the money. Cheese of all varieties, was in good supply; vegetables were abundant, and there was plenty of fish on [illegible] as usual, to lack of raw

Declassified E.O. 12356 Section 3.3/NND No. 785015

the only attempt of the Monarchists to hold an open air meeting, the speaker was shouted down and a Socialist leader who afterwards addressed those assembled stated that it was not undemocratic to prevent the Monarchists from speaking. A Monarchist meeting at IMOLA was also abandoned in similar circumstances. However, as far as the meetings were concerned, there were no violent incidents or serious disorder. A definite "war of nerves" was conducted during the month, and there were strong rumours, that the extremists were prepared to carry out a coup d'etat, if the referendum should be in favour of the Monarchy. Three incidents of an obviously political character were reported during the month; on 24 May at RAVENNA, two hand grenades were thrown into the premises of Italian Partisan Association; on 15 May at S. MARCO, RAVENNA Province, five hand grenades were thrown through the windows of a house in which were the secretaries of the local Communist and Socialist Parties; on 31 May in BOLOGNA, two bombs were thrown, one near the Camera del Lavora and the other one at the entrance of the Casa del Popolo. Some damage was done but no one was hurt. The abdication of King Victor Emanuele was expected and caused little comment beyond the fact that it was considered to be well timed. Some disappointment was expressed at the lack of progress towards a Peace Treaty with ITALY. Provincial administration continued to be fairly satisfactory. The financial position of the Communes continued to be bad.

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

66. The grain situation in the Region did not improve during the month, but the bread ration was maintained. There was no distribution of pasta rations in some Provinces. The [illegible] amassing programme yielded some 33,000 quintali of grain up to the end of May. This was not considered to be satisfactory by the Prefects. Undoubtedly, there was still a fairly strong black market in grain and flour, despite the firm action of the Prefects and police agencies in stopping vehicles and impounding such grain. Pasta and bread was still on sale in all civilian restaurants. There was plenty of meat - at high prices; indeed, every form of food could be bought by those who had the money. Cheese of all varieties, was in good supply; vegetables were abundant, and there was plenty of fish on sale. Industry was still in the same sad state due, as usual, to lack of raw materials and coal, and to a reluctance on the part of business men to buy. In addition the unsettled political situation in the country hampered any progress in this field; it was obvious that many business men hesitated to finance industrial enterprises with the possibility of an extreme Left-wing Government being elected. Unemployment remained a major problem. While the seasonal increase in agricultural work will absorb some, and public works, some more, the ranks of the unemployed are being swelled by returning "reduci". Agricultural work was carried on satisfactorily; there was much rain during the month and

Declassified E.O. 12356 Section 3.3/NND No. 78 0015

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

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

68. There we e 1,698 Displaced Persons on hand on 20 April and an intake during the month of 1,691; evacuations during the month totalled 2, 52. Following a conference in ROME it was decided that all camps in this Region would become A.C. Before this decision was made, refugees were being moved about a good deal and a clash occurred in REGGIO EMILIA between two different groups of people resulting in two deaths and bloodshed. Jews were moved to other camps in MILAN and ROME, and REGGIO EMILIA camp is now empty. The health in all the camps was excellent, there was some whooping cough among children, and the prevelant diseased continued to be venereal and tuberculosis.

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

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

71. Italian Courts operated as slowly and laboriously as ever. It was noted that as the elections approached there was a very definite slowing up in the fixing of trials of persons with definite political attachments. This applied particularly to the trials of Communist partisans for such offences as murders armed ro beries etc. This appeared to have been the policy of the Procuratore Generale in BOLOGNA who has since been replaced.

BOLZANO

72. On every Sunday during May the South Tyrol Party held meetings in various centres either demanding the annexation of the South Tyrol to Austria or protesting against the decision of the Big Four not to discuss their question. All meetings were orderly and the three speakers were usually Baron STERNBACH, Dr. E. VOLGGER, and Dr. V. GUGGENBERG; the meetings were so arranged that the speakers could address each meeting in turn. The first shock came when the Austrian Government asked for a "slight modification" of their frontier to include the AUSTRIA VALLEY (Brunico Area) and EISACK VALLEY (Brenner and Bressanone Area) in order to join the North and East Tyrol by rail. The S.T.V. replied at once by sending a telegram to PARIS protesting against the proposed frontier rectification and asking that representatives of their party might be heard to plead for the complete annexation of the South Tyrol to AUSTRIA. The dwindling hopes of the German speaking population were, however, revived by the speech of Field Marshal SMUTS and the support of their pleas by the "TIMES". As CHURCHILL supported them in Parliament by suggesting a plebiscite, their fading hopes of annexation again revived. The report of the Option Commission to decide the laws of citizenship was sent by the Prefect to the Italian Government. The S.T.V. still remains outside the Autonomy Commission and the Prefect endeavoured to contact certain members of the Hans EGARTER-Group without success. Signor DE GASPERI's speech in TRENTO in which he blamed the German speaking population for non-cooperation received adverse comment in the Press the line of attack being - ? that it was easy to discuss principles of democracy and freedom when it affected the Italian Government, but when it affected the South Tyrol, no mention was made of the incorporation into TRENTO Province against their will of the 11

Declassified E.O. 12356 Section 3.3/NND No. 785015

during the month of 1,691; evacuations during the month totalled [illegible]
ing a conference in ROME it was decided that all camps in this Region would be-
come A.C. Before this decision was made, refugees were being moved about a good
deal and a clash occurred in REGGIO EMILIA between two different groups of
people resulting in two deaths and bloodshed. Jews were moved to other camps in
MILAN and ROME, and REGGIO EMILIA camp is now empty. The health in all the camps
was excellent, there was some whooping cough among children, and the prevelant
diseased continued to be venereal and tuberculosis.

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

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

71. Italian Courts operated as slowly and laboriously as ever. It was noted that as the elections approached there was a very definite slowing up in the fixing of trials of persons with definite political attachments. This applied particularly to the trials of Communist partisans for such offences as murders armed robberies etc. This appeared to have been the policy of the Procuratore Generale in BOLOGNA who has since been replaced.

BOLZANO

72. On every Sunday during May the South Tyrol Party held meetings in various centres either demanding the annexation of the South Tyrol to Austria or protesting against the decision of the Big Four not to discuss their question. All meetings were orderly and the three speakers were usually Baron STERNBACH, Dr. F. VOLGGER, and Dr. V. GUGGENBERG; the meetings were so arranged that the speakers could address each meeting in turn. The first shock came when the Austrian Government asked for a "slight modification" of their frontier to include the PUSTERIA VALLEY (Brunico Area) and EISACK VALLEY (Brenner and Bressanone Area) in order to join the North and East Tyrol by rail. The S.T.V. replied at once by sending a telegram to PARIS protesting against the proposed frontier rectification and asking that representatives of their party might be heard to plead for the complete annexation of the South Tyrol to AUSTRIA. The dwindling hopes of the German speaking population were, however, revived by the speech of Field Marshal SMUTS and the support of their pleas by the "TIMES". As CHURCHILL supported them in Parliament by suggesting a plebiscite, their fading hopes of annexation again revived. The report of the Option Commission to decide the laws of citizenship was sent by the Prefect to the Italian Government. The S.T.V. still remains outside the Autonomy Commission and the Prefect endeavoured to contact certain members of the Hans EGARTER-Group without success. Signor DE GASPERI's speech in TRENTO in which he blamed the German speaking population for non-cooperation received adverse comment in the Press the line of attack being that it was easy to discuss principles of democracy and freedom when it affected the Italian Government, but when it affected the South Tyrol, no mention was made of the incorporation into TRENTO Province against their will of the 11 German speaking communes of the "Unterland" etc.

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

74. The recently concluded export agreements between ITALY, SWITZERLAND and AUSTRIA have not yet been carried out. Wine and harvest prospects for 1946 are excellent. The fruit crop in SWITZERLAND was expected to be abundant this year. This affects the possibility of exporting the fruit from SOUTH TYROL to SWITZERLAND and the Chamber of Commerce was trying to formulate plans for the exportation of wine and fruit to DENMARK and BRITAIN. The food situation in the Province was satisfactory. Fertilizers and insecticides were required, but on the whole the agriculture situation was above the average. There were 2,665 unemployed in the Province. Arrangements were being made to send hotel servants to SWITZERLAND and small groups of labourers were sent to the south for work in the rice fields.

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

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

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

REGION OF ABRUZZI & LAZIO

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

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

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

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

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

83. Public Health was generally good. The measles epidemic in TERNI Province decreased (305cases in the Province, 206 of which were in the city of TERNI, were notified during the month). 72 cases of measles were reported also in the Province of MACERATA and a few cases in RIETI Province.

ROME CITY AND PROVINCE

Declassified E.O. 12356 Section 3.3/NND No. 785015

send hotel servants to SWITZERLAND and small groups of [illegible] the south for work in the rice fields.

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

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

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

REGION OF ABRUZZI & LAZIO

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

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

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

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

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

83. Public Health was generally good. The measles epidemic in TERNI Province decreased (305cases in the Province, 206 of which were in the city of TERNI, were notified during the month). 72 cases of measles were reported also in the Province of MACERATA and a few cases in RIETI Province.

ROME CITY AND PROVINCE

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

UDINE PROVINCE.

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

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

88. Regular distribution of all rationed foodstuffs continued; present stocks of flour on hand will enable the ration to be continued until 14 June, but the planned distribution of 500 grams of pasta for May was cancelled on ... 500 grams of sugar to residents of

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

UDINE PROVINCE.

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

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

88. Regular distribution of all rationed foodstuffs continued; present stocks of flour on hand will enable the ration to be continued until 14 June, but the planned distribution of 500 grams of pasta for May was cancelled on instructions from ROME. The free issue of 500 grams of sugar to residents of UDINE CITY up to 18 years old, given by IRELAND, was gratefully received. The final results of the livestock census gave a total of 192,356 head of cattle. Food prices generally were still high and did not show any tendency to fall. Essential commodities for both industry and commerce were satisfactory except for imported coal, tyres and fuel oil. The tyre situation was unsatisfactory and the coal shortage was acutely felt throughout the Province; only 3,300 tons out of a minimum requirement of 6,000 tons was received. Medical supplies, totalling approximately five million lire, were received. Statal employees were on strike between the 6th and 11th May. The Labour Attache of the British

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

89. Heavy rains and further deliveries of fertilisers greatly improved agricultural prospects. Wheat cultivation in the Province showed a 20% increase on 1945, rice a 30% increase and barley a 33% increase. Sugar beets showed a 24% increase, while there was a decrease of 21% for potatoes and 7% for maize. Vines have not suffered by disease, and a good crop is foreseen. A total of 49 new cases of foot and mouth disease were reported, bringing the total number up to 95. In consequence, the export of livestock from the Province was forbidden without a veterinary certificate.

90. The cash position of the Bank of Italy for the month showed an increase of approximately three quarters of a million lire over last month, bringing the total of currency to over two and a half thousand million lire. The decline in the lire was very noticeable during the month, particularly against gold. Some eight million lire were authorised for communal expenses and approximately 463 million lire was authorised for the second quarter to meet statal and para-statal budgets. Military road projects were financed to a total of 10,700,000 lire.

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

92. During the month, a total of 2,322 refugees passed through the Centre, of which 723 were aliens, Greeks and Yugoslavs being in the majority. One half of the displaced persons arrived from VENEZIA GIULIA, and the balance from [illegible] and UDINE area.

93. In a variety of ways, Welfare Office continued to give ample support throughout the Province, and was largely responsible for the provision of an ambulance for the PALUZZA T.B. Hospital. The Ministry of Post-War Assistance provided some seven million lire towards the electric lighting scheme for the communes of the TAGLIAMENTO Valley. No increase in the number of UNRRA rations for the poor and needy of the Province was authorized, though claims from many communes were received. The general health of the Province was good, but 176 cases of measles and 21 cases of diptheria were reported.

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

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

AMG VENEZIA GIULIA

96. The failure of the PARIS conference to come to an agreement over VENEZIA GIULIA and the suggestion that the Powers may accept the French line as a solution caused the morale of the Italian population to sink. This was particularly [illegible] where the energies of the trades peoples are bent more in the [illegible] attempting to increase in-

Declassified E.O. 12356 Section 3.3/NND No. 785015

vince was forbidden without a veterinary

90. The cash position of the Bank of Italy for the month showed an increase of approximately three quarters of a million lire over last month, bringing the total of currency to over two and a half thousand million lire. The decline in the lire was very noticeable during the month, particularly against gold. Some eight million lire were authorised for communal expenses and approximately 463 million lire was authorised for the second quarter to meet statal and parastatal budgets. Military road projects were financed to a total of 10,700,000 lire.

91. Public works projects totalling approximately 205,000,000 lire were prepared by the Genio Civile of the Province. Elaborate preparations for the resurfacing of military roads came to a standstill for the lack of bitumen of which approximately three thousand tons were required. This will have the effect of delaying work on the less important military roads until the promised shipment arrives.

92. During the month, a total of 2,322 refugees passed through the Centre, of which 723 were aliens, Greeks and Yugoslavs being in the majority. One half of the displaced persons arrived from [redacted], and the balance from [redacted] area.

93. In a variety of ways, Welfare Office continued to give ample support throughout the Province, and was largely responsible for the provision of an ambulance for the [redacted] G.B. Hospital. The Ministry of Post-War Assistance provided some seven million lire towards the electric lighting scheme for the communes of the [redacted] Valley. No increase in the number of [redacted] rations for the poor and needy of the Province was authorised, though claims from many communes were received. The general health of the Province was good, but 176 cases of measles and 21 cases of diptheria were reported.

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

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

AMG VENEZIA GIULIA

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

97. In spite of increased activity on the part of the rival Yugoslav and Italian factions during the May Day celebrations, from the Police standpoint May was a reasonably quiet month. Advantage was taken of this 'breathing space' to improve efficiency and conditions in all branches of the Force. The May Day celebrations constituted a 'heavy' period, especially in TRIESTE CITY for the Civil Police, and police resources were extended to the utmost. Nevertheless, although several incidents occurred, the situation throughout was kept in hand and at no time was it necessary to request the military to assist in the restoration or maintenance of public order. During the last few months the Police Force has been thoroughly tested and has so gained the confidence of the higher command and the general public, that increased duties have been delegated to it. In view of this and the fact it must anticipate further public disorder resulting from the general uncertainty surrounding the Peace Conference, it is the intention to increase the force by 1850 bringing the total to 5000. Crime returns were low having regard to the general social conditions and to the population figure. Figures for May showed that a total of 249 crime complaints have been received by all branches throughout the Area, and 169 arrests or denunciations made. The most serious crimes reported during the month involved the death of six persons - two of the deaths being the results of road accidents, the four remaining deaths appearing to be cases of murder. There was no notable increase in serious crime in the TRIESTE Zone during the month although there was a slight increase in the number of reported cases of robbery accompanied by violence. There was a decrease in the number of political crimes reported but many of the reported crimes were still in this category. There was indication of an increase in the number of persons improperly carrying firearms. The uttering of forged Italian currency continued. In the GORIZIA Zone crimes reported showed a decrease as compared with last month and there were no crimes of violence. Eight cases of burglary and many cases of simple larceny were successfully investigated. Apart from a few cases of drunkenness the conduct of troops was good; no case of serious misconduct in public came to notice. There was little change in the prison population; in TRIESTE prisons there were 618 and in other prisons 335.

98. Normal rations were distributed to the whole population during May with the exception of pasta, which had to be cut due to the threatened failure of scheduled wheat flour shipments due to arrive. If possible deficiencies will be made up in June. Two steamers arrived during the month with miscellaneous foodstuffs and a steamer with approximately 8,000 tons of flour is due to arrive on 15 June of which 3,400 tons are for GORIZIA CIVILE and 4,600 tons are for ISTRIA Province. Until further notice, owing to the wheat situation, pasta rations will be reduced.

99. Incoming shipping during the month totalled 23,930 tons and outward shipping totalled 20,000 tons. Rail movement totalled 59,240 tons. The total tonnage moved during the month by sea, rail and road was 143,329. A few additional 1st and 3rd Class bus services and temporary summer services were authorized. [illegible] and other concessions were withdrawn

Declassified E.O. 12356 Section 3.3/NND No. 785015

11: DOLINA DEL COLLIO and [illegible] both in GORIZIA area. [illegible] first totally Slav Commune in which it was possible to implement C.O. No. 11. DOLINA DEL COLLIO is inhabited by Italians and Slovenes in approximately equal numbers.

97. In spite of increased activity on the part of the rival Yugoslav and Italian factions during the May Day celebrations, from the Police standpoint May was a reasonably quiet month. Advantage was taken of this 'breathing space' to improve efficiency and conditions in all branches of the Force. The May Day celebrations constituted a 'heavy' period, especially in TRIESTE CITY for the Civil Police, and police resources were extended to the utmost. Nevertheless, although several incidents occurred, the situation throughout was kept in hand and at no time was it necessary to request the military to assist in the restoration or maintenance of public order. During the last few months the Police Force has been thoroughly tested and has so gained the confidence of the higher command and the general public, that increased duties have been delegated to it. In view of this and the fact it must anticipate further public disorder resulting from the general uncertainty surrounding the Peace Conference, it is the intention to increase the force by 1350 bringing the total to 5000. Crime returns were low having regard to the general social conditions and to the population figure. Figures for May showed that a total of 249 crime complaints have been received by all branches throughout the Area, and 169 arrests or denunciations made. The most serious crimes reported during the month involved the death of six persons - two of the deaths being the results of road accidents, the four remaining deaths appearing to be cases of murder. There was no notable increase in serious crime in the TRIESTE Zone during the month although there was a slight increase in the number of reported cases of robbery accompanied by violence. There was a decrease in the number of political crimes reported but many of the reported crimes were still in this category. There was indication of an increase in the number of persons improperly carrying fire arms. The uttering of forged Italian currency continued. In the GORIZIA Zone crimes reported showed a decrease as compared with last month and there were no crimes of violence. Eight cases of burglary and many cases of simple larceny were successfully investigated. Apart from a few cases of drunkenness the conduct of troops was good; no case of serious misconduct in public came to notice. There was little change in the prison population; in TRIESTE prisons there were 618 and in other prisons 335.

98. Normal rations were distributed to the whole population during May with the exception of pasta, which had to be cut due to the threatened failure of scheduled wheat flour shipments due to arrive. If possible deficiencies will be made up in June. Two steamers arrived during the month with miscellaneous foodstuffs and a steamer with approximately 8,000 tons of flour is due to arrive on 15 June of which 3,400 tons are for VENEZIA GIULIA and 4,600 tons are for UDINE Province. Until further notice, owing to the wheat situation, pasta rations will be reduced.

99. Incoming shipping during the month totalled 23,930 tons and outward shipping totalled 20,[illegible] tons. Rail movement totalled 59,240 tons. The total tonnage moved during the month by sea, rail and road was 143,829. A few additional 1st and 3rd Class bus services and temporary summer services were authorized. Certain existing services were intensified and other concessions were withdrawn where supply and demand justified the action. A new system was adopted whereby a more strict control can be placed upon the rationing of new tyres.

100. The 1946 grain collection programme was under way, with police assistance promised. Records were being taken of acreage planted by farmers. The price has been fixed at 2250 lire per quintal, with special premiums for early amassing. The quota of wheat to be collected in the Territory is 20,000 quintals. Trials of evaders during the past season will take place before the 15 of June as a deterrent to this year's contraband operations. The Barcola afforestation project was initiated and bids taken for the work. Although trees will not be

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

102. The first lot of cloth to be produced from Imported Cotton (200,000 m - value about lire 36,000,000) was on sale. The stock of finished cloth was about 300,000 metres. The planned quantity is about 2,200,000 metres. Owing to the coal strike in the United States no shipment of coal was received in May and the position regarding imported stocks was very serious. Against coal allocations accepted for delivery during the first 6 months of 1946, 68,064 tons were received, the allocation being 119,400 tons. The balance of imported coal in stock (as of 1 June) was 534 tons, of which 293 was allocated to TRIESTE Area. The requirements of GORIZIA and POLA for the month of June have been secured.

103. The repair of public buildings was well in hand; practically all those which were slightly damaged have been or are under repair and work was commencing on those which have been heavily damaged. The repair of private housing progressed very satisfactorily. Normal work was at its summer peak with over 3,000 men employed in repairing roads and bridges. During the month negotiations were completed with the Italian Government for the building, subject to Allied approval, of the TRIESTE-AUSTRIA autostrada. The Italian Government agreed to complete its part of this road in four years starting during the coming summer. Repairs [illegible] at PORTO NUSO, GRADO, DUINO, MONFALCONE, SISTIANA and POLA. [illegible] essential

Declassified E.O. 12356 Section 3.3/NND No. 785015

to increase [illegible]
Control measures designed to regulate the flow of fish to [illegible]
suspended in il autumn, as otherwise too many fish would be concentrated at
central collecting points. Prices dropped and meat prices were lower too, as
a result of competition from fish as a substitute. Fifteen tons of fish were
being produced daily from combined ports in VENETIA GIULIA.

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

102. The first lot of cloth to be produced from Imported Cotton (200,000 m - value about lire 36,000,000) was on sale. The stock of finished cloth was about 300,000 metres. The planned quantity is about 2,200,000 metres. Owing to the coal strike in the United States no shipment of coal was received in May and the position regarding imported stocks was very serious. Against coal allocations accepted for delivery during the first 6 months of 1946, 68,064 tons were received, the allocation being 119,400 tons. The balance of imported coal in stock (as of 1 June) was 534 tons, of which 293 was allocated to TRIESTE Area. The requirements of GORIZIA and UDA for the month of June have been secured.

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

Declassified E.O. 12356 Section 3.3/NND No. 786015

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

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

106. Movement of Displaced Persons into Zone "A" of VENEZIA GIULIA continued; a total of 1,852 DPs arrived and 1,909 departed. Work by the British Red Cross representatives among refugee and local inhabitants continued. 200 tubercular children from war-damaged districts of YUGOSLAVIA were taken to SWITZERLAND by the British Red Cross representative. Two more attempts at illegal entry by Jewish refugees were made during the month. The first party of 18 was arrested by Security, the second party of 20 was turned back at the frontier. During the month one party of 51 Italian POW's arrived in TRIESTE from YUGOSLAVIA. Their physical state as well as their clothing was deplorable.

107. Total credits issued since A.M.G. took over the administration of this territory aggregated about 12,000,000,000 Lire, one third of which represents expenditures on public works. The next major item was 900,000,000 Lire paid for occupation expenses. Allied owned properties under formal control amounted to 379 whilst 93 were released. 18 German properties were sequestered. The lack of security in the free port continued owing to the shortage of Finance Guards and recent reports indicated that drastic steps must be taken without delay.

106. During May a total of 450 accused were tried on 505 charges in 9 Summary Courts. These figures were higher than normal due to a special effort during May to bring the Court calendars, particularly in the Area of TRIESTE, up to date; this was accomplished by holding extra Summary and Superior Courts. During May total of 86 accused were tried on 115 charges in Superior Courts again due to the special effort to make Court calendars current. The ordinary Civil Courts functioned satisfactorily. Some progress was made during the month towards supplying additional personnel particularly in the offices of the clerks of the Courts. The order giving jurisdiction to [illegible] prior to 8 September 1943

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

106. Movement of Displaced Persons into Zone "A" of VENEZIA GIULIA continued; a total of 1,852 DPs arrived and 1,909 departed. Work by the British Red Cross representative among refugee and local inhabitants continued. 200 tubercular children from war-damaged districts of YUGOSLAVIA were taken to SWITZERLAND by the British Red Cross representative. Two more attempts at illegal entry by Jewish refugees were made during the month. The first party of 18 was arrested by Security, the second party of 20 was turned back at the frontier. During the month one party of 51 Italian POW's arrived in TRIESTE from YUGOSLAVIA. Their physical state as well as their clothing was deplorable.

107. Total credits issued since A.M.G. took over the administration of this territory aggregated about 12,000,000,000 Lire, one third of which represents expenditures on public works. The next major item was 900,000,000 Lire paid for occupation expenses. Allied owned properties under formal control amounted to 379 whilst 93 were released. 18 German properties were sequestered. The lack of security in the free port continued owing to the shortage of Finance Guards and recent reports indicated that drastic steps must be taken without delay.

108. During May a total of 450 accused were tried on 505 charges in 9 Summary Courts. These figures were higher than normal due to a special effort during May to bring the Court calendars, particularly in the area of TRIESTE, up to date; this was accomplished by holding extra Summary and Superior Courts. During May total of 86 accused were tried on 115 charges in Superior Courts again due to the special effort to make Court calendars current. The ordinary Civil Courts functioned satisfactorily. Some progress was made during the month towards supplying additional personnel particularly in the offices of the clerks of the Courts. The order giving jurisdiction to the ordinary Penal Courts to try Fascist offences prior to 8 September 1943 was signed on 3rd May 1945 (General Order No. 53) and is now in effect. During May the Special Court of Assise held public trials of 27 accused resulting in 7 convictions and 20 acquittals.

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

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

business doing no more than what is a bare minimum. Unemployment increased; records for VENEZIA GIULIA as a whole showed an increase of 3325. In TRIESTE area alone there was an increase of 2842. Dismissals during May in conformity with G.O. 106 amounted to 3738. The Public Works payroll showed a slight decrease in employment, as compared to April. There was only one occasion on which work was suspended during May and that was in the Shipyards of MONFALCONE where the clerical workers abstained from their work on the afternoon of Saturday 25th in order to protest against the fact that the reduction of time table from 48 to 40 hours was not made to apply in the case of clerical employees. The system of addressing workers on the factory premises still continued and the Sindacati Unici staged five important meetings during May. The difficulty of fixing "piece work" rates in the C.R.D.E. still continued in view of the intractable attitude of "Sindacati Unici" which refused to allow the "Camera del Lavoro" to enter in the joint negotiation while at the same time insisting that the Management and incidentally A.M.G. were to blame for the impasse. The attitude of the "Sindacati Unici" mentioned above is merely a preview of a continued policy of sabotage calculated to precipitate conditions of industrial unrest. In view of this line of action, the advisability of promulgating legislation to regulate Trade Union affairs in general, and joint negotiations in particular, now becomes a necessity, unless A.M.G. is prepared to accept a situation in which a virtual monopoly is tacitly granted to the "Sindacati Unici" to the exclusion of the "Camera del Lavoro".

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

Saturday 25th in order to protest against the [illegible]
table from 48 to 40 hours was not made to apply in the case of clerical employees. The system of addressing workers on the factory premises still continued and the Sindacati Unici staged five important meetings during May. The difficult of fixing "piece work" rates in the C.R.D.E. still continued in view of the intractable attitude of "Sindacati Unici" which refused to allow the "Camera del Lavoro" to enter in the joint negotiation while at the same time insisting that the Management and incidentally A.M.G. were to blame for the impasse. The attitude of the "Sindacati Unici" mentioned above is merely a preview of a continued policy of sabotage calculated to precipitate conditions of industrial unrest. In view of this line of action, the advisability of promulgating legislation to regulate Trade Union affairs in general, and joint negotiations in particular, now becomes a necessity, unless A.M.G. is prepared to accept a situation in which a virtual monopoly is tacitly granted to the "Sindacati Unici" to the exclusion of the "Camera del Lavoro".

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

PART II

CIVIL AFFAIRS SECTION

LOCAL GOVERNMENT SUB-COMMISSION

1. The Decree prescri ing the procedure for voting upon the Institutional Referendum was published on 3 May. The Referendum ballots and those for the election of Deputies to the Constituent Assembly will be delivered to the electors simultaneously. The Referendum ballot contained a symbol for the Monarchy consist of the arms of the House of Savoy and a symbol for the Republic consisting of a female head wearingalaurel crown. The voter makes a mark against the symbol of hi choice. The Decree made a detailed provision for integrating the voting and count of the votes for the Referendum with the corresponding procedure for the election Deputies to the Constituent Assembly. The period of voting was extended to 1200 h on Monday 3 June to allow adequate time for dealing with the two ballots. The lis of candi" tes nominated in the 31 election districts or colleges published late in the month showed 4,7?6 nominations for 573 seats: leading men have however been nominated in 2 or sometimes 3 districts. The number of competing parties varied f 2 in the VAL d'AOSTA up to 23 in the NAPLES-CASERTA district and 27 in the distri of ROME-FROSINONE-LATINA-VITERBO.

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

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

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

LEGAL SUB-COMMISSION

5. Allied Military Courts were in session in VENEZIA GIULIA and UDINE Provir Superior and Summary Courts were held during May in both VENEZIA GIULIA and UDINE. In VENEZIA GIULIA, a total of 86 accused were tried on 115 charges in Superior Courts and 450 accused were tried on 505 charges in Summary Courts during May.

Declassified E.O. 12356 Section 3.3/NND No. 785015

Referendum was published on 3 May. The Referendum ballots
election of Deputies to the Constituent Assembly will be delivered to the electors
simultaneously. The Referendum ballot contained a symbol for the Monarchy consist
of the arms of the House of Savoy and a symbol for the Republic consisting of a
female head wearing a laurel crown. The voter makes a mark against the symbol of hi
choice. The Decree made a detailed provision for integrating the voting and count
of the votes for the Referendum with the corresponding procedure for the election
Deputies to the Constituent Assembly. The period of voting was extended to 1200 h
on Monday 3 June to allow adequate time for dealing with the two ballots. The lis
of candidates nominated in the 31 election districts or colleges published late in
the month showed 4,776 nominations for 573 seats: leading men have however been
nominated in 2 or sometimes 3 districts. The number of competing parties varied f
2 in the VAL D'AOSTA up to 23 in the NAPLES-CASERTA district and 27 in the distri
of ROME-FROSINONE-LATINA-VITERBO.

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

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

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

105

LEGAL SUB-COMMISSION

5. Allied Military Courts were in session in VENEZIA GIULIA and UDINE Provin
Superior and Summary Courts were held during May in both VENEZIA GIULIA and UDINE.
In VENEZIA GIULIA, a total of 86 accused were tried on 115 charges in Superior
Courts and 450 accused were tried on 505 charges in Summary Courts during May.
These figures were higher than the normal monthly totals but they are due to a
special effort to bring the Court calendars, particularly in the Area of TRIESTE,
up to date. This was accomplished by holding extra sessions of Superior and
Summary Courts. As a result the number of cases pending took a noticeable drop;
in the case of TRIESTE area from 330 Summary Court cases at the end of April to
at the end of May. Of these pending Summary Court cases, only 4 accused were det
pending trial. The Italian Courts worked satisfactorily in UDINE Province and 18
cases were tried by the Special Court of Assize during May, of which 4 cases resul
in dismissal. In VENEZIA GIULIA the ordinary Civil Courts functioned with reason
satisfaction. Some progress was made during May toward supplying additional perso
particularly in the offices of the Clerks of the Courts. In [illegible] the Italian
Courts worked satisfactorily. [illegible] reports disclose cooperation by
Italian Courts concerning Allied interest cases. During the past month the

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

PUBLIC HEALTH SUB-COMMISSION

6. The situation in ITALY as regards communicable diseases remained satisfactory. Small-pox and poliomyelitis were again, as in the previous month, the only two infectious diseases requiring notification. There were 65 cases of small-pox in May, all of them occurring in SOUTHERN ITALY. The highest incidence took place in the Province of BARI, which registered 37 cases as against 39 in April. Practical all cases of poliomyelitis have occurred in NORTHERN ITALY. 81 cases were reported in May, as against 40 in April, but there were localised outbreaks worthy of note. The provinces of MILAN, VENICE and BERGAMO registered the highest number of cases, the figures being 10, 10 and 9 respectively. Vital statistics for the month of April are as follows. Population of ROME Commune 1,56[illegible],274. Total number of births 2,587. Deaths 1,267. Deaths in children under one year of age 188, which gives an infant mortality rate of 72.3 as against 66.9 in March and 84.8 in February. In the same Commune deaths from all forms of tuberculosis during April were 202 compared to 188 in March. Out of this figure, 159 deaths were due to pulmonary tuberculosis.

PUBLIC SAFETY SUB-COMMISSION

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

DISPLACED PERSONS AND REPATRIATION SUB-COMMISSION

9. During the period under review UNRRA took over the Camp Group in North-West ITALY viz: MILAN, TURIN, and GENOA. The hand-over to UNRRA of Displaced Persons Camps is now completed. The final result of the screening, which was carried out with the purpose of determining the eligibility to UNRRA assistance of all Camp inmates showed a total of 9,922 ineligibles plus 7,000 Poles. It was anticipated that this figure would continue to increase due to the fact that many persons were being refused camp care by UNRRA and would therefore apply for admittance into Displaced Persons Camps. In view of the fact that practically the whole of the population of certain Camps turned out to be ineligible for UNRRA assistance, it wa decided that D.P.R.S.C. should take back the responsibility and administration of such Camps. At the end of the month D.P.R.S.C. had 15 Camps under control. A new policy was drawn up in conjunction with UNRRA with regard to the nationality designations of the Camps. This policy will govern the re-shuffling of the population between UNRRA and D.P.R.S.C. Camps. A new Camp was set up at BACNOLI n NAPLES mainly for the purpose of accomodating Displaced Persons from MODENA Camp which was required for Italian Army purposes. This new Camp was also to provide accomodation for other Displaced Persons from UNRRA Camps who would be found to be outside UNRRA Charter. It was not decided what the final disposal of the Camp in BOLZANO would be, as clearance for the last batch of Germans (now numbering over 1,000) to be repatriated to Germany had not been obtained from BERCOM. It was ascertained that Jews were illegally entering ITALY through the RESIA PASS. During [illegible] 700 Jews had entered ITALY on vague movement orders and [illegible] difficult to make up their

Declassified E.O. 12356 Section 3.3/NND No. 785015

infectious diseases [illegible]. The highest [illegible] May, all of them occurring in SOUTHERN ITALY. The highest [illegible] in the Province of BARI, which registered 37 cases as against 39 in April. Practically all cases of poliomyelitis have occurred in NORTHERN ITALY. 81 cases were reported in May, as against 40 in April, but there were localised outbreaks worthy of note. The provinces of MILAN, VENICE and BERGAMO registered the highest number of cases, the figures being 10, 10 and 9 respectively. Vital statistics for the month of April are as follows. Population of ROME Commune 1,5[illegible],274. Total number of births 2,587. Deaths 1,267. Deaths in children under one year of age 188, which gives an infant mortality rate of 72.3 as against 66.9 in March and 84.8 in February. In the same Commune deaths from all forms of tuberculosis during April were 202 compared to 188 in March. Out of this figure, 159 deaths were due to pulmonary tuberculosis.

PUBLIC SAFETY SUB-COMMISSION

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

DISPLACED PERSONS AND REPATRIATION SUB-COMMISSION

8. During the period under review UNRRA took over the Camp Group in North-West ITALY viz: MILAN, TURIN, and GENOA. The hand-over to UNRRA of Displaced Persons Camps is now completed. The final result of the screening, which was carried out with the purpose of determining the eligibility to UNRRA assistance of all Camp inmates showed a total of 9,922 incligibles plus 7,000 Poles. It was anticipated that this figure would continue to increase due to the fact that many persons were being refused camp care by UNRRA and would therefore apply for admittance into Displaced Persons Camps. In view of the fact that practically the whole of the population of certain Camps turned out to be incligible for UNRRA assistance, it wa decided that D.P.R.S.C. should take back the responsibility and administration of such Camps. At the end of the month D.P.R.S.C. had 15 Camps under control. A new policy was drawn up in conjunction with UNRRA with regard to the nationality designations of the Camps. This policy will govern the re-shuffling of the population between UNRRA and D.P.R.S.C. Camps. A new Camp was set up at BACNOLI n NAPLES mainly for the purpose of accomodating Displaced Persons from MODENA Camp which was required for Italian Army purposes. This new Camp was also to provide accomodation for other Displaced Persons from UNRRA Camps who would be found to be outside UNRRA Charter. It was not decided what the final disposal of the Camp in BOLZANO would be, as clearance for the last batch of Germans (now numbering over 1,000) to be repatriated to Germany had not been obtained from BERCOM. It was ascertained that Jews were illegally entering ITALY through the RESIA PASS. During the month of April, over 1,700 Jews had entered ITALY on vague movement orders and with UNRRA transport. Eastern Europeans were finding it difficult to make up their minds to return to their former homes in RUSSIA. 350 Greeks were repatriated under UNRRA auspices and clearance was requested for a further 150 ex-GERMANY and AUSTRI

Declassified E.O. 12356 Section 3.3/NND No. 785015

PART III - ECONOMIC SECTION

FOOD AND AGRICULTURE BRANCH.

1. The cereal situation deteriorated further in May. Total stocks, including working stocks as well as stocks in port warehouses, as of 1st of May were 140,000 tons or about 15 days supply. By the 31st of May it was estimated that stocks would amount to only about 50,000 tons or about 6 days supply. It was believed that estimates would be higher than those quoted because the distribution of the full pasta ration was not made in May. The reduction in the cereal stocks arose from the fact that arrivals from abroad - 154,000 tons - plus amassing were far below the consumption of the country. Because arrivals during the first half of June were expected to be poor and because the new harvest will not become an important source of grain until the latter end of June, an extremely grave situation was expected to arise in the middle of June. Stocks became so low that on May 24th UNRRA approached the Allied Commission with a view to acquiring a loan from Allied Military stocks of up to 20,000 tons of flour to be repaid in 30 days. The matter was referred to AFHQ who were unable to agree. Although no official cut was made in the rations, the Italian Government decided to postpone the May pasta issue of 500 grammes. However a number of cities, including ROME, issued the pasta ration in defiance of the Government's policy. In instituting the emergency amassing programme which was designed to meet the serious cereal situation, the Italian Government reduced the goal from 150,000 tons recommended by UNRRA to 66,560 tons. However, to the 31st of May only 33,685 tons of cereals (excluding rice) or 49.1 % of the goal had been amassed under the emergency programme. The emergency amassing decree was so written as to require delivery of cereals by 31st of May. However, it is expected that receipts will continue into June. There are a number of reasons for the failure to reach the goal set in the emergency amassing programme. Although the decree required producers to surrender only 6% of their annual retentions of 2 and 1.5 qls., the decree came late in the crop year and the 6% reduction in retention amounted to perhaps 25 or 30% of the retention remaining unconsumed. Moreover, the reduction in the retentions (equivalent to a cut in the producer's ration) came at a time when agricultural life is strenuous and the workers are hungry. Another reason for the failure of the emergency amassing scheme was the fact that although it almost tripled the official price paid for grain it still left the official price about 1/3 of the black market price. The local enforcement of the decree was perhaps handicapped as well by the fact that the Central Government decree was not published until the 25th of May, the provinces having instituted the emergency measure in provincial decrees based on telegraphic instructions from the Ministry of Agriculture.

2. It was reported previously that the country had large stocks of powdered milk, dehydrated soup and dried eggs. The Italian Government recommended to UNRRA the use of 6,000 tons of powdered milk by mixing it with flour for bread-making at the rate of 4-5%. The proposal was still under study by UNRRA at the end of May. The Italian Government likewise intended to make a special distribution of 500 grs. dehydrated soup per capita in PIEDMONT, LOMBARDY and VENETO Compartments. To encourage the movement of dried eggs the Government reduced the price at the warehouse from 524 Lire to 400 lire per Kg.

3. There was a great shortage of dried vegetables in Italy, practically all stocks having been exhausted in May. Due to such shortage the May ration requirements of dried vegetables were not met in all cases. The Italian Army as well as other groups apparently will have to find substitutes for dried vegetables in the ration during the next few months.

4. Although the Italian cereal situation became more and more serious in May, it was not reflected in black or free market prices. From the end [illegible] there was a rising tendency in the price of bread

Declassified E.O. 12356 Section 3.3/NND No. 785015

the country. Because [illegible] to be poor and because the new harvest will not become an important source of grain until the latter end of June, an extremely grave situation was expected to arise in the middle of June. Stocks became so low that on May 24th UNRRA approached the Allied Commission with a view to acquiring a loan from Allied military stocks of up to 20,000 tons of flour to be repaid in 30 days. The matter was referred to ACC who were unable to agree. Although no official cut was made in the rations, the Italian Government decided to postpone the May pasta issue of 500 grammes. However a number of cities, including ROME, issued the pasta ration in defiance of the Government's policy. In instituting the emergency amassing programme which was designed to meet the serious cereal situation, the Italian Government raised the goal from 150,000 tons recommended by UNRRA to 60,560 tons. However, to the 31st of May only 33,685 tons of cereals (excluding rice) or 43.1 % of the goal had been amassed under the emergency programme. The emergency amassing decree was so written as to require delivery of cereals by 31st of May. However, it is expected that receipts will continue into June. There are a number of reasons for the failure to reach the goal set in the emergency amassing programme. Although the decree required producers to surrender only 6% of their annual retentions of 2 and 1.5 qls., the decree came late in the crop year and the 6% reduction in retention amounted to perhaps 25 or 30% of the retention remaining unconsumed. Moreover, the reduction in the retentions (equivalent to a cut in the producer's ration) came at a time when agricultural life is strenuous and the workers are hungry. Another reason for the failure of the emergency amassing measure was the fact that although it almost tripled the official price paid for grain it still left the official price about 1/3 of the black market price. The local enforcement of the decree was perhaps handicapped as well by the fact that the Central Government decree was not published until the 29th of May, the provinces having instituted the emergency measure in provincial decrees based on telegraphic instructions from the Ministry of Agriculture.

2. It was reported previously that the country had large stocks of powdered milk, dehydrated soup and dried eggs. The Italian Government recommended to UNRRA the use of 6,000 tons of powdered milk by mixing it with flour for bread-making at the rate of 4-5%. The proposal was still under study by UNRRA at the end of May. The Italian Government likewise intended to make a special distribution of 500 grs. dehydrated soup per capita in PIEDMONT, LOMBARDY and VENETO Compartments. To encourage the movement of dried eggs the Government reduced the price at the warehouse from 524 Lire to 400 lire per Kg.

3. There was a great shortage of dried vegetables in Italy, practically all stocks having been exhausted in May. Due to such shortage the May ration requirements of dried vegetables were not met in all cases. The Italian Army as well as other groups apparently will have to find substitutes for dried vegetables in the ration during the next few months.

4. Although the Italian cereal situation became more and more serious in May, it was not reflected in black or free market prices. From the end of April to the end of May there was a rising tendency in the price of bread and pasta, but the increase was not great and a reduction actually occurred in the price of pasta in ROME. In other foods, reductions in prices were just as common as increases. The absence of greater reductions in prices of the serious cereal situation is probably explained by the fact that in May large quantities of locally produced foods, particularly potatoes came on the market.

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

6. There were sufficient cereals in VENEZIA GIULIA and UDINE to last until the middle of June. A shipment of 5,000 tons of flour was promised to arrive 15 June and will carry the above area for an additional month. Because of the world cereal shortage, the pasta ration in VENEZIA GIULIA was reduced to 500 grs. monthly, putting it on the same basis as UDINE and Italian Government territory. To maintain the usual differentiation in POLA, necessitated by its economic isolation, it was recommended to AMG 15 Corps that the POLA ration be reduced from the former 2,500 grs. to 1000 grs. The reduction in VENEZIA GIULIA pasta ration was effective in May. In May VENEZIA GIULIA distributed all of its rations, although the 500 grs. of pasta distribution was not completed until June. Sugar was distributed at 200 grs. instead of the reduced basis of 100 grs. adopted in the rest of ITALY. UDINE distributed all supplementary rations and rations to Special Classes. A free issue of 500 grs. of sugar, donated by ENGLAND, was also distributed to children 0-18 years in UDINE CITY.

AGRICULTURAL SECTION.

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

8. Reports of new infestations of grasshoppers were received almost daily during May. Although most of the new outbreaks involved relatively small areas of pasture and hay lands, they were very properly regarded by local authorities as the threat of devastating hordes that would cause serious damage to agricultural crops; hence many requests were received by the Minist of Agriculture for material and equipment with which to combat the menace. Up to 27 May, infestations were reported in sections of SARDINIA (236 of the 281 communes), SICILY, CAMPANIA, LUCANIA, PUGLIA, CALABRIA, LAZIO, UMBRIA. In SARDINIA the infestation was reported to be the most serious encountered in 50 years. Fortunately much of the wheat was too mature to be completely destroyed although the destruction of its leaves will reduce the yield to approximately 70% of that which was expected a month ago. A valiant effort was being made in areas where the infestations were most severe to save the crop, but the shortage of poisons and breakdit made effective control virtually impossible. The frequent rains were of inestimable help in mitigating the damage since moisture favors both growth of parasites on the hoppers and the growth of grass and weeds which the insects prefer to most agricultural crops.

9. Hail damage was experienced in scattered areas of the PO Valley during the first half of May; there was also a prevalence of a fungus (fusarium) on much of the wheat of the CAMPIDANO plains in SARDINIA. Lastly aphids caused some damage to fava fields in SOUTHERN ITALY. However all of these

Declassified E.O. 12356 Section 3.3/NND No. 785015

that the ration be reduced for the [illegible], effective in May. In May
The reduction in VENEZIA GIULIA permitted all of its rations, although the 500 grs. of
SARDEGNA GIULIA distributed all of its rations, although the 500 grs. of
pasta distribution was not completed until June. Sugar was distributed on
200 grs. instead of the reduced basis of 100 grs. adopted in the rest of
ITALY. UNRRA distributed all supplementary rations and rations to Special
Classes. A free issue of 500 grs. of sugar, donated by UNRRA, was also
distributed to children 0-18 years in UNRRA ITALY.

AGRICULTURAL SECTION.

7. The rains which broke the long drought during the last few days of April, continued throughout the month of May, benefitting greatly cereals, pastures and gardens but interfering somewhat with the harvest of the first cutting of hay. Only at FOGGIA did recent reports indicate that it was still "seriously dry". On the other hand "excessive moisture" which caused some damage to crops and interfered seriously with field work, was reported from [illegible]. On the whole, both rainfall and temperatures were unusually favorable for May, a month which in Italy is frequently too hot and dry. Stimulated by abundant moisture and favorable temperatures, the conditions of practically all agricultural crops registered notable gains during May. As a result recent estimates of the 1946 harvest made by the Istituto Centrale di Statistica, were with few exceptions, larger than the original forecasts made in January.

8. Reports of new infestations of grasshoppers were received almost daily during May. Although most of the new outbreaks involved relatively small areas of pasture and hay lands, they were very properly regarded by local authorities as the threat of devastating hordes that would cause serious damage to agricultural crops; hence many requests were received by the Ministry of Agriculture for material and equipment with which to combat the menace. Up to 27 May, infestations were reported in sections of SARDEGNA (206 of the 281 communes), SICILY, CALABRIA, PUGLIE, CAMPANIA, LAZIO, VENETO In SARDEGNA the infestation was reported to be the most serious encountered in 50 years. Fortunately much of the wheat was too mature to be completely destroyed although the destruction of its leaves will reduce the yield to an [illegible] 70% of that which was expected a month ago. A valiant effort was being made in areas where the infestations were most severe to save the crop, but the shortage of poisons and bran bait made effective control virtually impossible. The frequent rains were of inestimable help in mitigating the damage since moisture favors both growth of parasites on the hoppers and the growth of grass and weeds which the insects prefer to most agricultural crops.

9. Hail damage was experienced in scattered areas of the PO Valley during the first half of May; there was also a prevalence of a fungus (fusarium) on much of the wheat of the CAMPIDANO plains in SARDEGNA. Lastly, while caused some damage to fava fields in SOUTHERN ITALY. However all of these unfavorable factors, including the grasshoppers, are not to be compared in importance to the severe drought which blasted crop prospects a year ago.

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

Declassified E.O. 12356 Section 3.3/NND No. 785015

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

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

12. The 90 Fiat tractors and 97 additional horses of spare parts pending in Requisition RA-201 were unloaded in GENOA about 1 May. These tractors and 66 machines received in February were finally delivered to farmers, after a delay of nearly three months, during which the Italian officials were deciding what agencies and at what prices machines should be sold. Supplies of fertilizer against RA IB and VT requisitions were received during the month and the manufacture of domestically produced fertilizers was getting well on its recovery and gave promises of being able to attain from 60 to 70 % of their pre-war production during the year beginning July 1 1946.

13. The emergency spending decree directing the delivery of not less than 6 per cent of all authorized with holdings of cereals brought in 39,685 tons of grain (excluding rice) during May or 49 per cent of the established goal. Plans and prices for harvesting the wheat of 1946 harvest were announced. Prices including substantial bonuses for early deliveries, were approximately 2½ times those prevailing in 1945 and coupled with a harvest estimated at 40% larger should secure deliveries very much greater than those a year ago.

14. An inspection was made during May of forestry equipment imported in 1944 under RA requisition and still in warehouses in the NAPLES area. It was found that the principal items on hand were axes, cross-cut saws, files for sharpening saws and web belting. Although distribution was much slower than was anticipated, it was the opinion of the Consorzio Nazionale Approvigionamento Industrie del Legno, that they will be absorbed by the timber industry at a reasonable date. Storage and method of accounting appeared to be satisfactory.

COMMERCE (FOREIGN TRADE) BRANCH.

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

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

17. Attempts were made to put trade between ITALY and TRIPOLITANIA on an easier basis, and to this end, initiated negotiations (see last month's report) between the representatives of ENA TRIPOLITANIA and the Italian Government. It was agreed that a system be set up to expedite compensation [illegible] Information was received from BM [illegible] between ITALY and her

Declassified E.O. 12356 Section 3.3/NND No. 785015

12. The 90 Fiat tractors and 97 additional horses or spare parts in Requisition RA-201 were unloaded in GENOA about 1 May. These tractors and 60% machines received in February were finally delivered to farmers, after a delay of nearly three months, during which the Italian officials were deciding what agencies and at what prices machines should be sold. Supplies of fertiliser against RA IB and YT requisitions were received during the month and the manufacture of domestically produced fertilisers was starting a rapid recovery and gave promises of being able to attain from 60 to 70 % of their pre-war production during the year beginning July 1 1946.

13. The emergency emasculating decree directing the delivery of not less than 6 per cent of all authorised with holdings of cereals brought in 33,685 tons of grain (excluding rice) during May or 49 per cent of the established goal. Plans and prices for harvesting the wheat of 1946 harvest were announced. Prices including substantial bonuses for early deliveries, were approximately 2½ times those prevailing in 1945 and coupled with a harvest estimated at 40% larger should assure deliveries very much greater than those a year ago.

14. An inspection was made during May of forestry equipment imported in 1944 under RA requisition and still in warehouses in the NAPLES area. It was found that the principal items on hand were axes, cross-cut saws, files for sharpening saws and web belting. Although distribution was much slower than was anticipated, it was the opinion of the Consorzio Nazionale Approvigionamento Industrie del Legno, that they will be absorbed by the timber industry at a reasonable date. Storage and method of accounting appeared to be satisfactory.

COMMERCE (FOREIGN TRADE) BRANCH.

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

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

17. Attempts were made to put trade between ITALY and TRIESTE on an orderly basis, and to this end, initiated negotiations (see last month's report) between the representatives of AMG TRIESTINA and the Italian Government. It was agreed that a system be set up to expedite compensation deals. After this had been agreed, information was received from AMG TRIESTINA which defined the procedure for trade between ITALY and her ex-colonies (occupied territories.) This procedure was submitted to the Italian Government for its comments and a reply is awaited for onward transmission to British Military Administration, TRIESTINA. The effect of the new system, is that normal trade between ITALY and occupied territories (ERITREA, CIRENAICA, TRIPOLITANIA) may be carried on between traders resident in these areas and ITALY, provided settlement is effected in sterling through LONDON. Future trade will not therefore be based on compensations. There

Declassified E.O. 12356 Section 3.3/NND No. 785015

is no doubt that from the moment that the new system is introduced, trade between ITALY and these areas, will have a much better chance to operate. Up till now the dual shackles of barter and bureaucratic control have resulted in little or no trade.

18. In connection with the proposed opening up of private trade on a normal value basis, the question of visits of business men between ITALY and the occupied territories was pursued by AC with AFHQ and by this latter HQ with SACMEDITERRA. It is hoped that BM. SACMEDITERRANEAN will modify their attitude on the question of permitting the entry of business men and property owners from ITALY.

INDUSTRY AND UTILITIES BRANCH

19. Numerous requests were received for de-requisition of industrial premises. The worst areas affected were NAPLES, LEGHORN and the area from ANCONA to VENICE. Not much success was evidenced in connection with the first two mentioned areas where the British and American armies have their main base installations. However, with regard to the Ansaldo Plant at NAPLES, the Director of Ansaldo and PWB and Ordnance have been in conference and it appeared likely that further sections of the works will be handed back to the owners, this will probably help the unemployment situation in this area.

20. The revised timber plan was approved by AFHQ and the Italian Government instructed to implement the scheme, a loan of 50,000,000 lire was advanced by the Italian Treasury to the Timber Federation to enable them to continue work until payment by the Military Authorities for timber supplied could be effected. A large saw mill and a molasses and syrup plant in the PADUA area were released by the British authorities, and with the withdrawal of 2 Polacca the vacation of many other premises is promised.

21. Little progress in industrial activities was possible due to the coal shortage. It was not possible to re-start the TARANTO blast furnace and coke ovens and with the non-arrival of American pig iron the situation was not promising, this material together with coal is the basis of all engineering industry. It is hoped that the resumption of shipments of American coal will improve matters, but it can hardly be expected that the benefit will be immediate as backlogs have to be made up and priority users supplied.

22. Imported coal discharged in ITALY including SICILY during the month of May totalled 330,000 tons. Sardinian coal arrivals totalled 57,000 tons during the same period. Sardinian coal production for May was 68,854 tons; this was a decrease of 1,576 tons. Production of lignite during the month was approximately the same as the previous month 160,000 tons.

23. Bulk products of POL continued to be released by the Military in a satisfactory manner and by end of May all bulk quantities due against gasoline, kerosene and fuel oil were released in full. Information was received during the month that crude oil from ARABIA would be available for export to ITALY for refining locally.

24. The Northern Italy Advisory Committee discussed the matter of standardization of frequency and transmission and distribution voltages. It will require several years to complete the programme.

25. The Central and Southern Italy joint meeting discussed standardization of frequency and rationing plans for the coming autumn and winter. It is not expected that frequency standardization will be accomplished by the end of 1943 due to [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 785015

19. Numerous requests were received for de-requisition of industrial premises. The worst areas affected were NAPLES, LEGHORN and the area from ANCONA to VENICE. Not much success was evidenced in connection with the latter two mentioned areas where the British and American armies have their main base installations. However, with regard to the Ansaldo Plant at LEGHORN, the Director of Ansaldo and AMG and advance have been in conference and it appeared likely that further sections of the works will be handed back to the owners, this will probably help the unemployment situation in this area.

20. The revised timber plan was approved by AMG and the Italian Government instructed to implement the scheme, a loan of 50,000,000 lire was advanced by the Italian Treasury to the Timber Federation to enable them to continue work until payment by the Military Authorities for timber supplied could be effected. A large saw mill and a molasses and syrup plant in the NAPLES area were released by the British Authorities, and with the withdrawal of 2 Polcorps the vacation of many other premises is promised.

21. Little progress in industrial activities was possible due to the coal shortage. It was not possible to restart the TARANTO blast furnace and coke ovens and with the non-arrival of American pig iron the situation was not promising, this material together with coal is the basis of all engineering industry. It is hoped that the resumption of shipments of American coal will improve matters, but it can hardly be expected that the tonnage will be immediate as backlogs have to be made up and priority users supplied.

22. Imported coal discharged in ITALY including SICILY during the month of May totalled 330,000 tons. Sardinian coal arrivals totalled 57,000 tons during the same period. Sardinian coal production for May was 66,654 tons; this was a decrease of 1,546 tons. Production of lignite during the month was approximately the same as the previous month 160,000 tons.

23. Bulk products of POL continue to be released by the Military in a satisfactory manner and by end of May all bulk quantities due against gasoline, kerosene and fuel oil were released in full. Information was received during the month that crude oil from ARZEW would be available for export to ITALY for refining locally.

24. The Northern Italy Advisory Committee discussed the matter of standardisation of frequency and transmission and distribution voltages. It will require several years to complete the programme.

25. The Central and Southern Italy joint meeting discussed standardisation of frequency and rationing plans for the coming autumn and winter. It is not expected that frequency standardisation will be accomplished by the end of 1945 due to necessary mechanical changes to be made on some customers' equipment. Some power rationing will be necessary in CENTRAL and SOUTHERN ITALY during the coming autumn and winter, but it is not expected to be as serious as that experienced during the past winter. Coal for gas plant operation would be of great benefit in relieving the electric system of domestic heating and cooking loads.

26. The SILA Reservoirs for SOUTHERN ITALY show storage of 232,000,000 KWH or about 80% of full capacity; not much more filling is expected. The reser-

Declassified E.O. 12356 Section 3.3/NND No. 785015

voirs started off last year at full capacity: however, the efficiency will be offset to some extent by restored generating plants and power coming from CENTRAL ITALY and UPPER NORTH ITALY. The storage reservoirs' position in UPPER NORTH ITALY is expected to be satisfactory. Those supplying the power for VENEZIA and EMILIA areas are now filled. Those supplying the balance of UPPER NORTH ITALY are just starting to fill from the melting snows in the Alps. No improvement has been experienced in the storage position in CENTRAL ITALY. Very little change was made in the power allocations for June as compared with May. Such changes as were made were due to seasonal variations in load.

27. The question of contract for wholesale power between FRANCE and ITALY is now under discussion in PARIS. No information is available as yet on the outcome of negotiations. Arrangements were completed for transferring of electrical materials to British Ministry of Supply and Ministry of Public Works. The Italian Government's request for permission to implement a housing programme in VENEZIA GIULIA to relieve unemployment and housing was not deemed necessary at the present time by AMG XIII Corps.

28. Utilities Division AC, was requested by the Directorate of Mirings and Disposals (Fixed Assets) C.M.F. to assist in the negotiations on turning over to the Italian Government all Bailey bridges in ITALY, which are still in position and which were installed by the British Army. Agreements satisfactory to all parties concerned were completed.

TRANSPORTATION AND SHIPPING BRANCH.

29. 91% of the total network of the railway system was in operation. However, the percentage of electric traction was only 84% and the double track available for service only 55% compared to the 1938 figures. The locomotive situation for April showed an improvement over March as there were fewer locomotives awaiting repair. 59% of the tractive power compared to 1938 was available and only 2,412 steam locomotives available compared to 3,277 in 1938. A total of 7,235 passenger cars made use of the international train services during April compared to 6,946 during March.

30. A total of 2600 motor vehicles were put in circulation during the month of April 1946. As of 31 December 1945 there was a total of approximately 313,700 motor vehicles in operation compared to a total of 630,928 as of 31 December 1939. 1901 new vehicles were manufactured during the month of April.

31. A total of 198,477 tons of coastwise shipping moved during the month of May. This figure showed an increase of 40,576 tons over the preceding month and an increase of 111,871 tons over May 1945. 95 ships with UNRRA, Italian Programme, Army and Swiss Account Cargo, carrying a total of 749,012 tons, arrived in Italian Ports during May.

CAPTURED ENEMY MATERIALS BRANCH.

32. Releases during the month totalled 95 as compared with 269 during April; the main depots, dumps and stores of captured enemy material have now been released for handover to the Italian Government. The material still to be made appear to be that of material held by units and installations which becomes surplus on their redeployment and disbandment.

33. There were 890 assorted vehicles released in the South, these comprised trucks, buses, cars, trailers and motor cycles and were classified as unusable. 92 scrap vehicles of various types were released in the North and the total of 982 were passed over to A.F.H.Q.

Declassified E.O. 12356 Section 3.3/NND No. 785015

is now [illegible]
outcome of negotiations. Arrangements [illegible]
electrical materials to British Ministry of Supply and Military [illegible]
Works. The Italian Government's request for permission to implement a house-
ing programme in VENEZIA GIULIA to relieve unemployment and housing was not
deemed necessary at the present time by AMG XIII Corps.

28. Utilities Division AC, was requested by the Directorate of Mirings and Buildings (Fixed Assets) C.M.F. to assist in the negotiations on turning over to the Italian Government all Bailey bridges in ITALY, which are still in position and which were installed by the British Army. Agreements satisfactory to all parties concerned were completed.

TRANSPORTATION AND SHIPPING BRANCH.

29. 91% of the total network of the railway system was in operation. However, the percentage of electric traction was only 7% and the double track available for service only 55% compared to the 1938 figures. The locomotive situation for April showed an improvement over March as there were fewer locomotives awaiting repair. 55% of the tractive power compared to 1938 was available and only 2,410 steam locomotives available compared to 4,277 in 1938. A total of 7,255 passengers made use of the international train services during April compared to 5,996 during March.

30. A total of 2600 motor vehicles were put in circulation during the month of April 1946. As of 31 December 1945 there was a total of approximately 313,700 motor vehicles in operation compared to a total of 650,923 as of 31 December 1939. 1901 new vehicles were manufactured during the month of April.

31. A total of 196,477 tons of coastwise shipping moved during the month of May. This figure showed an increase of 14,376 tons over the preceding month and an increase of 101,871 tons over May 1945. 95 ships with UNRRA, Italian Programme, Army and Swiss Account Cargo, carrying a total of 749,012 tons, arrived in Italian Ports during May.

187

CAPTURED ENEMY MATERIALS BRANCH.

32. Releases during the month totalled 95 as compared with 269 during April; the main depots, dumps and stores of captured enemy material have now been released for handover to the Italian Government. The release still to be made appear to be that of material held by units and installations which becomes surplus on their redeployment and disbandment.

33. There were 690 assorted vehicles released in the South, these comprised trucks, buses, cars, trailers and motor cycles and were classified as unusable. 92 scrap vehicles of various types were released in the North and the total of 982 were passed over to A.R.A.R.

34. The material from the ammunition dump of VIZZO and FALLEDO and at [illegible] was in the course of breakdown at the factory of RIVALTA SCRIVIA (Bailotti & Co.) An inspection of the factory will be carried out with a view to controlling the use to which the breakdown components are being put. ARAR released 10 lorries to U.L.M.E.R. (Unione Lavorazione Munizioni Esplosivi Residuati) to help in the transportation of ammunition from the dumps to the factories.

Declassified E.O. 12356 Section 3.3/NND No. 785015

35. The Italian Government accepted the release of 200 vehicles which had been reconditioned in the O.M. Works, BARI, and agreed to accept all liabilities of the cost of reconditioning and repairs. The balance of the vehicles, 119, will be taken over by AMAR during next month.

36. In the BOLZANO area there were still a considerable number of O.M. Vehicles in circulation. It is hoped to make an arrangement with AMAR and the Italian Army to collect these vehicles and have them listed. There was still a portion of the Sanitaropark, FERRE, BERMIO to be released to the Italian Government; it is hoped that the military command will release this in June for handover to AMAR. Lists of CRM timber were compiled and 3 District requested to give release instructions. Lists of CRM material at MONTEMATTEI PLANT, CASTELBELLO were forwarded to 3 District for release. The R.U.E. files together with the staff were moved from BOLZANO to ROME on the 11th May 46. The setting up of the files for easy reference was completed prior to the end of the month and the work of classification, investigation etc. is now continuing.

37. From available information from 3 District and AFHQ it would appear that the release figures of this month will remain much the same during the next four to six weeks plus a certain number of store releases in the North which were being consolidated.

Declassified E.O. 12356 Section 3.3/NND No. 785015

Italian Government; it is hoped that the military [illegible]
2nd June for handover to AMG. Lists of CMA timber were compiled and 3 District reports to give release instructions. Lists of CMA material at [illegible] were forwarded to 3 District for release.
The R.U.K. files together with the staff were moved from [illegible] to RGE on the 11th May 46. The setting up of the files for easy reference was completed prior to the end of the month and the work of classification, investigation etc. is now continuing.

37. From available information from 3 District and AMG it would appear that the release figures of this month will remain much the same during the next four to six weeks plus a certain number of store releases in the North which were being consolidated.

Declassified E.O. 12356 Section 3.3/NND No. 785015

PART IV.

INDEPENDENT SUB-COMMISSIONS.

NAVAL SUB-COMMISSION.

1. During the month the Italian Government assumed responsibility for maintaining food supplies for the Italian Navy thus making the Italian Government responsible for the subsistence of all her Armed Forces excepting US-ITI and EMIT-ITI troops. The transfer was carried out entirely smoothly.

2. In addition to the supply of the mine sweeping stores recommended by the President of the Mediterranean Zone Mine Clearance Board, some German minesweeping equipment was transferred to the Italian Navy. This equipment, together with the other minesweeping stores which were supplied from MALTA will ensure the efficient operation of the Italian minesweeping service and, in particular, of the British minesweeping trawlers transferred to the Italian Navy.

3. The end of May saw the completion of a full programme designed to repatriate all the 58,000 Italian POW in FRENCH NORTH AFRICAN CAMPS at the beginning of the year. There remained only a few sick in hospital in ALGERIA.

4. King Victor Emanuel and Queen Helena of Italy embarked in the Duca degli Abruzzi for Alexandria after the King's abdication. The cruiser was escorted by the destroyer Granatiere.

5. The Ministry of Marine reported the JUGOSLAV seizure of ten Italian fishing craft together with their crews. The report was later confirmed.

6. All eight Italian M/S Groups began work in earnest to secure an expeditious clearance of mines in Italian waters. Almost all the 32 minesweepers lent to the Italian Navy were operational and took part in these operations. Work proceeded off LEGHORN, SPEZIA, CIVITAVECCHIA, PORTO VENERE, CAPE MIZZOIO, BRINDISI, ANCONA, VENICE, ALGHERO and CASTELFORTE.

7. The Italian Navy was represented at the meeting of the International Mine Clearance Board at the end of the month.

LAND FORCES SUB-COMMISSION (MIL).

8. The total strength of the Interim Italian Army including Carabinieri as on 1 May 46 was 210,114 against a ceiling of 215,000.

9. C.C.C., C.M.F. authorized the release of all outstanding weapons and equipment for the Italian Army. Issue is proceeding.

10. The primary training of the conscripts of the first post-war call-up was completed at the end of April. Advanced training is now proceeding at both CRs (Italian Territorial Training Centre) and Central Schools.

11. All training was suspended during the latter part of May as a result of both recruits and formations being fully employed on election duties.

12. Recruiting of Carabinieri within the additional 10,000 authorized by AFHQ did not come up to expectations, only 1,000 having volunteered for re-enlistment as opposed to an anticipated 8,000. The authorities nevertheless remained confident that the necessary men would volunteer when election results became known and recruiting propaganda gained momentum.

Declassified E.O. 12356 Section 3.3/NND No. 785015

US-ITI and BRIT-ITI troops. The transfer was carried out [illegible]

2. In addition to the supply of the mine sweeping stores recommended by the President of the Mediterranean Zone Mine Clearance Board, some German minesweeping equipment was transferred to the Italian Navy. This equipment, together with the other minesweeping stores which were supplied from NAMA, will ensure the efficient operation of the Italian minesweeping service and, in particular, of the British minesweeping trawlers transferred to the Italian Navy.

3. The end of May saw the completion of a full programme designed to repatriate all the 30,000 Italian POW in FRENCH NORTH AFRICAN CAMPS at the beginning of the year. There remained only a few sick in hospital in ALGERIA.

4. King Victor Emanuel and Queen Helena of Italy embarked in the Duca degli Abruzzi for Alexandria after the King's abdication. The cruiser was escorted by the destroyer Granatiere.

5. The Ministry of Marine reported the JUGOSLAV seizure of ten Italian fishing craft together with their crews. The report was later confirmed.

6. All eight Italian M/S Groups began work in earnest to secure an expeditious clearance of mines in Italian waters. Almost all the 32 minesweepers lent to the Italian Navy were operational and took part in these operations. Work proceeded off LEPTIA, SPIZIA, CIVITAVECCHIA, PORTO VENERIA, CAPE MIZZOIO, PORT SAN STEFANO, ANCONA, VENICE, ALGHERO and CAPE FARINA.

7. The Italian Navy was represented at the meeting of the International Mine Clearance Board at the end of the month.

LAND FORCES SUB-COMMISSION (ALFSC).

8. The total strength of the Interim Italian Army including Carabinieri as on 1 May 46 was 210,144 against a ceiling of 215,000.

9. C.I.C., C.M.F. authorized the release of all outstanding weapons and equipment for the Italian Army. Issue is proceeding.

10. The primary training of the contingents of the first post-war call-up was completed at the end of April. Advanced training is now proceeding at both CARs (Italian Territorial Training Centre) and Central Schools.

11. All training was suspended during the latter part of May as a result of both recruits and formations being fully employed on election duties.

12. Recruiting of Carabinieri within the additional 10,000 authorized by ALFSC did not come up to expectations, only 1,000 having volunteered for re-enlistment as opposed to an anticipated 3,000. The authorities nevertheless remained confident that the necessary men would volunteer when election results became known and recruiting propaganda gained momentum.

13. Automatic combined up to half entitlement and adequate ammunition both for small arms and armoured cars were issued in case of trouble during the election period.

14. The morale of both Army and Carabinieri continued to rise and relations with the public improved.

Declassified E.O. 12356 Section 3.3/NND No. 785015

15. The Medical Depot at FLORENCE continued to receive stores from MODANO, but part of the FLORENCE plant was occupied by ENTE IRA which hindered efficient working. The matter was in hand between the Medical Directorate and the Ministry concerned.

16. Repatriation of PW from FRENCH NORTH AFRICA was completed; 75% of PW in UK and 50% of PW in USA have been repatriated. 45,946 PW were repatriated during the month.

AIR FORCES SUB-COMMISSION.

17. Flying training was only possible during the first half of the month due to the petrol strike which grounded all aircraft after the 14th. Mass intensive ground training was substituted.

18. Two new laws were being passed to reduce the officer and N.C.O. strength of the I.A.F. Army and Navy. It was anticipated that 799 Generals and Senior Officers and 7,000 N.C.O's would be released from service. Released officers will receive two years allowance in the rank they held on being released plus 5 years pension allowance, a special pension allowance and a special monthly allowance.

19. Owing to the delays caused by the High Commissioner for SARDINIA and in view of the fact that the Vatican Relief do not wish to be involved in political wrangles, also because the price of fish and foodstuffs generally were lower than when the scheme was originally mooted last November, the whole project of transportation of non-rationed foodstuffs by air from SARDINIA was cancelled. The facts of the matter were being brought to the attention of the Italian Prime Minister.

20. The British Air Ministry authorised the handing over to the I.A.F. of 57 SPITFIRE IX aircraft from BRINDISI in addition to all spares, ground equipment etc. available in ITALY.

21. On May 27 an Italian SM 79 aircraft was stolen from LITTLE Airfield by five unidentified men, believed to be ex-members of the I.A.F. The aircraft belonged to the school at FROSINONE and was due to return to its base on the morning of the theft. Information was received later that the aircraft landed at KLOSSIKA (near GORIZIA) but was not expected by the JUGOSLAV. A full investigation was being carried out in MILAN by Italian Air Ministry Officials.

22. ALFA ROMEO, MILAN carried out tests and overhauls of aircraft engines with an output of 30 per month. FIAT of TURIN was working on designs for the G 46 training aircraft and studies were also being made of types G 22 - 24 and G 26 - 44 for future civil aviation.

23. A record number of 1,300 I.A.F. ex-POW passed through NAPLES during the month.

24. An agreement was obtained with the British Air Ministry to the supply of certain aircraft, marine craft and signals equipment and to a limited number of English-speaking Italian personnel being given certain courses in the UK with a view to improving the standard of training in various Italian Air Force Schools.

COMMUNICATIONS SUB-COMMISSION.

25. Civilian telegraph and telephone traffic increased steadily especially in some cities such as GENOA and TURIN, long distance

Declassified E.O. 12356 Section 3.3/NND No. 785015

17. Flying training [illegible] due to the petrol strike which grounded all [illegible] instructive ground training was substituted.

18. Two new laws were being passed to reduce the officer and N.C.O. strength of the I.A.F. Army and Navy. It was anticipated that 799 Generals and Senior Officers and 7,000 N.C.O's would be released from service. Released officers will receive two years allowance in the rank they held on being released plus 3 years pension allowance, a special pension allowance and a special monthly allowance.

19. Owing to the delays caused by the High Commissioner for SICILY and in view of the fact that the Vatican Relief do not wish to be involved in political wrangles, also because the price of fish and foodstuffs generally were lower than when the scheme was originally mooted last November, the whole project of transportation of non-rationed foodstuffs by air from SICILY was cancelled. The facts of the matter were being brought to the attention of the Italian Prime Minister.

20. The British Air Ministry authorised the handing over to the I.A.F. of 57 SPITFIRE IX aircraft from SPINOSI in addition to all spares, ground equipment etc. available in ITALY.

21. On May 27 an Italian SM 79 aircraft was stolen from LITORIE Airfield by five unidentified men, believed to be ex-members of the I.A.F. The aircraft belonged to the school at FOGGIA and was due to return to its base on the morning of the theft. Information was received later that the aircraft landed at ALBACETE (near GUADIX) but was not expected by the ANGLO-U.S. Air Officials. A full investigation was being carried out in ITALY by Italian Air Ministry

22. ALFA ROMEO, MILAN carried out tests and overhauls of aircraft engines with an output of 30 per month. FIAT of TURIN was working on designs for the G 56 training aircraft and studies were also being made of types G 22 - 24 and G 26 - 44 for future civil aviation.

23. A record number of 1,300 I.A.F. ex-POW passed through NAPLES during the month.

24. An agreement was obtained with the British Air Ministry to the supply of certain aircraft, marine craft and signals equipment and to a limited number of English-speaking Italian personnel being given certain courses in the UK with a view to improving the standard of training in various Italian Air Force Schools.

COMMUNICATIONS SUB-COMMISSION.

25. Civilian telegraph and telephone traffic increased steadily especially in N.W. ITALY where in some cities such as GENOA and TURIN, long distance telephone traffic handled were in excess of pre-war.

26. Release of circuits by Allied Military Forces and constructions and repairs by the Ministry of Posts and Telecommunications resulted in a few additional circuits being made available on main routes.

Declassified E.O. 12356 Section 3.3/NND No. 785015

27. Telephone service for troops in ITALY to the U.K. was inaugurated from MILAN, TRIESTE, ROME and NAPLES.

28. Radio-telephone and radio-telegraph services were opened with MEXICO, CANADA, BRAZIL, ARGENTINA and several other SOUTH and CENTRAL AMERICAN countries.

29. Direct air mail service to the U.S.A. was increased to three times a week and direct air mail service was commenced with HOLLAND and the DUTCH EAST INDIES.

Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Declassified E.O. 12356 Section 3.3/NND No. 785015

0623

Declassified E.O. 12356 Section 3.3/NND No. 785015

Respectfully,

ALLEN W. STONE
Rear Admiral, USNR
Chief Commissioner

0626