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ECONOMIC NOTES

Published Weekly in English and Italian

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CONTENTS

1. Sixth UNRRA Council Meeting
2. UNRRA Italian Programme
3. Basic Steg Allocations
4. Movements of Ships

SIXTH UNRRA COUNCIL MEETING

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

Task Is Not Finished

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

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

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

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

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

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Task is Not Finished

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

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F. A. O. World Food Plans

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

7259

Declassified E.O. 12356 Section 3.3/NND No. 785021

158

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

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

Help for 50,000,000 Children

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

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

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

New Director General

Delegates joined at the final session in paying tribute both to the outgoing Director General, Mr. LaGuardia, and to the new Director General, Major-General Lowell W. Rooks. Major-General Rooks served in the war as Deputy Chief of Staff to General Eisenhower. He participated in the landing at Oran, Algeria, on 8 November, 1942, and after the Allied landing in Normandy was in command of the 90th Division in the "Battle

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

UNRRA ITALIAN PROGRAMME

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

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

Delivery Percentages

The columns do *not* indicate the relative quantities imported of each commodity, or group of commodities. For example, the total quantity of raw wool programmed for delivery by UNRRA to Italy is 39,150 tons. But the column indicating the percentage of delivery (76 per cent.) is as great as the corresponding column for solid fuel (deliveries of which also amounted on 10 December to 76 per cent.), although the quantity of solid fuel already delivered by that date amounted to 4,350,000 tons, and a further 1,318,000 tons had still to arrive.

The single column on the extreme right indicates the *tonnage* (not the percentage) of UNRRA goods delivered up to 10 December. UNRRA's goal is 10,206,000 tons, of which, as the table shows, 7,450,000 tons had arrived in Italy by 10 December. The percentage of fulfilment for the whole of the UNRRA pro-

0005
Declassified E.O. 12356 Sec 3.3/NND No. 785021

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Continued on Page 5

Declassified E.O. 12356 Section 3.3/NND No. 785021

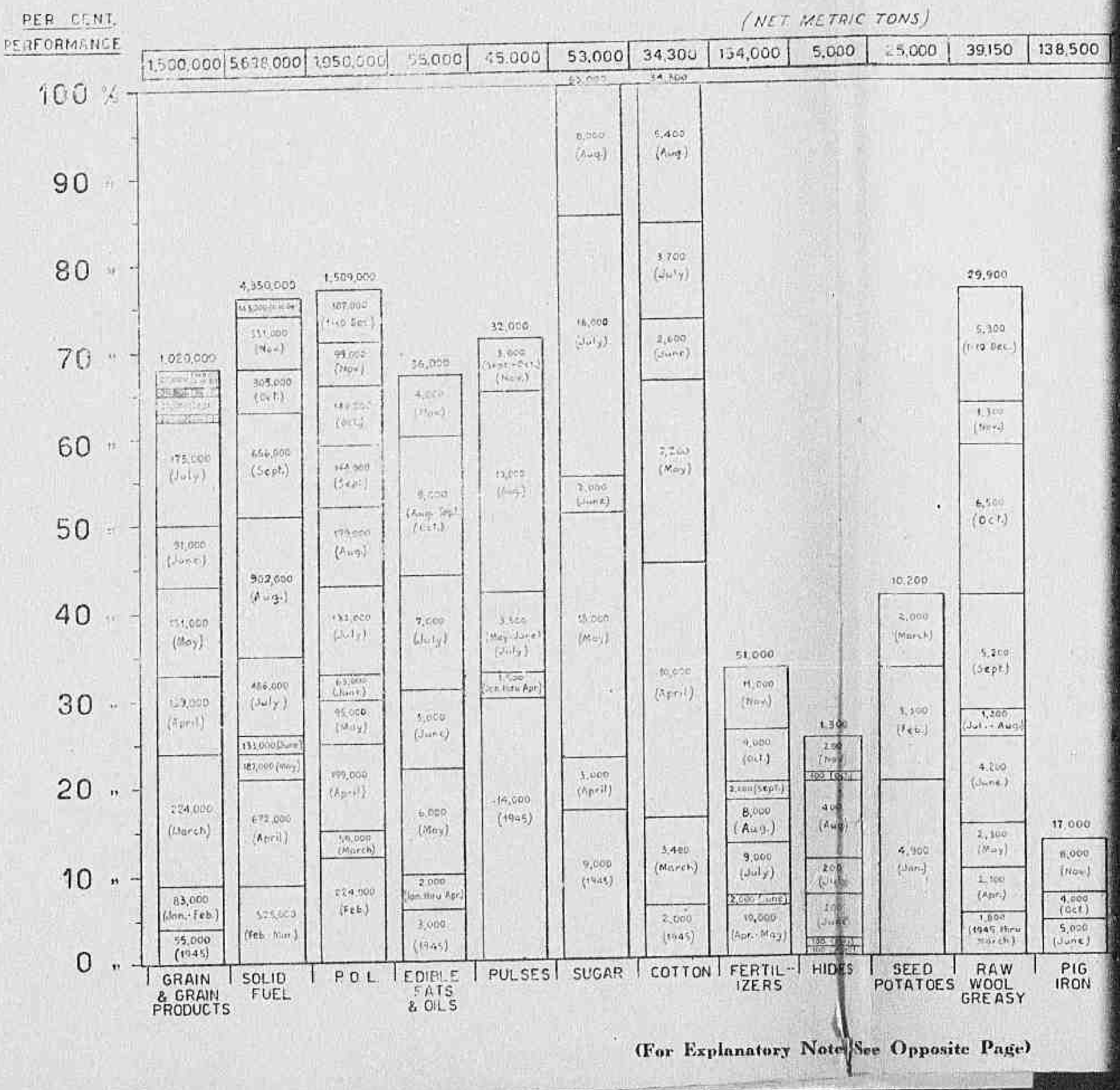
0007

Declassified E.O. 12356 Section 3.3/NND No. 785021

THE UNRRA ITALIAN PROGRAMME, 19

A Comparison of the Current Programme with Receipts for Selecte

Corrected up to 10 December, 1946



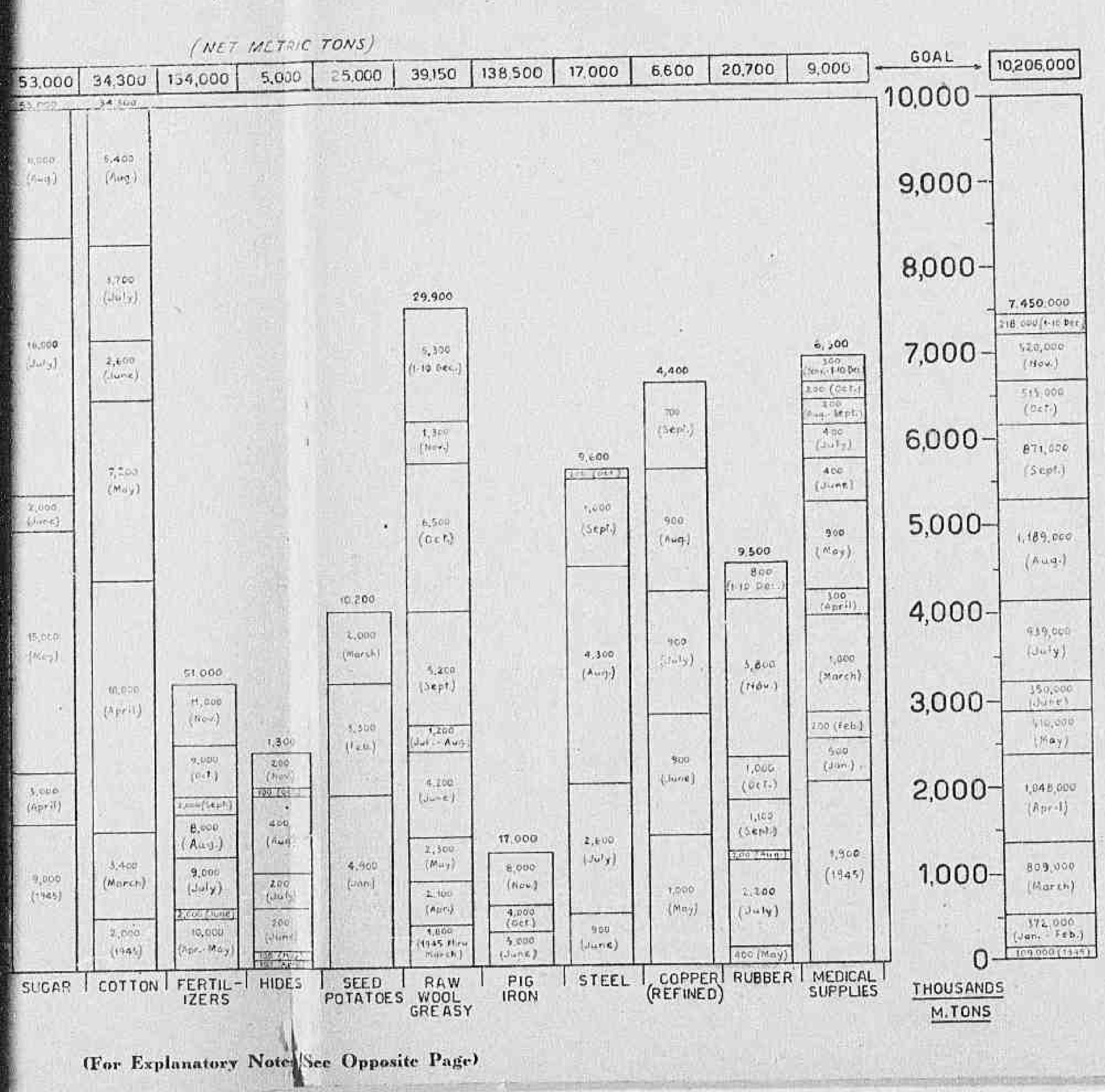
(For Explanatory Note See Opposite Page)

0008

Declassified E.O. 12356 Section 3.3/NND No. 785021

NRRA ITALIAN PROGRAMME, 1945-46

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



(For Explanatory Notes See Opposite Page)

BASIC SLAG ALLOCATIONS

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

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

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

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

Venezia	1,650	quintals
Lombardy	2,770	,,
Piedmont	4,530	,,
Liguria	300	,,
Emilia	10,150	,,
Tuscany	1,250	,,

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

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

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

Continued from Page 2

UNRRA ITALIAN PROGRAMME

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

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(15 - 18 DECEMBER INCLUSIVE)

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

NOTE: (1) Also discharged at Leghorn and Trieste

LATEST COAL SHIPMENTS

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LATEST COAL SHIPMENTS

(15 - 18 DECEMBER INCLUSIVE)

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

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CONTENTS

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

PRICE POLICY FOR UNRRA GOODS

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

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

Supplies and Prices

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

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

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

Payments to Lire Fund

Declassified E.O. 12356 Section 3.3/NND No. 785021

1258

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

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

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

Handling Charges

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

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

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

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

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

Reducing Domestic Prices

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

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

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

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

Control of Profits

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

Control of Profits

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

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

Smooth Transition

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

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

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

COAL OUTLOOK

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

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

December Allocations

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

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

Preferential Consumers

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

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

Declassified E.O. 12356 Section 3.3/NND No. 745021

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COAL OUTLOOK

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785091

FOOD PRICES FIXED

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

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

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

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

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

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

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

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

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

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

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

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

UNRRA Sugar Imports

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

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

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

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

ALLOCATIONS TO INDUSTRY

The Central Industrial Commission announces that 9,300 tons of steel, 7,700 tons of pig-iron and 15,500 tons of other essential metals and ores, imported by UNRRA, will be available for January allocation by the Italian Government to industries requiring these materials for essential production.

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

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

Declassified E.O. 12356 Section 3.3/NND No. 783021

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

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

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

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

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

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

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

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

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

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

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

UNRRA Sugar Imports

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

Chicken haddie and ground fish, including ground pilchards, will be issued only to approved industrial and communal messes in urban centres. The other fish and the meat products will be issued only to special classes, on authorized ration scales.

free issue, on the same ration scale, to sick persons in hospital. This distribution, spread over a period of three months, will be under the control of SEPRAL (Sezione Provinciale per l'Alimentazione).

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Continued on Page 6

Declassified E.O. 12356 Section 3.3/NRD No. 785021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(23 - 28 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Sfinge	Venice	23 November	It. Government	Minerals	4,200
Adjutant (1)	Naples	24 »	UNRRA	General	350
Alisa	»	» »	»	»	1,332
Olancho	Catania	» »	»	Cereals	5,399
Ulisse	Palermo	» »	It. Government	Minerals	3,450
Bestik	Leghorn	25 »	UNRRA	»	3,612
Halaula Victory	Naples	» »	»	General	2,983
Mont Alta	Bari	» »	»	»	2,547
Katoomba	Genoa	» »	»	Minerals	803
Nereus	»	» »	Swiss	Cereals	8,690
City of Athens	»	26 »	UNRRA	General	11
Penelope	»	27 »	»	(General (Cereals	2,838 5,513
Cape Nun	»	» »	»	Wool	147
Barbank Victory	»	» »	»	General	1,773
Meridian Victory	»	» »	»	»	1,385
Bravo	Genoa	28 »	»	»	120
American Press	Venice	» »	»	»	1,207
Cervino	La Spezia	» »	It. Government	Minerals	7,300

NOTE: (1) Also discharged at Genoa.

LATEST COAL SHIPMENTS

(22 - 27 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Arunah S. Abell	Venice	22 November	United States	UNRRA	9,305
Teresa Schiaffino	Savona	24 »	Germany	»	7,148
Charles N. Cole	»	» »	United States	Swiss	9,608
Florence Martus	Genoa	» »	» »	UNRRA	9,342
Chem Jones	Venice	» »	» »	It. Gov.	8,667
Hollypark (1)	Ancona	» »	South Africa	UNRRA	5,080
Nirvo	Bagnoli	25 »	Germany	»	7,504
Joseph C. Lincoln	Genoa	26 »	United States	»	9,364
		27 »	South Africa	»	5,028

Declassified E.O. 12356 Section 3.3/NND No. 760021

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Nirvo	Bagnoli	25 »	Germany	»	7,504
Joseph C. Lincoln	Genoa	26 »	United States	»	9,364
Ballaren	»	27 »	South Africa	»	5,028
Charles A. Dana	Civitavecchia	» »	United States	»	9,435
Baron Stranraer	Leghorn	» »	South Africa	»	5,350

NOTE: (1) Also discharged at Bari.

Declassified E.O. 12356 Section 3.3/NND No. 785021

Continued from Page 4

ALLOCATIONS TO INDUSTRY

Firms which require allocations of these materials should apply immediately to their appropriate Sub-Commission of the Central Industrial Commission. Application forms may be obtained at the local UPIC (Ufficio Provinciale Industria e Commercio). The forms, duly completed, must be returned to UPIC, to be forwarded to the Sub-Commission.

Allocations will be made in accordance with the national importance of the products to be manufactured. Upon completion of the allocation plan, those firms receiving allocations will be informed of the terms of delivery.

The following are the quantities and specifications of the steel, pig-iron and other metals and ores available.

Steel	tons
Bars	173
Hot rolled steel bars	48
Sheets	3,727
Shelter sheets 21000 ea.	500
No. 16 and 21 sheets	440
Corrugated sheets	1,790
Cold rolled steel corrugated sheets	17
Galvanized steel sheets	19
Steel reinforcements	422
Lead bearing steel billets	1,707

Pig Iron

Foundry grade
Hematite with percentages
from 1.9 to 2.1 Si.
„ 0.76 „ 0.83 Mn.
„ 0.027 „ 0.032 S.
„ 0.12 „ 0.15 Ph.

For refining with percentages
from 0.75 to 1.25 Si.
„ 0.60 „ 1.5 Mn.
„ 0.03 „ 0.05 S.
„ 0.12 „ 0.3 Ph.

Other Metals and Ores

	tons	
Manganese ore	207	
Wolframite	100	(from Portugal, containing 65 % WO_3, 0.7 % Sn., 0.3 % As.)
Chromite	4,066	(containing 45 % Cr_2O_3)
Nickel	170	(electrolitic nickel in electrodes, from Canada)
Asbestos	3,711	(Canadian dust asbestos No. 7)
Special anthracite for electrodes	2,000	(containing less than 5 % ash)
Blister copper	3,777	

FORAGE PEA SEED

The price of 4,500 lire per quintal for forage pea seed recommended by the Price Committee on 31 October, and now approved by the Italian Government and the UNRRA Italy Mission, follows the agreement recently reached by the Mission with the Ministry of Agriculture for stricter control of the stocks of UNRRA-imported supplies that are still available for distribution. The price now fixed is "ex Consorzi Agrari Provincial warehouses or agency stores." The seed will be available exclusively for mixing with other seeds for the formation of approved seed mixtures.

A price of 2,500 lire per quintal for 940 tons of forage pea seed imported on the UNRRA agricultural rehabilitation programme was fixed by the Price Committee at its meeting on 18 June. This price was originally valid only until 31 July, but the period was later extended to 15 September.

Stocks Unsold

Stocks in warehouses still unsold on 15 September were 180 tons, but investigations revealed that in previous sales some of the seed had been sold through middlemen for purposes other than those for which the seed was brought in, such as grinding for fodder and sale for direct human consumption. Timely action enabled approximately 36 tons of seed wrongfully disposed of to be recovered, and this has now been returned to stock, bringing the total to 216 tons.

By the terms of the agreement between the Ministry of Agriculture and the UNRRA Italy Mission, all forage pea seed is to be mixed with other seed, to form standard mixtures, according to specified formulae. All sacks will carry a label showing the mixture they contain.

The Ministry of Agriculture will be responsible for checking the mixtures, and (in agreement with UNRRA) establishing their sale price. The Federazione dei Consorzi Agrari will supervise mixing operations, the movement of seeds and their distribution to farmers; and will supply the Ministry of Agriculture and UNRRA with lists of farmers buying this mixed seed, specifying the quantity purchased

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Allocations will be made in accordance with the national importance of the products to be manufactured. Upon completion of the allocation plan, those firms receiving allocations will be informed of the terms of delivery.

The following are the quantities and specifications of the steel, pig-iron and other metals and ores available.

Steel	tons
Bars	473
Hot rolled steel bars	48
Sheets	3,727
Shelter sheets 21000 ea.	500
No. 16 and 21 sheets	440
Corrugated sheets	1,790
Cold rolled steel corrugated sheets	47
Galvanized steel sheets	19
Steel reinforcements	422
Lead bearing steel billets	1,707

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Foundry grade
Hematite with percentages
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For refining with percentages
from 0.75 to 1.25 Si.
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„ 0.12 „ 0.3 Ph.

Other Metals and Ores

	tons	
Manganese ore	291	
Wolframite	100	(from Portugal, containing 65 % Wo_3, 0.7 % Sn., 0.3 % As.)
Chromite	1,000	(containing 45 % Cr_2O_3)
Nickel	170	(electrolitic nickel in catodes, from Canada)
Asbestos	3,711	(Canadian dust asbestos No. 7)
Special anthracite for electrodes	2,000	(containing less than 5 % ash)
Blister copper	3,777	
Molybdenite	330	
Tinplate	1,341	

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Declassified E.O. 12356 Section 3.3/NND No. 785021

November 22, 1946

Vol. I, No. 45

ECONOMIC NOTES

Published Weekly in English and Italian

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CONTENTS

1. Lire Fund to Help Housing | 2. Statistical Survey - September, 1946
3. Movements of Ships

LIRE FUND TO HELP HOUSING

Recommendations for an additional allocation of more than 1,000 million lire from the Lire Fund, to speed up CASAS (Comitato Amministrativo Soccorsi ai Senzatetto) housing reconstruction projects in war devastated areas, have been made by the Lire Fund Control Committee, composed of Italian Government and UNRRA representatives.

This grant is supplementary to the 1,167 million lire which have already been allocated from the Lire Fund to CASAS. It will enable immediate loans to be made to finance the repair of a further 20,000 rooms—in addition to the 78,000 rooms scheduled for repair in the first phase of the CASAS operation, which also includes the construction of 840 new family apartments.

Emergency Measures

The present grant is purely an emergency measure to overcome delays, pending the inauguration of a very much larger programme. Its purpose is to finance a new "anticipated" labour and materials plan developed by CASAS and the Special Relief Projects Division of the UNRRA Italy Mission. A total of 1,012,500,000 lire will be allocated in the form [illegible] advance to CASAS, to enable grant for which they are eligible under the Government's War Damage Contribution Scheme.

A further 12,000,000 lire will be allocated to CASAS to provide for the appointment of paid CASAS representatives in the communes in which CASAS operates. The function of these CASAS communal representatives will be to stimulate the activities of the communal reconstruction committees, supervise the speedy handling of all matters connected with the *perizie* (estimates of war damage) and operate, at communal level, the CASAS "anticipated" labour and materials plan.

Proposals have been put forward by CASAS to amend the Decree (No. 305, of 9 June, 1945), under which the War Damage Contribution Scheme operates, to give CASAS legal authority to buy in advance materials for which payment will be deducted from the *perizie*. It is proposed also that, since the CASAS programme is expressly directed towards helping the most needy among homeless war-displaced Italians, priority should be given to the settlement of the war damage grants awarded to those who have received financial help from CASAS.

Funds Available Immediately

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The present grant is purely an emergency measure to overcome delays, pending the inauguration of a very much larger programme. Its purpose is to finance a new "anticipated" labour and materials plan developed by CASAS and the Special Relief Projects Division of the UNRRA Italy Mission. A total of 1,012,500,000 lire will be allocated in the form of a recoverable advance to CASAS, to enable CASAS in its turn to make advances to needy persons who are too poor to provide either the materials or the labour they require to rebuild their homes, in anticipation of the 60 per cent. grant for which they are eligible under the Government's War Damage Contribution Scheme.

A further 12,000,000 lire will be allocated to CASAS to provide for the appointment of paid CASAS representatives in the communes in which CASAS operates. The function of these CASAS communal representatives will be to stimulate the activities of the communal reconstruction committees, supervise the speedy handling of all matters connected with the *perizie* (estimates of war damage) and operate, at communal level, the CASAS "anticipated" labour and materials plan.

Proposals have been put forward by CASAS to amend the Decree (No. 305, of 9 June, 1945), under which the War Damage Contribution Scheme operates, to give CASAS legal authority to buy in advance materials for which payment will be deducted from the *perizie*. It is proposed also that, since the CASAS programme is expressly directed towards helping the most needy among homeless war-displaced Italians, priority should be given to the settlement of the war damage grants awarded to those who have received financial help from CASAS.

Funds Available Immediately

In view, however, of the urgent need to provide shelter quickly for as many people as possible, the Lire Fund Control Committee

Declassified E.O. 12356 Section 3.3/NND No. 785021

has agreed to make the funds available immediately, without waiting for the formal legislative amendments; and the Minister of Public Works has undertaken to reimburse CASAS for advances in respect of "anticipated" labour and material, made in the interim period. Such reimbursements will be made at the time of settlement of the war damage claims of the persons assisted.

"Anticipated" Materials and Labour

The purpose of the Lire Fund advances, all of which will ultimately be recoverable, is twofold. (See the preliminary reference to the plan in Issue No. 39 of *Economic Notes*, of 11 October.)

The Fund will be used to purchase "anticipated" materials. The Genio Civile (whose functions correspond broadly with those of a Borough Surveyor in English Local Government administration) is empowered, by Article 18 of the Decree relating to war damage claims, to purchase building materials for needy householders on account of the eventual 60 per cent. war damage grant. In practice, however, serious difficulties have arisen. By using the fund for the purchase of materials in those instances where the Genio Civile is temporarily unable to do so, CASAS hopes to ensure a steady flow of building materials to all needy persons entitled to them in its areas of operations.

But provision of "anticipated" building materials represents only half the problem: for even where materials have been "anticipated" and delivered free of any charge for road haulage by CASAS trucks, the householder has still to pay for the necessary skilled labour before he can repair his war-damaged home. Payment for a proportion of this labour can ultimately be recovered through the 60 per cent. Government grant, but thousands of householders are far too poor to pay for this labour out of their own resources in the meantime.

Needs of the Very Poor

This problem grows progressively more serious. As houses with comparatively light damage are repaired, the proportion of those which need virtually to be rebuilt becomes both for labour and materials. CASAS estimates that approximately 55 per cent. of the needy homeless fall within this category.

Tragedy of Unfinished Work

"It is a tragedy to think of houses that are built half way up and then abandoned—at least for the time being—because the 'little people'—artisans, labourers and the like—whose homes they are to be, cannot find the money or the credit to finish the job," said Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, who has just completed a personal tour of some of the CASAS operations in the Abruzzi.

"This is a tragedy which is, in fact, happening. In one badly shattered village I saw eight houses that could be finished with a few truckloads of materials. Work has stopped because a very small additional sum of money is not forthcoming. We have made special plans to get over that particular difficulty, and I hope that the advances from the Lire Fund to CASAS will help to prevent this in the future.

"I talked with one poor man who had managed to raise the money to buy the necessary materials to repair his cottage and had then persuaded a mason friend to do the job for him—on credit. That was months ago. He has his cottage, but he owes his friend 30,000 lire, which he cannot possibly pay until he receives his war damage grant—and in the meantime the mason, himself a man in a small way of business, has to carry his friend's bad debt."

CASAS is now able to make cash advances (up to 18 per cent. of the total war damage claim) to those who are unable to provide the essential skilled labour. Such advances will be strictly controlled, and will be specifically earmarked for skilled labour charges.

Mr. Keeny Tours Abruzzi

In the course of a three-days tour of the Abruzzi, Mr. Keeny visited Ortona, Orsogna, Colledimacine, Roccaraso and Castel di Sangro. It was at Colledimacine, which was 90 per cent. destroyed, that the Friends' Devastated Areas Group, 16 months ago, repaired their first rooms.

Throughout the Abruzzi up to date

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Needs of the Very Poor

This problem grows progressively more serious. As houses with comparatively light damage are repaired, the proportion of those which need virtually to be rebuilt becomes steadily higher. Again, the number of householders who can afford somehow to find the money in advance for repairs or reconstruction is steadily being reduced, leaving a "hard core" of the very poor who need loans to pay

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Throughout the Abruzzi, up to date, CASAS has already repaired, or reconstructed 10,215 rooms, and work is in progress on the repair, or reconstruction of another 6,190 rooms. Entirely new homes now in course of construction will provide another 794 rooms.

Declassified E.O. 12356 Section 3.3/NND No. 785021

In all, it is estimated that CASAS will have rehoused approximately 20,000 people in the Abruzzi before Christmas.

Approximately one-third of the entire CASAS programme is at present concentrated in the Abruzzi. CASAS has, throughout Italy, in the course of the first phase of its operations, so far repaired 39,427 rooms and built 704 new apartments. In all, 63,610 people have been rehoused. This represents only a small part of what needs to be done. As stated in *Economic Notes* (No. 39, of 11 October, 1946), 4,026,081 rooms were damaged or destroyed in the war. Of these, 1,154,000 rooms were totally destroyed, 645,400 heavily damaged and 2,226,680 lightly damaged.

Transport Problem

In the Abruzzi, the number of rooms on which repair work is still in progress is large—partly because of the large amount of reconstruction required and partly because of delivery delays owing to truck shortage. CASAS truck operations have been seriously curtailed on account of the hold-up in motor fuel supplies caused by the maritime strikes in the United States.

Transport is a factor of exceptional importance in the Abruzzi, and in some cases represents as much as 25 per cent. of the total cost of reconstruction, as against a normal 10 or 15 per cent. It is one of the chief functions of CASAS to provide this road transport entirely free of charge to needy persons.

Houses Ready by Christmas

"I was glad to see the good progress that had everywhere been made," Mr. Keeny remarked. "I have every hope that practically all the new houses CASAS has started will be ready for occupation by Christmas. At Orsogna I found an amazing change since my last visit in the spring. The whole skyline has changed. Instead of jagged ruins, you see new roofs.

"The amount of work that has been done is surprisingly large in the light of the delays and difficulties that have had to be overcome. Not least among those difficulties has been the [illegible] of producing the bricks and tiles. The

"I visited one of the brick works where UNRRA is helping indirectly in Italy's housing drive by providing the coal for the kilns. I heard the complaint that not enough coal was being allocated and that deliveries were irregular. It must not be forgotten that the rate of reconstruction in the war-damaged areas ultimately depends on the output of bricks."

Aid to Brick Works

An instance of the way in which CASAS is able to help to increase the output of bricks is the assistance it is giving to a brick works in the devastated Sangro Valley, where such works are few, where the devastated railway will probably take another two years to repair and where building materials have, in consequence, to be transported by trucks over great distances.

CASAS has here made a six months loan to the brick works of the small town of Castel del Giudice, enabling the works to replace its destroyed brick-moulding machinery. In return for this loan, CASAS is promised the full production of the factory for the period of the loan, plus repayment at the rate of one lira for each brick produced. Such forms of assistance will need to be increased, if repair and construction work in rural and remote districts is not to be held up by lack of building supplies.

"I hope that fuller use will be made of local brick works," said Mr. Keeny. "It is unfortunate that, in the Abruzzi, bricks have had sometimes to be carried 110 kilometres (more than 85 miles) over the mountains to villages as much as 4,000 feet, or more, above sea level, although there have been other brick kilns, which might have supplied requirements, much nearer at hand.

Need for Loans

"The chief weakness, however, in the present system of rehousing has been that of securing loans to enable the very poor to pay for the labour and materials they need to rebuild their homes—and that I hope will now be largely remedied through advances from the Lire Fund.

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"The amount of work that has been done is surprisingly large in the light of the delays and difficulties that have had to be overcome. Not least among those difficulties has been the problem of producing the bricks and tiles. The brick kilns have themselves suffered war damage; they have been running on credit; and last spring they were severely handicapped owing to the coal shortage caused by the United States coal strike.

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"The chief weakness, however, in the present system of rehousing has been that of securing loans to enable the very poor to pay for the labour and materials they need to rebuild their homes—and that I hope will now be largely remedied through advances from the Lire Fund.

"I regret that what is being done now was not started earlier, and on a more comprehensive scale. Rebuilding a devastated area

Continued on Page 6

Declassified E.O. 12356 Section 3.3/NND No. 785021

STATISTICAL SURVEY — SEPTEMBER, 1946

Description	Unit of Measurement	1945 Jan.	1945 June	1945 Aug.	1945 Sept.	1946 Jan.	1946 June	1946 Aug.	1946 Sept.
CURRENCY, PRICES									
Currency circulation	1938=100	1,590	1,815	1,770	1,788	1,837	1,932	2,042	2,111
Current accounts and deposits	»	—	367	383	402	519	631	—	—
Fine gold price (open market)	»	3,108	3,527	3,605	3,581	2,081	2,673	3,251	3,642
Dollar:									
Legal rates—Official	»	526	526	526	526	526	526	526	526
» —Commercial	»		—	—	—	—	1,181	1,184	1,184
» —Export	»	—	—	—	—	—	1,984	2,012	3,132
Black market	»	1,758	1,532	1,563	1,752	2,011	1,926	2,195	2,616
Share prices (Milan)	»	733	673	518	508	145	574	781	786
Wholesale prices (Florence)	»	—	3,392	3,607	3,604	3,401	2,965	3,016	3,209
COST OF LIVING, WAGES, LABOUR									
Cost of living (Milan) Total	»	1,355	1,798	1,939	2,388	2,431	2,607	2,850	—
» » » Food	»	2,018	2,408	2,506	2,987	3,182	3,492	3,625	—
Wages in Milan:									
Skilled labour	»	423	498	915	1,033	1,182	1,410	1,501	—
Professional workers	»	208	324	470	588	762	898	929	—
Unemployed registered	Thousands	—	—	—	—	1,428	1,581	1,770	1,858
PRODUCTION									
Pig-iron (Northern Italy) (1)	1938=100	24	8	12	11	10	61	86	93
Steel (Northern Italy) (1)	»	19	15	14	24	36	53	65	75
Rolled steel (Northern Italy) (1)	»	17	9	10	25	39	57	54	65
Cotton yarns (1)	»	3	3	4	5	22	60	42	—
Artificial textile fibres	»	2	3	4	4	6	32	50	55
Mechanical (Fiat)	»	8	32	24	43	56	57	37	—
Chemical (Montecatini)	»	12	10	14	15	24	55	63	70
Electric power (2)	»	97	77	76	77	108	108	111	112
FOREIGN TRADE									
Imports (3) (4)	Dols. ('000)	—	—	—	—	33,845	376,302	383,427	687,361
Exports (3)	»	—	—	—	—	3,339	85,424	142,186	187,665
Wheat imports (4)	Tons ('000)	—	—	—	—	94	943	1,973	1,125
Coal imports (4)	»	—	—	—	—	459	2,927	3,379	4,162
POL imports (UNRRA) (5)	»	—	—	—	—	—	633	1,085	1,140
STATE RAILWAY TRAFFIC									
Passengers	Thousands	—	—	13,355	15,268	17,626	19,138	—	—
	Tons ('000)	—	—	1,805	2,053	2,389	2,476	2,834	2,847

Declassified E.O. 12356 Section 3.3/NND No. 785021

Description	Unit of Measurement	1943 Jan.	June	Aug.	Sept.	1944 Jan.	June	Aug.	Sept.
CURRENCY, PRICES									
Currency circulation	1938=100	1,590	1,815	1,770	1,788	1,857	1,932	2,012	2,114
Current accounts and deposits	»	—	367	384	402	519	631	—	—
Fine gold price (open market)	»	3,108	3,527	3,665	3,581	2,981	2,673	3,254	3,042
Dollar:									
Legal rates–Official	»	526	526	526	526	526	526	526	526
» –Commercial	»		—	—	—	—	1,184	1,184	1,184
» –Export	»	—	—	—	—	—	1,981	2,642	3,132
Black market	»	1,758	1,532	1,563	1,752	2,011	1,926	2,195	2,516
Share prices (Milan)	»	733	673	518	508	445	374	781	780
Wholesale prices (Florence)	»	—	3,392	3,607	3,604	3,494	2,905	3,016	3,209
COST OF LIVING, WAGES, LABOUR									
Cost of living (Milan) Total	»	1,355	1,798	1,939	2,388	2,431	2,667	2,859	—
» » » Food	»	2,018	2,408	2,506	2,987	3,132	3,492	3,625	—
Wages in Milan:									
Skilled labour	»	423	498	915	1,033	1,182	1,410	1,501	—
Professional workers	»	208	324	470	588	762	898	929	—
Unemployed registered	Thousands	—	—	—	—	1,428	1,531	1,770	1,858
PRODUCTION									
Pig-iron (Northern Italy) (1)	1938=100	24	8	12	31	10	61	86	93
Steel (Northern Italy) (1)	»	19	15	14	24	36	53	65	73
Rolled steel (Northern Italy) (1)	»	17	9	10	25	39	57	54	65
Cotton yarns (1)	»	3	3	4	5	22	60	42	—
Artificial textile fibres	»	2	3	4	4	6	32	50	55
Mechanical (Fiat)	»	8	32	24	13	56	57	57	—
Chemical (Montecatini)	»	12	10	14	15	24	55	63	70
Electric power (2)	»	97	77	76	77	108	108	111	112
FOREIGN TRADE									
Imports (3) (4)	Dols. ('000)	—	—	—	—	33,845	376,302	553,627	657,361
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Wheat imports (4)	Tons ('000)	—	—	—	—	94	943	1,073	1,125
Coal imports (4)	»	—	—	—	—	459	2,627	3,370	4,162
POL imports (UNRRA) (5)	»	—	—	—	—	—	633	1,085	1,149
STATE RAILWAY TRAFFIC									
Passengers	Thousands	—	—	13,455	15,268	17,626	19,138	—	—
Goods	Tons ('000)	—	—	1,895	2,053	2,389	2,476	2,834	2,847

(For Explanatory Notes See Opposite Page)

Declassified E.O. 12356 Section 3.3/NND No. 785021

STATISTICAL SURVEY FOR SEPTEMBER

On the opposite page is a statistical survey of economic conditions in Italy up till September, 1946. The survey covers currency and prices; cost of living, wages and labour; production; foreign trade and State railway traffic. It has been prepared from information supplied by the Central Institute of Statistics in Rome, the Bank of Italy, the Italian State Railways and other official sources.

Stimulated by larger imports of fuel and raw materials, particularly by UNRRA imports, the Italian economy showed greater vitality in September than in previous months of 1946. There were clear signs of recovery in industrial production and of improvement in transport and foreign trade. Labour unrest, however, became more serious during September, largely owing to the increased cost of living.

While the currency circulation level was 21 times above 1938, free prices ranged from a minimum of 26 times pre-war (open market price of the dollar) up to a maximum of 36 times (price of fine gold). The level of bank deposits was still only six times pre-war. This mainly resulted from (a) the considerable decrease in the flow of savings from workers and fixed income categories (real wages and salaries, on the average, were about 50 per cent. of 1938); (b) hoarding of the lira, which was a noteworthy development, especially among farmers; (c) the many transactions (especially black market transactions) which took place outside the banks; (d) the disparity between the level of the currency circulation and the price level—which made it necessary to use, for the same volume of transactions, a proportionately greater amount of currency.

The outstanding factor in the Italian labour situation was the maladjustment of wages and salaries to the increase in the cost of living. Although the cost of living had by September increased 29-36 times, compared with pre-war, wages and salaries were only 10-18 times higher. The number of registered unemployed

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NOTES ON STATISTICAL SURVEY

(1) *Production*: Indices of production are still subject to a margin of error. An intensive study conducted through the UNRRA North Italy Office and the Comitato Industriale Alta Italia (C.I.A.I.) indicates the following discrepancies:

(MONTHLY AVERAGE: 1938 EQUALS 100)

	JANUARY, 1946		JUNE, 1946	
	Official	UNRRA	Official	UNRRA
Pig Iron (Northern Italy)	10	not available	61	not available
,, ,, (all Italy)	3.6	4	27.8	22
Steel (Northern Italy)	36	not available	53	not available
,, (all Italy)	26.7	27	52.8	49
Rolled Steel (Northern Italy)	39	not available	57	
,, ,, (all Italy)	28.4	28	45.3	48
Cotton Yarns	22	34	60	85

Figures for artificial textile fibres agree; for the other series it is not possible to make a direct comparison. The index numbers for the mechanical and chemical industries refer to two companies which, though large, do not indicate the true status throughout the whole of these two industries.

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

(3) *Foreign Trade*: Figures are cumulative, beginning 1 January. Present statistics on exports and imports are subject to a large but unknown error. The tonnage import figures are uncertain because it is known that UNRRA imports were not completely recorded in official figures. Value figures are additionally uncertain because of inconsistent conversion from foreign currencies to lire. In these figures, the

Declassified E.O. 12356 Section 3.3/NND No. 745021

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(4) Cumulative, including UNRRA.

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

workers (about three-fourths of the total number of people out of work) steadily increased from January to September, 1946.

This increase is mainly due to the return of large numbers of prisoners of war and deported workers, and to greater accuracy in registration (particularly in August and September), following the Government's decision to pay the "premium of the Republic" to unemployed registered at labour exchanges.

Output figures for some representative commodities and electric power support the official Government estimate that the general level of Italian production was approximately 65 per cent. of pre-war—the figure given by the Italian Prime Minister.

Exports Increase

Total Italian exports up to 31 August, 1946, amounted to about one-fourth of the imports. Exports, however, steadily increased up to 31 August. The table shows, by quantity, the imports of cereals, coal and petroleum products (POL) which form approximately 50 per cent. of the total value of all Italian imports. The official Italian figure of total imports from 1 January to 31 August, 1946, is 6,160,976 metric tons. UNRRA arrivals during this period were approximately 5,300,000 metric tons; it is known, however, that not all this quantity is included in the official Italian statistics. This is mainly because UNRRA goods are often recorded some time after the imports take place. UNRRA arrivals in this eight months period included 656,735 metric tons of wheat and 2,901,884 metric tons of coal.

Passenger and freight traffic on the Italian State Railways was steadily increasing, as a result of systematic rehabilitation of the Italian railway system, and repair and renewal of the rolling stock.

LIRE FUND TO HELP HOUSING

Continued from Page 3

is not like other rehousing schemes—such as slum clearance—where you can set the pace to suit administrative convenience. In the Abruzzi, and other areas where fighting was heavy, it is not a question of giving people

"The job is to repair where possible, rebuild where necessary, houses for people who have no homes at all. People crowded into the relatively few buildings that are habitable, or forced to live in shacks, cannot afford to wait four or five years. The moral effect of such delay will be appalling.

Homeless Cannot Wait

"I must emphasize, too, that this task of rebuilding heavily damaged war areas is not a local one. More and more, post-war reconstruction becomes a national problem. The easy repair work is largely done. What remains is the more expensive reconstruction where damage has been heavy—rebuilding, for example, a whole village, where the people always have been poor, and are poorer still today.

"There is, again, the serious problem of allocating, not only funds and materials, but also skilled labour. Sparsely inhabited mountain districts, where often the damage is relatively very high, just cannot find locally the masons, carpenters, tilers and plumbers needed to cope with the gigantic task of rehousing families now condemned to live in shacks."

Work Began in 1945

The first direct help by UNRRA in rehousing needy, homeless Italians was begun in April, 1945, by the UNRRA Italian Refugee Unit No. 2, staffed by voluntary members of the British Friends' Ambulance Unit attached to UNRRA, in the war devastated communes of Frosinone. This work was extended to the Abruzzi in August, 1945, by the establishment of an UNRRA Voluntary Society Unit, staffed by volunteer members of the International Voluntary Society for Peace.

At the same time the Friends' Devastated Areas Group (composed of volunteer members of the American Friends' Service Committee and the British Friends' Ambulance Unit) had been developing independently of UNRRA a similar, but smaller, assistance programme in the Aventino Valley; and subsequently the work of this Group was combined with the larger UNRRA effort. Throughout the operation the work of volunteers, including Americans, British, Swiss and Italians, has

Declassified E.O. 12356 Section 3.3/NND No. 785021

tion (particularly in August and September), following the Government's decision to pay the "premium of the Republic" to unemployed registered at labour exchanges.

Output figures for some representative commodities and electric power support the official Government estimate that the general level of Italian production was approximately 65 per cent. of pre-war—the figure given by the Italian Prime Minister.

Exports Increase

Total Italian exports up to 31 August, 1946, amounted to about one-fourth of the imports. Exports, however, steadily increased up to 31 August. The table shows, by quantity, the imports of cereals, coal and petroleum products (POL) which form approximately 50 per cent. of the total value of all Italian imports. The official Italian figure of total imports from 1 January to 31 August, 1946, is 6,160,976 metric tons. UNRRA arrivals during this period were approximately 5,300,000 metric tons: it is known, however, that not all this quantity is included in the official Italian statistics. This is mainly because UNRRA goods are often recorded some time after the imports take place. UNRRA arrivals in this eight months period included 656,735 metric tons of wheat and 2,904,884 metric tons of coal.

Passenger and freight traffic on the Italian State Railways was steadily increasing, as a result of systematic rehabilitation of the Italian railway system, and repair and renewal of the rolling stock.

LIRE FUND TO HELP HOUSING

Continued from Page 3

is not like other rehousing schemes—such as slum clearance—where you can set the pace to suit administrative convenience. In the Abruzzi, and other areas where fighting was heavy, it is not a question of giving people *better* homes, but of meeting the elementary and urgent need for shelter.

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Declassified E.O. 12356 Sec. 3.3/NND No. 785061

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(10 - 16 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Adjutant	Genoa	11 November	UNRRA	General	839
Bantria	»	» »	»	»	622
Andrea Contarini	Naples	12 »	It. Government	Minerals	1,900
Eskdalegate (1)	Leghorn	13 »	UNRRA	General	900
Francesca	Brindisi	» »	It. Government	Minerals	2,400
Apollo	Venice	14 »	» »	»	5,100
Isonzo	»	» »	» »	»	8,112
Sameden	Genoa	15 »	UNRRA	Pig Iron	3,499
Baalbek	»	» »	»	General	41
Richard Henry Lee	Venice	» »	»	Minerals	9,000
Merkland	Genoa	16 »	»	General	750
Jericho Victory	»	» »	»	»	115

NOTE: (1) Also discharged at Genoa.

LATEST COAL SHIPMENTS

(11 - 16 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Pelorum	Ancona	12 November	United States	UNRRA	7,082
William James	Civitavecchia Piombino	» » 16 »	» »	»	8,374
King James	Venice	12 »	South Africa	»	8,399
Ernesto	Savona	13 »	Germany	»	11,696
Ines Corrado (1)	Reggio Calabria	» »	United States	»	4,000
Nicolaos G. Caloucundis	Savona	14 »	Turkey	Swiss	4,648
Radmar	Naples	» »	Germany	UNRRA	5,524
Empire Copperfield	Venice	» »	South Africa	Br. Army	7,013
Samuel F. B. Morse	Genoa	16 »	United States	UNRRA	9,115

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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ECONOMIC NOTES

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CONTENTS

1. UNRRA Medical Programme Goes Well
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4. Chestnut Blight
5. Tractor Imports
6. Movements of Ships

UNRRA MEDICAL PROGRAMME GOES WELL

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

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

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

Largest Distribution

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

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

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

23 More Laboratory Units

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

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

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

National Health Improves

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

	Death Rate per 1,000 population	Infant Mortality Rate per 1,000 live births	Tuberculosis Death Rate per 10,000 population
1940 . . .	11.61	75.13	12.21
1941 . . .	11.01	69.08	12.77
1942 . . .	12.28	83.84	17.25
1943 . . .	12.27	88.51	20.42
1944 . . .	19.52	121.40	25.01
1945 . . .	12.54	108.95	18.05
1946 . . .	11.18	75.15	17.45

Supplies for the fight against tuberculosis are still coming in. Distribution of 162 dozen X-ray films, chest size, valued at approximately 34,400 dollars (£8,600 sterling) has been completed, and the High Commissioner for Public Health and Hygiene has been requested to submit a distribution plan for a further 2,520 dozen X-ray films. So far 14 X-ray sets have been distributed.

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

Penicillin Supplies

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

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

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

Disinfestation Programme

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

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With regard to penicillin and insulin, every effort has been made to procure sufficient quantities. Despite limited production and heavy demand, 49,796,700,000 units of penicillin, 290,000 vials of insulin and 176,116,660 units of crystalline insulin, to be processed and vialled in Italy, had been distributed to the medical authorities by the end of October. The High Commissioner for Public Health

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Declassified E.O. 12356 Section 3.3/NND No. 735021

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

Trachoma Control

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

The five-year plan for malaria control in Italy and Sicily (see *Economic Notes* No. 13 of 8 November, 1946) will be administered by the High Commissioner for Public Health and Hygiene. This scheme may also be financed by a contribution, estimated at over 1,000 million lire, from the Lire Fund. The Lire Fund Control Committee has agreed that 100,000,000 lire from the 1947 allotment should be appropriated immediately, in order that essential transport and equipment may be purchased without delay, ensuring prompt commencement of the programme at the beginning of the 1947 malaria season.

UNRRA EXHIBITION IN ROME

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

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

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

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

INDUSTRIAL RAW MATERIALS

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

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

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

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

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

Rubber Manufacture and Sundry

Sunocure:

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

Crude rubber:

Declassified E.O. 12356 Section 3.3/NND No. 785031

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

Lumber:
8,578 tons.

Fire clay:
3,000 tons of the following types:— Type V2, containing 37.23 % Al_2O_3 and 2.03 % Fe_2O_3; Type V3, containing 33.5 % Al_2O_3 and 2.00 % Fe_2O_3.

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

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

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

Solvent naphtha:
380 tons. Specific gravity 0.830. Initial boiling point, 120° C. End boiling point, 172° C. 92 % distilling at 160° C. Traces of water. Colour metric test positive neutral.

Shellac:
62 tons.

Petroleum coke calcined:
4,312 tons.

Colophony:
900 tons.

Magnesite bricks:
417 tons.

PHARMACEUTICAL

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

CHESTNUT BLIGHT

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

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

Yearly Food Production

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

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

Long-Term Plans

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

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

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

Solvent naphtha:
380 tons. Specific gravity 0.839. Initial boiling point, 129° C. End boiling point, 172° C. 92 % distilling at 160° C. Traces of water. Colourmetric test positive neutral.

Shellac:
62 tons.

Petroleum coke calcined:
4,312 tons.

Colophony:
900 tons.

Magnesite bricks:
417 tons.

Pharmaceutical

Acetone	6,531	kilograms
Codeine phosphate	23.68	,,
Codeine sulphate	56.7	,,
Corn syrup	3,154	,,
Opium blocks	1,814	,,
Emetina	10	,,
Theobromine	100	,,
Toluol	2,133.7	,,
Progesterone	1	,,
Papaverine	90.7	,,
Liver extract	807	,,
Belladonna leaves	1,015	,,
Belladonna roots	191.5	,,
Methyl alcohol	7,380	,,
Ethyl alcohol	800	quintals
Ascorbic acid	50	,,

CHESTNUT BLIGHT

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Continued on Page 6

Declassified E.O. 12356 Section 3.3/NND No. 785021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(29 NOVEMBER - 1 DECEMBER INCLUSIVE)

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

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

LATEST COAL SHIPMENTS

(29 NOVEMBER - 5 DECEMBER INCLUSIVE)

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

Declassified E.O. 12356 Section 3.3/NND NO. 787021

(29 NOVEMBER - 4 DECEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Marvia (1)	Savona	17 November	UNRRA	Minerals	2,539
Eskdalegate (1), (2)	Naples	22 "	"	General	150
Julia P. Shaw	Genoa	29 "	"	"	1,379
Chester Valley	"	" "	"	"	3,341
Nira Luckenbach	Naples	" "	"	"	5,624
Exiria (2)	"	30 "	"	"	478
Macalester Victory	"	" "	"	"	3,078
Rinaldo	Leghorn	" "	"	"	1,115
Pertusola	Piombino	" "	It. Government	Minerals	2,240
Orpheus	Genoa	1 December	Commercial	Cotton & Wool	4,404
Cervino	"	" "	It. Government	Minerals	5,800
Francesca	"	2 "	" "	"	2,230
Apollo	Crotone	" "	" "	"	5,200
Monarch of the Seas	Leghorn	3 "	UNRRA (Italy / Yugoslavia / Italy)	Cocoa beans / Cotton / Wheat	4,085 / 2,129 / 1,476
Mont Clair	Naples	" "	"	General	373
Ernesto	Venice	4 "	It. Government	Minerals	11,020
Charles Wooster	"	" "	UNRRA	General	2,831
Penelope (3)	Palermo	" "	"	Cereals	5,358

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

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Fort McMurray	Ancona	" "	South Africa	UNRRA	7,599
Frederic A. Kummer	Genoa / Leghorn	2 "	United States	"	15,705 / 8,889
Seaman A. Knapp	Venice	" "	" "	"	9,151
Francis D. Culkin	"	" "	" "	Commercial	3,525
Charles Lykes	"	" "	" "	UNRRA	9,164
Walker D. Hines	Messina	" "	" "	"	9,370
William Terry Howell	Naples	4 "	" "	"	8,655
Nathan Clifford	Venice	" "	" "	Swiss	9,410
Lunsford Richardson	Savona	5 "	" "	"	5,750
Panaghiotis	"	" "	Turkey	UNRRA	8,506
Morris C. Feinstone	Genoa	" "	United States		

NOTE: (1) Also discharged at Civitavecchia.

Declassified E.O. 12356 Section 3.3/NND No. 785021

TRACTOR IMPORTS

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

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

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

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

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

Continued from Page 4

CHESTNUT BLIGHT

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

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

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December 6, 1946

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ECONOMIC NOTES

Published Weekly in English and Italian

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CONTENTS

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

PRICE POLICY FOR UNRRA GOODS

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

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

Supplies and Prices

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

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

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

1255

Payments to Lire Fund

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

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Payments to Lire Fund

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

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

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

Handling Charges

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

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

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

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

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

Reducing Domestic Prices

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

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

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

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

Control of Profits

This policy is applied where lower prices

Declassified E.O. 12356 Section 3.3/NND No. 785021

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resale and disruption of organized distribution.

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Control of Profits

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

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

Smooth Transition

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

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

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

COAL OUTLOOK

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

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

December Allocations

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

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

Preferential Consumers

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

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

Declassified E.O. 12356 Section 3.3/NND No. 725021

speculative resale.

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Smooth Transition

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

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

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

COAL OUTLOOK

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

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

December Allocations

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

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

Preferential Consumers

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

FOOD PRICES FIXED

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

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

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

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

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

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

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

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

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

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

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

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

UNRRA Sugar Imports

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

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

The remaining 1,480 tons of candy bars will be offered for sale at the agreed price of 180 lire per kilogram to members of industrial co-operatives. Co-operatives for State employees are not included in this distribution, as they have received special consideration in the distribution of ration accessory packs.

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

ALLOCATIONS TO INDUSTRY

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 795021

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

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

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

Canned salmon, mackerel, mackerel fillets and sardines and fish in oil:
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Liver spread, meat spread and meat paste:
105.50 lire per kilogram, on retailer's vehicle, ex intercommunal warehouse.

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

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

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

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

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

UNRRA Sugar Imports

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

Chicken haddie and ground fish, including ground pilchards, will be issued only to approved industrial and communal messes in urban centres. The other fish and the meat products will be issued only to special classes, on authorized ration scales.

persons in hospital. This distribution, spread over a period of three months, will be under the control of SEPRAL (Sezione Provinciale per l'Alimentazione).

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

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

ALLOCATIONS TO INDUSTRY

The Central Industrial Commission announces that 9,300 tons of steel, 7,700 tons of pig-iron and 15,500 tons of other essential metals and ores, imported by UNRRA, will be available for January allocation by the Italian Government to industries requiring these materials for essential production.

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

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Continued on Page 6

Declassified E.O. 12356 Section 3.3/NND No. 785021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(23 - 28 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Sfinge	Venice	23 November	It. Government	Minerals	4,200
Adjutant (1)	Naples	24 »	UNRRA	General	350
Alisa	»	» »	»	»	1,332
Olancho	Catania	» »	»	Cereals	5,399
Ulisse	Palermo	» »	It. Government	Minerals	3,430
Bestik	Legborn	25 »	UNRRA	»	3,612
Halaula Victory	Naples	» »	»	General	2,983
Mont Alta	Bari	» »	»	»	2,547
Katoomba	Genoa	» »	»	Minerals	803
Nereus	»	» »	Swiss	Cereals	8,690
City of Athens	»	26 »	UNRRA	General	11
Penelope	»	27 »	»	General Cereals	2,838 5,513
Cape Nun	»	» »	»	Wool	147
Burbank Victory	»	» »	»	General	1,773
Meridian Victory	»	» »	»	»	1,385
Bravo	Genoa	28 »	»	»	120
American Press	Venice	» »	»	»	1,207
Cervino	La Spezia	» »	It. Government	Minerals	7,300

NOTE: (1) Also discharged at Genoa.

LATEST COAL SHIPMENTS

(22 - 27 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Arunah S. Abell	Venice	22 November	United States	UNRRA	9,305
Teresa Schiaffino	Savona	24 »	Germany	»	7,148
Charles N. Cole	»	» »	United States	Swiss	9,608
Florence Martus	Genoa	»	» »	UNRRA	9,342
Chem Jones	Venice	» »	» »	It. Gov.	8,667
Hollypark (1)	Ancona	» »	South Africa	UNRRA	5,080
Nirvo	Bagnoli	25 »	Germany	»	7,504
Joseph C. Lincoln	Genoa	26 »	United States	»	9,364
Bullaren	»	27 »	South Africa		5,098

Declassified E.O. 12356 Section 3.3/NND No. 787021

Sfinge	Venice	23 November	It. Government	Minerals	4,200
Adjutant (1)	Naples	24 »	UNRRA	General	350
Alisa	»	» »	»	»	1,332
Olancho	Catania	» »	»	Cereals	5,399
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Halaula Victory	Naples	» »	»	General	2,933
Mont Alta	Bari	» »	»	»	2,547
Katoomba	Genoa	» »	»	Minerals	303
Nereus	»	» »	Swiss	Cereals	8,690
City of Athens	»	26 »	UNRRA	General	11
Penelope	»	27 »	»	General Cereals	2,838 5,513
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Hollypark (1)	Ancona	» »	South Africa	UNRRA	5,080
Nirvo	Bagnoli	25 »	Germany	»	7,504
Joseph C. Lincoln	Genoa	26 »	United States	»	9,364
Bullaren	»	27 »	South Africa	»	5,028
Charles A. Dana	Civitavecchia	» »	United States	»	9,435
Baron Stanraer	Leghorn	» »	South Africa	»	5,350

NOTE: (1) Also discharged at Bari.

Declassified E.O. 12356 Section 3.3/NND No. 785021

Continued from Page 4

ALLOCATIONS TO INDUSTRY

Firms which require allocations of these materials should apply immediately to their appropriate Sub-Commission of the Central Industrial Commission. Application forms may be obtained at the local UPIC (Ufficio Provinciale Industria e Commercio). The forms, duly completed, must be returned to UPIC, to be forwarded to the Sub-Commission.

Allocations will be made in accordance with the national importance of the products to be manufactured. Upon completion of the allocation plan, those firms receiving allocations will be informed of the terms of delivery.

The following are the quantities and specifications of the steel, pig-iron and other metals and ores available.

Steel	tons
Bars	473
Hot rolled steel bars	48
Sheets	3,727
Shelter sheets 21/03 ea.	300
No. 16 and 21 sheets	440
Corrugated sheets	1,790
Cold rolled steel corrugated sheets	17
Galvanized steel sheets	19
Steel reinforcements	122
Lead bearing steel billets	1,707

Pig Iron

Foundry grade
Hematite with percentages
from 1.9 to 2.1 Si.
„ 0.76 „ 0.83 Mn.
„ 0.027 „ 0.032 S.
„ 0.12 „ 0.15 Ph.

For refining with percentages
from 0.75 to 1.25 Si.
„ 0.66 „ 1.5 Mn.
„ 0.03 „ 0.05 S.
„ 0.12 „ 0.3 Ph.

Other Metals and Ores

	tons	
Manganese ore	201	
Wolframite	100	(from Portugal, containing 65 % Wo., 0.7 % Sn., 0.3 % As.)
Chromite	4,096	(containing 45 % Cr_2O_3)
Nickel	170	(electrolitic nickel in electodes, from Canada)
Asbestos	3,711	(Canadian dust asbestos No. 7)
Special anthracite for electrodes	2,000	(containing less than 5 % ash)
Blister copper	3,777	

FORAGE PEA SEED

The price of 4,500 lire per quintal for forage pea seed recommended by the Price Committee on 31 October, and now approved by the Italian Government and the UNRRA Italy Mission, follows the agreement recently reached by the Mission with the Ministry of Agriculture for stricter control of the stocks of UNRRA-imported supplies that are still available for distribution. The price now fixed is "ex Consorzi Agrari Provincial warehouses or agency stores." The seed will be available exclusively for mixing with other seeds for the formation of approved seed mixtures.

A price of 2,500 lire per quintal for 940 tons of forage pea seed imported on the UNRRA agricultural rehabilitation programme was fixed by the Price Committee at its meeting on 18 June. This price was originally valid only until 31 July, but the period was later extended to 15 September.

Stocks Unsold

Stocks in warehouses still unsold on 15 September were 180 tons, but investigations revealed that in previous sales some of the seed had been sold through middlemen for purposes other than those for which the seed was brought in, such as grinding for fodder and sale for direct human consumption. Timely action enabled approximately 36 tons of seed wrongfully disposed of to be recovered, and this has now been returned to stock, bringing the total to 216 tons.

By the terms of the agreement between the Ministry of Agriculture and the UNRRA Italy Mission, all forage pea seed is to be mixed with other seed, to form standard mixtures, according to specified formulae. All sacks will carry a label showing the mixture they contain.

The Ministry of Agriculture will be responsible for checking the mixtures, and (in agreement with UNRRA) establishing their sale price. The Federazione dei Consorzi Agrari will supervise mixing operations, the movement of seeds and their distribution to farmers; and will supply the Ministry of Agriculture and UNRRA with lists of farmers buying this mixed seed, specifying the quantity purchased

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Declassified E.O. 12356 Section 3.3/NND No. 783021

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The following are the quantities and specifications of the steel, pig-iron and other metals and ores available.

Steel	tons
Bars	473
Hot rolled steel bars	48
Sheets	3,727
Shelter sheets 21003 ea.	500
No. 16 and 21 sheets	440
Corrugated sheets	1,790
Cold rolled steel corrugated sheets	47
Galvanized steel sheets	19
Steel reinforcements	422
Lead bearing steel billets	1,797

Pig Iron

Foundry grade
Hematite with percentages
from 1.9 to 2.1 Si.
„ 0.76 „ 0.83 Mn.
„ 0.027 „ 0.032 S.
„ 0.12 „ 0.15 Ph.

For refining with percentages
from 0.75 to 1.25 Si.
„ 0.60 „ 1.5 Mn.
„ 0.03 „ 0.05 S.
„ 0.12 „ 0.3 Ph.

Other Metals and Ores	tons	
Manganese ore	201	
Wolframite	100	(from Portugal, containing 65 % WO_3, 0.7 % Sn., 0.3 % As.)
Chromite	4,006	(containing 45 % Cr_2O_3)
Nickel	170	(electrolitic nickel in catodes, from Canada)
Asbestos	3,711	(Canadian dust asbestos No. 7)
Special anthracite for electrodes	2,000	(containing less than 5 % ash)
Blister copper	3,777	
Molybdenite	330	
Tinplate	1,341	

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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ECONOMIC NOTES

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The Washington Conferences were concerned with plans for the completion of UNRRA's world-wide programme of relief and rehabilitation. The aim was to prepare an accurate picture of what supplies Italy, and the other countries receiving UNRRA aid, would, and would not, get. In general, the results for Italy were good. There was in Washington real understanding and sympathy for Italy's economic burdens, and an atmosphere which promises well for Italy's future.

Deliveries Beyond December

It was confirmed in Washington that UNRRA aid should not stop on 31 December. Assistance will not end until all the UNRRA funds allocated for Italy are spent. UNRRA supplies will continue to arrive at least through

At the outset the Government provided the specifications for the kinds and quantities of supplies needed under the expanded UNRRA programme in Italy, which began early this year. UNRRA undertook to procure those goods in so far as world supply conditions and available funds permitted, and to deliver them to Italian ports. The Government assumed responsibility for the methods of distribution, with the advice of UNRRA.

Towards National Reconstruction

A first objective was to bring in the immediate necessities of food and medical supplies. More important, from a long-range point of view, was to lay a foundation upon which Italian industry and agriculture could take over the task of providing for the Italian people, and make a good start towards national reconstruction. That has been done.

Of the total of 10,000,000 tons of supplies programmed for Italy by UNRRA, 7,000,000 tons, worth about 275,000,000 dollars (£68,750,000 sterling), have already reached Italian ports. Those supplies, contributed free to the Italian Government by the 48 United Nations which are members of UNRRA, have been converted into power for Italian industry and transport, jobs and essential goods for Italian industrial and farm workers, food and

Declassified E.O. 12356 Section 3.3/NND No. 785021

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It was confirmed in Washington that UNRRA aid should not stop on 31 December. Assistance will not end until all the UNRRA funds allocated for Italy are spent. UNRRA supplies will continue to arrive at least through the first quarter of 1947, and probably even a little later.

UNRRA aid to Italy has been a jointly planned enterprise, between the Italian Government and the UNRRA Italy Mission. At the outset the Government provided the specifications for the kinds and quantities of supplies needed under the expanded UNRRA programme in Italy, which began early this year. UNRRA undertook to procure those goods in so far as world supply conditions and available funds permitted, and to deliver them to Italian ports. The Government assumed responsibility for the methods of distribution, with the advice of UNRRA.

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Aid to Italy, over the entire period of UNRRA assistance, will total the equivalent of over 400,000,000 dollars, more than 100,000

Declassified E.O. 12356 Section 3.3/NND No. 785021

million lire, plus the very large freight costs, which UNRRA also pays. This assistance comes from more than 20 different countries, the gift of the United Nations as a whole. Because of rising costs, this money is not buying as much food and fuel and raw materials as had been hoped. But it is still buying tremendous quantities of supplies which Italy vitally needs—grain, petroleum products, coal, medicines, fertilizers, cotton, wool and many others.

The task of procuring those supplies has been great. UNRRA is not a gigantic world warehouse from which supplies can be called forward at will. UNRRA is one applicant among many for supplies, and is completely dependent upon those supplies which the contributing nations are willing to release for export. From the beginning, military requirements have had a higher priority than UNRRA. In this period of post-war reconstruction, many countries need identically the same goods as Italy. Demands are greater than ever before, and supplies less.

Shortage of Shipping

Supplies and funds available have not been the only problem. There is also the key problem of shipping. UNRRA must depend upon the shipping space available. Until mid-year, this was still difficult to get. The recent maritime strikes caused a recurrence of the shipping shortage for two months and resulted in a delay of many weeks in the arrival of some UNRRA imports. But, provided there are no more strikes, shipping should not be a major problem again.

In spite of unexpected difficulties, delays and strikes, UNRRA has already brought in almost three-quarters of the supplies programmed for Italy. During October, for example, in spite of the United States maritime strike, UNRRA goods made up nearly 400,000 tons of about 600,000 tons actually discharged. UNRRA brought in almost 90 per cent. of the October coal imports.

Almost 75,000,000 dollars' worth of UNRRA bread-cereals, not including freight costs, have been delivered to Italy to date. This means that about one-fourth of the bread purchased on Italian ration cards this year has come from UNRRA cereals.

by value, of UNRRA food supplies programmed for Italy have arrived and the great bulk of these have already been eaten. This represents food for the general population, as well as special assistance for the needy children and mothers.

In fulfilment of its medical programme, UNRRA has delivered more than 6,000 tons of hospital equipment, penicillin, DDT, ambulances and drugs—more than two-thirds, by value, of the programme of medical and sanitation supplies.

Industrial Production Doubled

During the period of UNRRA assistance, Italian industrial production has about doubled and now stands at about 65 per cent. of the pre-war level—though naturally, the effect of the maritime and coal strikes will temporarily reduce this level.

Among recent UNRRA deliveries has been the arrival during the past month of 4,500 more tons of rubber. Factories and homes in heavily damaged areas are being reconstructed with building materials produced and transported, thanks to UNRRA-imported fuel. During November, the Government allocated to industrial users 70,000 tons of strategic UNRRA materials—including pig-iron, manganese and chromite for steel-making; colophony for soap, paper and other industries; coal tar solvents for a wide range of essential industrial processes; and copper for the railways. Additional quantities of key industrial materials have arrived and will shortly be available for allocation.

Of the total industrial rehabilitation supplies scheduled for Italy, substantially more than 5,000,000 tons have already arrived and the programme is about 70 per cent. complete.

Help for Agriculture

In the agricultural programme, 14,000 tons of seed, notably potato and forage seed, have already reached Italy. UNRRA has provided pesticides, and more than 50,000 tons of fertilizer. Of about 300 tractors scheduled for Italy, half have already arrived and have been turned over to the Government for use in the proposed tractor-pool programme. That plan, formulated by the Ministry of Agriculture, is designed to make tractors available to farmers

Declassified E.O. 12356 Section 3.3/NND No. 785021

as had been hoped. But it is still buying tremendous quantities of supplies which Italy vitally needs—grain, petroleum products, coal, medicines, fertilizers, cotton, wool and many others.

The task of procuring those supplies has been great. UNRRA is not a gigantic world warehouse from which supplies can be called forward at will. UNRRA is one applicant among many for supplies, and is completely dependent upon those supplies which the contributing nations are willing to release for export. From the beginning, military requirements have had a higher priority than UNRRA. In this period of post-war reconstruction, many countries need identically the same goods as Italy. Demands are greater than ever before, and supplies less.

Shortage of Shipping

Supplies and funds available have not been the only problem. There is also the key problem of shipping. UNRRA must depend upon the shipping space available. Until midyear, this was still difficult to get. The recent maritime strikes caused a recurrence of the shipping shortage for two months and resulted in a delay of many weeks in the arrival of some UNRRA imports. But, provided there are no more strikes, shipping should not be a major problem again.

In spite of unexpected difficulties, delays and strikes, UNRRA has already brought in almost three-quarters of the supplies programmed for Italy. During October, for example, in spite of the United States maritime strike, UNRRA goods made up nearly 400,000 tons of about 600,000 tons actually discharged. UNRRA brought in almost 90 per cent. of the October coal imports.

Almost 75,000,000 dollars' worth of UNRRA bread-cereals, not including freight costs, have been delivered to Italy to date. This means that about one-fourth of the bread purchased on Italian ration cards this year has come from UNRRA cereals.

Of the edible fats and oils programmed for Italy, 34,000 tons have already been delivered. Fifty-three thousand tons of sugar were brought in during the deficiency period prior to the harvest. In general, about 65 per cent.,

In fulfilment of its medical programme, UNRRA has delivered more than 6,000 tons of hospital equipment, penicillin, DDT, ambulances and drugs—more than two-thirds, by value, of the programme of medical and sanitation supplies.

Industrial Production Doubled

During the period of UNRRA assistance, Italian industrial production has about doubled and now stands at about 65 per cent. of the pre-war level—though naturally, the effect of the maritime and coal strikes will temporarily reduce this level.

Among recent UNRRA deliveries has been the arrival during the past month of 4,500 more tons of rubber. Factories and homes in heavily damaged areas are being reconstructed with building materials produced and transported, thanks to UNRRA-imported fuel. During November, the Government allocated to industrial users 70,000 tons of strategic UNRRA materials—including pig-iron, manganese and chromite for steel-making; colophony for soap, paper and other industries; coal tar solvents for a wide range of essential industrial processes; and copper for the railways. Additional quantities of key industrial materials have arrived and will shortly be available for allocation.

Of the total industrial rehabilitation supplies scheduled for Italy, substantially more than 5,000,000 tons have already arrived and the programme is about 70 per cent. complete.

Help for Agriculture

In the agricultural programme, 14,000 tons of seed, notably potato and forage seed, have already reached Italy. UNRRA has provided pesticides, and more than 50,000 tons of fertilizer. Of about 300 tractors scheduled for Italy, half have already arrived and have been turned over to the Government for use in the proposed tractor-pool programme. That plan, formulated by the Ministry of Agriculture, is designed to make tractors available to farmers in war-affected areas who cannot afford to buy tractors privately, and it is hoped the scheme will soon be under way. UNRRA's tractor imports are designed solely to supplement

Declassified E.O. 12356 Section 3.3/NND No. 785021

domestic tractor production and these machines will not be available for private purchase.

To help to provide clothing and blankets for Italians who need them most—at prices they can afford to pay—UNRRA has delivered almost 35,000 tons of raw cotton and more than half of a scheduled programme of 39,000 tons of raw wool. Under the plan now being administered by the Government's newly-created UNRRA-Tessili organization, some of these textiles are already in production. About one-third of the cotton goods will be distributed to the neediest, free of charge. The remainder will be sold at very low prices, based solely on the cost of manufacture, and not including the cost of raw materials. A plan for wool textiles is also being developed by the Government.

Special praise is due to Italy's dock and railway workers for the speed with which they have unloaded and moved UNRRA supplies. At peak, Italy's ports have handled more than a million tons a month, equalling and exceeding pre-war records with far less equipment. Some 4,000 tons of port equipment purchased by UNRRA from military surplus, are now beginning to arrive and should facilitate port operations.

Grain a World Problem

The world grain situation is causing concern throughout both hemispheres. There is not, and will not be, enough grain to meet all the world's demands in the coming months.

The Italian Government and UNRRA are working in the closest co-operation to promote the earliest possible arrival of bread cereals, and to put Italy in the best possible position to continue to procure cereals between the end of the UNRRA programme and the next harvest. The Government, on its own account, is in direct contact with grain supplying countries. The amassing returns show great improvement over last year, although the results are still not good enough in the light of the world grain shortage. As a result of new amassi enforcement measures, UNRRA is hopeful that the collection goals will soon be met, at least in most provinces.

UNRRA wishes to compliment the Government on the new programme to control the collection and distribution of olive oil and some animal fats. The Mission is hopeful that these

UNRRA—have suffered somewhat on account of strikes in the United States—first, the coal strike in April, then the maritime strikes in September and October and now the new coal strike. UNRRA had hoped to have the entire UNRRA coal programme—more than 5,500,000 tons—delivered to Italy by January. With the end of the maritime strikes, it looked as if UNRRA could complete those imports some time in February. Now the most that can be said is that UNRRA coal will continue to arrive for two or three months *after* the end of the United States coal strike.

200,000 Tons of Coal in November

The remaining UNRRA coal imports scheduled for Italy are somewhat more than 1,000,000 tons. At the moment, and probably for the duration of the coal strike, there is an embargo on coal exports from the United States. It must be pointed out, however, that UNRRA succeeded in loading more than 200,000 tons from the United States for Italy this month before the embargo was imposed. The Mission is fairly confident of getting between 100,000 and 150,000 tons monthly from non-United States sources. At the same time, UNRRA is calling upon the European Coal Organization to review the effects of the United States coal strike on Italy's position, and this may possibly result in slightly increased allocations from European sources. Orders have gone to UNRRA offices in all coal-producing countries to try to get more coal for Italy from anywhere in the world.

With coal, as with grain, UNRRA and the Italian Government are taking joint action to minimize the harmful effects of present shortages. It is clear that rigid conservation measures will be necessary in Italy for the duration of the strike. The situation will not be good, but by careful husbanding and utilization of coal reserves on an emergency basis, Italy's industrial economy will pull through. All industrial coal users are urged to re-examine the possibility of converting to fuel-oil wherever possible, especially since from the long view, it may be more economical to look to fuel-oil rather than coal as a continuing source of fuel.

Adequate Supplies of Liquid Fuel

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Coal imports—the great bulk of which during the past year have been provided by [illegible] coal programme—more than 5,500,000 tons—delivered to Italy by January. With the end of the maritime strikes, it looked as if UNRRA could complete those imports some time in February. Now the most that can be said is that UNRRA coal will continue to arrive for two or three months *after* the end of the United States coal strike.

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Adequate Supplies of Liquid Fuel

With the end of the shipping strike, liquid fuels are arriving in Italy in substantial quantities once more, and it is likely that adequate supplies will be available for essential

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

purposes in December and January. According to present plans, in February the Government will begin to take over from UNRRA the delivery of petroleum for civilian requirements, and UNRRA imports will cease completely shortly thereafter.

More and more, UNRRA petroleum imports will be crude oil, now beginning to be processed in the refineries at Bari and Naples. It is expected that by the end of the UNRRA programme, Italy's refineries will be producing a substantial percentage of the country's petroleum needs. This important step forward in Italy's industrial rehabilitation has already resulted in savings of foreign exchange, since crude oil is less expensive and, therefore, saves the Government's money.

Transition Period

In the transition period, when UNRRA imports cease and Italy takes over the task of providing its own essential supplies, UNRRA's primary concern is to try to avoid any break in the supply line—at least to the extent that the supply line is controlled by the Italian Government and UNRRA.

Obtaining supplies during this transition period involves not only finding the necessary foreign exchange and shipping, but also finding the supplies. As a result of several months of joint planning by the Government and UNRRA, the administrative machinery and the organization of shipping during the transition period are well in hand. Financially, it appears likely that the Government, through its careful planning, will be able to cover the three basic commodities of grain, coal and petroleum products. The real problem for the Italian Government will be, as it has been for UNRRA, to find the supplies in the world's granaries, mines and storehouses at a time when the demand will still be in excess of what is available.

Imports to Meet Essential Needs

In UNRRA's view, there should be no relaxation in the care taken in the distribution and utilization of UNRRA imports, to ensure that these are used for the purpose for which they were intended. Nitrates have been given to Italy by the United Nations for bread cereals, not for tobacco and luxury crops given to Italy to move food, and for essential services—not for pleasure driving and motor races.

Misuse of UNRRA imports does not hurt UNRRA; it hurts the Italian people and Italy. There is no surer way to alienate friendly world opinion than by misuse of supplies contributed for relief and reconstruction.

UNRRA imports are not only providing jobs and goods for Italians, but by providing a "floor" for the Italian economy, they have also made it possible for Italian industry to build up its production capacity for export, and thereby to augment its foreign exchange and credit position.

To retain, and further improve, that position during 1947, Italy will need some outside assistance to meet its food bill, to avoid using for food such foreign exchange as will be available. If that exchange capacity is exhausted in the purchase of food, it will mean an inevitable retardation of industrial recovery. As much as possible, those foreign earnings will need to be put back into industrial production. If this can be achieved, the prospects are good that Italy will by the end of 1947 be in a sound position to make its bids in international markets for a continuing supply of essential imports.

MORE STEEL PRODUCED

In spite of short supplies, the Italian steel industry has shown marked progress throughout the first three-quarters of the year. The monthly output of steel more than doubled from only 55,529 tons in January to 123,782 tons in September. Production of pig iron, which was only 3,429 tons in January, increased to 29,724 tons. Output of ferro-alloys, which amounted to no more than 257 tons in January and ceased completely in February, had, in September, risen to an estimated 4,960 tons.

The September figures for steel output were lower by 50,000 tons—or approximately 29 per cent.—than the pre-war (1935-37) average of 175,000 tons a month. Pig iron production was a little under half.

During 1935-37, production averaged 2,104,000 tons, and consumption 2,313,871

Declassified E.O. 12356 Section 3.3/NND No. 785021

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In UNRRA's view, there should be no relaxation in the care taken in the distribution and utilization of UNRRA imports, to ensure that these are used for the purpose for which they were intended. Nitrates have been given to Italy by the United Nations for bread cereals, not for tobacco and luxury crops. Grain has been provided for rationed bread, to be used in accordance with Government regulations and legal extraction ratios—not for white bread and pastries. Gasoline has been Italy. There is no surer way to alienate friendly world opinion than by misuse of supplies contributed for relief and reconstruction.

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The September figures for steel output were lower by 30,000 tons—or approximately 29 per cent.—than the pre-war (1935-37) average of 175,000 tons a month. Pig iron production was a little under half.

During 1935-37, production averaged 2,104,000 tons, and consumption 2,313,871 tons a year. The average production of pig iron for the same period was 721,000 tons. Some 370 plants were producing iron and steel, giving employment to over 56,000 workers.

Declassified E.O. 12356 Section 3.3/NND No. 785021

Production fell in 1945 to no more than 15 per cent. of this pre-war average—partly on account of war damage to plant, but chiefly on account of the shortage of supplies, particularly coal, and shortage of hydro-electric power. Over-all war damage was approximately 25 per cent. During 1945-46, however, rebuilding and reconstruction have restored the industry to 85 per cent. of its pre-war capacity.

Steady Rise in Production

The following table shows, month by month, the steady rise, since the beginning of the year, in the production of steel, pig iron, and ferro-alloys. The slight set-backs in the output of steel and pig iron in August and of ferro-alloys in July and August were due to summer holidays. As will be seen, production of ferro-alloys was negligible for the first three months of the year.

	Steel Tons	Pig Iron Tons	Ferro-Alloys Tons
January	55,529	3,429	257
February	57,207	2,265	—
March	69,847	2,438	399
April	81,633	9,812	2,202
May	95,867	16,068	4,009
June	101,313	20,508	4,064
July	112,054	28,817	3,230
August	111,163	26,217	3,680
September	123,782	20,724	4,960 *

* *Note*: September production of ferro-alloys is estimated.

Plans drawn up last year by the Allied Commission and the Italian Government to restore the steel industry could not become effective until very late in 1945. Since then, UNRRA has rendered considerable assistance in the re-establishment of Italy's steel industry, which is to a very high degree dependent upon imports. For every ton of steel produced, one ton of raw material must be imported from abroad.

Pre-War Consumption

During the years before the war in which steel production was highest, the industry consumed annually about 1,600,000 tons of imported coal, and 300,000 tons of coal (in the form of lignite and anthracite) from home sources, including coal from the Arsa mines in were 915,000 tons in 1935; but fell to 365,000 tons in 1936.

Most of the other basic commodities essential to the steel and ferro-alloy industry, such as manganese ore, wolframite, molybdenite, chromite, chromium, graphite, tin, copper and nickel have always had to be imported. Italy, too, has always had to import foreign finished steel products to supplement home production. In 1938, semi-finished products for industry—most of which went into iron and steel processing—represented 22 per cent. of the country's total imports.

To meet Italy's requirements of steel, semi-finished steel and raw materials for steel production, UNRRA had up to 31 October, imported the following:—

	Tons
Coal	454,000
Pig iron	12,770
Fuel oil	12,500
Lubricants	1,285
Semi-finished steel	1,707
Manganese ore	10,000
Tin	20
Copper	300
Nickel	1,056
Petroleum coke	5,000
Anthracite	8,000

Note: Arrivals during November include 7,800 tons of pig iron, 1,000 tons of chromite and 100 tons of wolframite.

The prices fixed by the Price Committee for pig-iron, and a range of finished and semi-finished steel products are published in this issue, together with the prices for nickel, ferro tungsten and graphite for steel-making. The prices fixed for manganese ore and chrome ore were published in *Economic Notes* No. 42, of 1 November.

Pig Iron and Steel

World shortages, strikes, and readjustment of import priorities to meet more pressing needs, have resulted in very considerable changes in the programme originally put forward by UNRRA for the rehabilitation of the steel industry. UNRRA has contracted for a total of 58,845 tons of pig iron for Italy; and it is hoped to secure a further 94,640 tons from Australia, but negotiations are not yet complete. Approximately two-thirds of the steel which UNRRA is sending to Italy has already been shipped.

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Plans drawn up last year by the Allied Commission and the Italian Government to restore the steel industry could not become effective until very late in 1945. Since then, UNRRA has rendered considerable assistance in the re-establishment of Italy's steel industry, which is to a very high degree dependent upon imports. For every ton of steel produced, one ton of raw material must be imported from abroad.

Pre-War Consumption

During the years before the war in which steel production was highest, the industry consumed annually about 1,600,000 tons of imported coal, and 300,000 tons of coal (in the form of lignite and anthracite) from home sources, including coal from the Arsa mines in Istria, which are now under Yugoslav control. Yearly imports of pig iron ranged from as much as 153,000 tons in 1935 to only 30,000 tons in 1937. Imports of iron and steel scrap [illegible] steel products to supplement home production. In 1938, semi-finished products for industry—most of which went into iron and steel processing—represented 22 per cent. of the country's total imports.

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It is thanks to the timely delivery by UNRRA of 7,000 tons of anthracite for the manufacture of electrodes between March and September that 400,000 tons of steel could be

Declassified E.O. 12356 Section 3.3/NND No. 787021

produced in electric steel furnaces during the period of excess hydro-electric power in the summer months. In spite, therefore, of coal shortage due to the coal strike in the United States last spring, steel production steadily increased.

Full use, also, of hydro-electric power for pig iron production in electric furnaces has helped to overcome the delays in importing the programmed amounts of pig iron, on account of world shortages.

The allocation of fuel oil to steel works has permitted the conversion of plant, on a small scale, from coal: and has thus, to some extent, reduced the short-fall in production due to inadequate coal supplies.

10,000 Tons of Manganese Ore

UNRRA's programme includes 10,000 tons of manganese ore required for steel making. Approximately 50 per cent. of the available supplies are being converted to ferro-manganese at once, and will be utilized in steel production up to the end of the year. The balance will be converted during the new hydro-electric power season, beginning in March, 1947, for use later in the year.

Large supplies of fuel and raw materials have still to be imported on the UNRRA steel rehabilitation programme. Further development of Italy's hydro-electric resources will provide cheap power during the high-water season of the year, and enable industry partly to dispense with coal. It is estimated that in 1938, the output of hydro-electric power for all uses (including industry) was roughly equal to the power output from coal. Home production of pig-iron calls for the import of only a small proportion of high-grade coal and high-grade iron ore. Italy normally produces 75 per cent. of its ore requirements in the form of pyrites ash or mineral ore.

STEEL PRICE DECISIONS

The following prices for steel, pig iron, nickel and graphite have been agreed by the Italian Government and the UNRRA Italy Mission, in accordance with the recommendations passed by the Price Committee at its meetings on 24 and 31 October, and 11 November, 1946:

Ferro tungsten:
12 lire per kilogram per 1 per cent. contained tungsten, ex consignee's warehouse.

Special Graphite (for steel making):
32 lire per kilogram ex consignee's warehouse.

Pig iron - refining grade:
17.50 lire per kilogram ex consignee's warehouse.

Pig iron - foundry and hematite grades:
18.50 lire per kilogram ex consignee's warehouse.

Semi finished steel:

Ingots:
19.30 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Blooms and slabs:
20.80 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Billets and steel bars:
27.30 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Finished Steel:
(Sold to Ministries and Italian State Railways, for consumption in their own plants):

Corrugated sheet:
30.60 lire per kilogram ex consignee's warehouse.

Galvanized steel sheet:
30.75 lire per kilogram ex consignee's warehouse.

Reinforcing rods:
21.80 lire per kilogram ex consignee's warehouse.

Steel bars:
20.80 lire per kilogram ex consignee's warehouse.

Black steel sheets:
16.40 lire per kilogram ex consignee's warehouse.

Steel sheets:
28.75 lire per kilogram ex consignee's warehouse.

Finished Steel:
(For all consumers other than Ministries and Italian State Railways):

Hot rolled sheet:
32.50 lire per kilogram ex consignee's warehouse.

Wire rod:
34.68 lire per kilogram ex consignee's warehouse.

Plate and heavy sheet:
40.45 lire per kilogram ex consignee's warehouse.

Thin sheet and black sheet:
49.30 lire per kilogram ex consignee's warehouse.

Declassified E.O. 12356 Section 3.3/NND No. 787021

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Nickel:

435 lire per kilogram ex consignee's warehouse, including handling charges.

82 lire per kilogram ex consignee's warehouse.

Pig iron - refining grade:

17.50 lire per kilogram ex consignee's warehouse.

Pig iron - foundry and hematite grades:

18.50 lire per kilogram ex consignee's warehouse.

Semi finished steel:

Ingots:

19.30 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Blooms and slabs:

29.80 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Billets and steel bars:

27.30 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Finished Steel:

(Sold to Ministries and Italian State Railways, for consumption in their own plants):

Corrugated sheet:

30.00 lire per kilogram ex consignee's warehouse.

Galvanized steel sheet:

30.75 lire per kilogram ex consignee's warehouse.

Reinforcing rods:

21.80 lire per kilogram ex consignee's warehouse.

Steel bars:

20.80 lire per kilogram ex consignee's warehouse.

Black steel sheets:

16.40 lire per kilogram ex consignee's warehouse.

Steel sheets:

28.75 lire per kilogram ex consignee's warehouse.

Finished Steel:

(For all consumers other than Ministries and Italian State Railways):

Hot rolled sheet:

32.50 lire per kilogram ex consignee's warehouse.

Wire rod:

34.68 lire per kilogram ex consignee's warehouse.

Plate and heavy sheet:

40.45 lire per kilogram ex consignee's warehouse.

Thin sheet and black sheet:

49.30 lire per kilogram ex consignee's warehouse.

Tubes - base 1 inch:

55.55 lire per kilogram ex consignee's warehouse.

Products derived from wire rod:

46.20 lire per kilogram ex consignee's warehouse.

Declassified E.O. 12356 Section 3.3/NND No. 785021

Mushroom rail:
30.00 lire per kilogram ex consignee's warehouse.

Shaped rails:
41.70 lire per kilogram ex consignee's warehouse.

Cold rolled strip:
67.00 lire per kilogram ex consignee's warehouse.

All sections:
57.00 lire per kilogram ex consignee's warehouse.

The above prices for finished steel are exclusive of extras for thickness, size and quality, as shown in the Standard Government List for Extras.

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(17 - 22 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Sfinge	Ancona	17 November	It. Government	Minerals	7,100
Benny Skou	Genoa	18 »	UNRRA	General	5,000
Scotland	»	» »	»	Wolfram Basic Slag	100 2,075
Pearl Harbor	»	20 »	»	General	2,120
Joseph N. Dinand	»	22 »	»	»	2,206
Heron	»	» »	»	»	1,039
Exiria (1)	»	» »	»	»	627

NOTE: (1) Also discharged at Leghorn, but not on UNRRA Account

LATEST COAL SHIPMENTS

(17 - 22 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Josiah Tattnall	Genoa	17 November	United States	UNRRA	9,325
Gallia	»	» »	United Kingdom	»	2,002
Marshfield Victory	La Spezia	18 »	United States	»	8,091
Jacob Chandler Harper	Savona	19 »	» »	Swiss	8,903
Norruna	Bagnoli	» »	Germany	UNRRA	4,131
Hollypark	Bari	» »	South Africa	»	8,877
George Vickers	Genoa	20 »	United States	Italian Government	8,858
John G. Carlisle	Civitavecchia	» »	» »	UNRRA	9,388
Hermada	Venice	» »	Germany	»	6,700
Grover C. Hutcherson	Bari	» »	United States	»	8,763
Harold Dossett	Palermo	» »	» »	»	9,316
F. Scott Fitzgerald	Naples	21 »	» »	»	9,312
Kragujivak	Venice	» »	Yugoslavia	Commercial	4,896
Orata	Genoa	22 »	United States	UNRRA	11,168

Declassified E.O. 12356 Section 3.3/NND No. 785001

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(17 - 22 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Sfinge	Ancona	17 November	It. Government	Minerals	7,100
Benny Skou	Genoa	18 »	UNRRA	General	5,000
Scotland	»	» »	»	Wolfram Basic Slag	100 2,075
Pearl Harbor	»	20 »	»	General	2,120
Joseph N. Dinand	»	22 »	»	»	2,300
Heron	»	» »	»	»	1,039
Exiria (1)	»	» »	»	»	627

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LATEST COAL SHIPMENTS

(17 - 22 NOVEMBER INCLUSIVE)

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George Vickers	Genoa	20 »	United States	Italian Government	8,858
John G. Carlisle	Civitavecchia	» »	» »	UNRRA	9,388
Hermada	Venice	» »	Germany	»	6,700
Grover C. Hutcherson	Bari	» »	United States	»	8,763
Harold Dossett	Palermo	» »	» »	»	9,346
F. Scott Fitzgerald	Naples	21 »	» »	»	9,312
Kragujivak	Venice	» »	Yugoslavia	Commercial	4,896
Orata	Genoa	22 »	United States	UNRRA	11,168
Andalusia	Leghorn	» »	» »	»	6,548
William Cushing	Civitavecchia	» »	Bahrein	Italian Government	8,240
Nathaniel Silsbee	Naples	» »	United States	UNRRA	8,582
Milton H. Smith	Catania	» »	» »	»	8,708

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ECONOMIC NOTES

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CONTENTS

1. Lire Fund to Help Housing | 2. Statistical Survey - September, 1946
3. Movements of Ships

LIRE FUND TO HELP HOUSING

Recommendations for an additional allocation of more than 1,000 million lire from the Lire Fund, to speed up CASAS (Comitato Amministrativo Soccorsi ai Senzatetto) housing reconstruction projects in war devastated areas, have been made by the Lire Fund Control Committee, composed of Italian Government and UNRRA representatives.

This grant is supplementary to the 1,167 million lire which have already been allocated from the Lire Fund to CASAS. It will enable immediate loans to be made to finance the repair of a further 20,000 rooms—in addition to the 78,000 rooms scheduled for repair in the first phase of the CASAS operation, which also includes the construction of 840 new family apartments.

Emergency Measures

The present grant is purely an emergency measure to overcome delays, pending the inauguration of a very much larger programme. Its purpose is to finance a new "anticipated" labour and materials plan developed by CASAS and the Special Relief Projects Division of the UNRRA Italy Mission. A total of 1,012,500,000 lire will be allocated in the form grant for which they are eligible under the Government's War Damage Contribution Scheme.

A further 12,000,000 lire will be allocated to CASAS to provide for the appointment of paid CASAS representatives in the communes in which CASAS operates. The function of these CASAS communal representatives will be to stimulate the activities of the communal reconstruction committees, supervise the speedy handling of all matters connected with the *perizie* (estimates of war damage) and operate, at communal level, the CASAS "anticipated" labour and materials plan.

Proposals have been put forward by CASAS to amend the Decree (No. 305, of 9 June, 1945), under which the War Damage Contribution Scheme operates, to give CASAS legal authority to buy in advance materials for which payment will be deducted from the *perizie*. It is proposed also that, since the CASAS programme is expressly directed towards helping the most needy among homeless war-displaced Italians, priority should be given to the settlement of the war damage grants awarded to those who have received financial help from CASAS.

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Emergency Measures

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Funds Available Immediately

In view, however, of the urgent need to provide shelter quickly for as many people as possible, the Lire Fund Control Committee

Declassified E.O. 12356 Section 3.3/NND No. 785021

has agreed to make the funds available immediately, without waiting for the formal legislative amendments: and the Minister of Public Works has undertaken to reimburse CASAS for advances in respect of "anticipated" labour and material, made in the interim period. Such reimbursements will be made at the time of settlement of the war damage claims of the persons assisted.

"Anticipated" Materials and Labour

The purpose of the Lire Fund advances, all of which will ultimately be recoverable, is twofold. (See the preliminary reference to the plan in Issue No. 39 of *Economic Notes*, of 11 October.)

The Fund will be used to purchase "anticipated" materials. The Genio Civile (whose functions correspond broadly with those of a Borough Surveyor in English Local Government administration) is empowered, by Article 18 of the Decree relating to war damage claims, to purchase building materials for needy householders on account of the eventual 60 per cent. war damage grant. In practice, however, serious difficulties have arisen. By using the fund for the purchase of materials in those instances where the Genio Civile is temporarily unable to do so, CASAS hopes to ensure a steady flow of building materials to all needy persons entitled to them in its areas of operations.

But provision of "anticipated" building materials represents only half the problem: for even where materials have been "anticipated" and delivered free of any charge for road haulage by CASAS trucks, the householder has still to pay for the necessary skilled labour before he can repair his war-damaged home. Payment for a proportion of this labour can ultimately be recovered through the 60 per cent. Government grant, but thousands of householders are far too poor to pay for this labour out of their own resources in the meantime.

Needs of the Very Poor

This problem grows progressively more serious. As houses with comparatively light damage are repaired, the proportion of those [illegible] to be rebuilt becomes both for labour and materials. CASAS estimates that approximately 55 per cent. of the needy homeless fall within this category.

Tragedy of Unfinished Work

"It is a tragedy to think of houses that are built half way up and then abandoned—at least for the time being—because the 'little people'—artisans, labourers and the like—whose homes they are to be, cannot find the money or the credit to finish the job," said Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, who has just completed a personal tour of some of the CASAS operations in the Abruzzi.

"This is a tragedy which is, in fact, happening. In one badly shattered village I saw eight houses that could be finished with a few truckloads of materials. Work has stopped because a very small additional sum of money is not forthcoming. We have made special plans to get over that particular difficulty, and I hope that the advances from the Lire Fund to CASAS will help to prevent this in the future.

"I talked with one poor man who had managed to raise the money to buy the necessary materials to repair his cottage and had then persuaded a mason friend to do the job for him—on credit. That was months ago. He has his cottage, but he owes his friend 30,000 lire, which he cannot possibly pay until he receives his war damage grant—and in the meantime the mason, himself a man in a small way of business, has to carry his friend's bad debt."

CASAS is now able to make cash advances (up to 18 per cent. of the total war damage claim) to those who are unable to provide the essential skilled labour. Such advances will be strictly controlled, and will be specifically earmarked for skilled labour charges.

Mr. Keeny Tours Abruzzi

In the course of a three-days tour of the Abruzzi, Mr. Keeny visited Ortona, Orsogna, Colledimacine, Roccaraso and Castel di Sangro. It was at Colledimacine, which was 90 per cent. destroyed, that the Friends' Devastated Areas Group, 16 months ago, repaired their first rooms.

Throughout the Abruzzi, up to date, [illegible] repaired or reconstructed

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Needs of the Very Poor

This problem grows progressively more serious. As houses with comparatively light damage are repaired, the proportion of those which need virtually to be rebuilt becomes steadily higher. Again, the number of householders who can afford somehow to find the money in advance for repairs or reconstruction is steadily being reduced, leaving a "hard core" of the very poor who need loans to pay

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Throughout the Abruzzi, up to date, CASAS has already repaired, or reconstructed 10,215 rooms, and work is in progress on the repair, or reconstruction of another 6,190 rooms. Entirely new homes now in course of construction will provide another 794 rooms.

Declassified E.O. 12356 Section 3.3/NND No. 785021

In all, it is estimated that CASAS will have rehoused approximately 20,000 people in the Abruzzi before Christmas.

Approximately one-third of the entire CASAS programme is at present concentrated in the Abruzzi. CASAS has, throughout Italy, in the course of the first phase of its operations, so far repaired 39,127 rooms and built 704 new apartments. In all, 63,610 people have been rehoused. This represents only a small part of what needs to be done. As stated in *Economic Notes* (No. 39, of 11 October, 1946), 4,026,081 rooms were damaged or destroyed in the war. Of these, 1,154,000 rooms were totally destroyed, 645,400 heavily damaged and 2,226,680 lightly damaged.

Transport Problem

In the Abruzzi, the number of rooms on which repair work is still in progress is large—partly because of the large amount of reconstruction required and partly because of delivery delays owing to truck shortage. CASAS truck operations have been seriously curtailed on account of the hold-up in motor fuel supplies caused by the maritime strikes in the United States.

Transport is a factor of exceptional importance in the Abruzzi, and in some cases represents as much as 25 per cent. of the total cost of reconstruction, as against a normal 10 or 15 per cent. It is one of the chief functions of CASAS to provide this road transport entirely free of charge to needy persons.

Houses Ready by Christmas

"I was glad to see the good progress that had everywhere been made," Mr. Keeny remarked. "I have every hope that practically all the new houses CASAS has started will be ready for occupation by Christmas. At Orsogna I found an amazing change since my last visit in the spring. The whole skyline has changed. Instead of jagged ruins, you see new roofs.

"The amount of work that has been done is surprisingly large in the light of the delays and difficulties that have had to be overcome. Not least among those difficulties has been the

"I visited one of the brick works where UNRRA is helping indirectly in Italy's housing drive by providing the coal for the kilns. I heard the complaint that not enough coal was being allocated and that deliveries were irregular. It must not be forgotten that the rate of reconstruction in the war-damaged areas ultimately depends on the output of bricks."

Aid to Brick Works

An instance of the way in which CASAS is able to help to increase the output of bricks is the assistance it is giving to a brick works in the devastated Sangro Valley, where such works are few, where the devastated railway will probably take another two years to repair and where building materials have, in consequence, to be transported by trucks over great distances.

CASAS has here made a six months loan to the brick works of the small town of Castel del Giudice, enabling the works to replace its destroyed brick-moulding machinery. In return for this loan, CASAS is promised the full production of the factory for the period of the loan, plus repayment at the rate of one lira for each brick produced. Such forms of assistance will need to be increased, if repair and construction work in rural and remote districts is not to be held up by lack of building supplies.

"I hope that fuller use will be made of local brick works," said Mr. Keeny. "It is unfortunate that, in the Abruzzi, bricks have had sometimes to be carried 140 kilometres (more than 85 miles) over the mountains to villages as much as 4,000 feet, or more, above sea level, although there have been other brick kilns, which might have supplied requirements, much nearer at hand.

Need for Loans

"The chief weakness, however, in the present system of rehousing has been that of securing loans to enable the very poor to pay for the labour and materials they need to rebuild their homes—and that I hope will now be largely remedied through advances from the Lire Fund.

"I regret that what is being done now was

Declassified E.O. 12356 Section 3.3/NND No. 785021

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"The amount of work that has been done is surprisingly large in the light of the delays and difficulties that have had to be overcome. Not least among those difficulties has been the problem of producing the bricks and tiles. The brick kilns have themselves suffered war damage; they have been running on credit; and last spring they were severely handicapped owing to the coal shortage caused by the United States coal strike.

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"I regret that what is being done now was not started earlier, and on a more comprehensive scale. Rebuilding a devastated area

Continued on Page 6

Declassified E.O. 12356 Section 3.3/NND No. 785021

STATISTICAL SURVEY — SEPTEMBER, 1946

Description	Unit of Measurement	1945 Jan.	1945 June	1945 Aug.	1945 Sept.	1946 Jan.	1946 June	1946 Aug.	1946 Sept.
CURRENCY, PRICES									
Currency circulation	1938=100	1,590	1,815	1,779	1,788	1,887	1,932	2,042	2,111
Current accounts and deposits	»	—	307	383	402	519	631	—	—
Fine gold price (open market)	»	3,108	3,527	3,665	3,581	2,981	2,673	3,234	3,042
Dollar:									
Legal rates-Official	»	526	526	526	526	526	526	526	526
» -Commercial	»		—	—	—	—	1,184	1,184	1,184
» -Export	»	—	—	—	—	—	1,984	2,642	3,152
Black market	»	1,758	1,532	1,563	1,752	2,911	1,926	2,405	2,616
Share prices (Milan)	»	733	673	518	508	115	574	781	786
Wholesale prices (Florence)	»	—	3,392	3,607	3,604	3,404	2,965	3,016	3,209
COST OF LIVING, WAGES, LABOUR									
Cost of living (Milan) Total	»	1,355	1,798	1,939	2,388	2,431	2,607	2,850	—
» » » Food	»	2,018	2,498	2,506	2,087	3,132	3,492	3,625	—
Wages in Milan:									
Skilled labour	»	123	498	915	1,033	1,182	1,410	1,501	—
Professional workers	»	208	324	470	588	762	898	929	—
Unemployed registered	Thousands	—	—	—	—	1,428	1,531	1,770	1,858
PRODUCTION									
Pig-iron (Northern Italy) (1)	1938=100	24	8	12	11	10	81	86	93
Steel (Northern Italy) (1)	»	19	15	14	24	36	53	65	75
Rolled steel (Northern Italy) (1)	»	17	9	10	25	39	57	54	65
Cotton yarns (1)	»	3	3	4	5	22	40	42	—
Artificial textile fibres	»	2	3	4	4	6	32	50	55
Mechanical (Fiat)	»	8	32	24	43	56	57	37	—
Chemical (Montecatini)	»	12	10	14	15	24	55	63	70
Electric power (2)	»	97	77	76	77	108	108	111	112
FOREIGN TRADE									
Imports (3) (4)	Dols. ('000)	—	—	—	—	33,845	376,302	553,627	657,361
Exports (3)	»	—	—	—	—	3,339	85,424	142,186	167,067
Wheat imports (4)	Tons ('000)	—	—	—	—	94	943	1,973	1,125
Coal imports (4)	»	—	—	—	—	459	2,627	3,370	4,162
POL imports (UNRRA) (5)	»	—	—	—	—	—	633	1,085	1,149
STATE RAILWAY TRAFFIC									
Passengers	Thousands	—	—	13,355	15,268	17,626	19,138	—	—
Goods	Tons ('000)	—	—	1,895	2,053	2,389	2,476	2,834	2,847

(For Explanatory Notes See Opposite Page)

Declassified E.O. 12356 Section 3.3/NND No. 785021

	Unit of Measurement	1938	1945 Jan.	1945 June	1945 Aug.	1945 Sept.	1946 Jan.	1946 June	1946 Aug.	1946 Sept.
CURRENCY, PRICES										
Currency circulation	1938=100	1,590	1,815	1,770	1,788	1,837	1,932	2,012	2,111
Current accounts and deposits	»	—	367	383	402	519	631	—	—
Fine gold price (open market)	»	3,108	3,527	3,665	3,581	2,981	2,673	3,254	3,042
Dollar:									
Legal rates—Official	»	526	526	526	526	526	526	526	526
» —Commercial	»	—	—	—	—	—	1,184	1,184	1,184
» —Export	»	—	—	—	—	—	1,984	2,642	3,132
Black market	»	1,758	1,582	1,563	1,782	2,011	1,926	2,195	2,616
Share prices (Milan)	»	733	673	518	508	445	574	781	786
Wholesale prices (Florence)	»	—	3,392	3,607	3,604	3,404	2,965	3,016	3,209
COST OF LIVING, WAGES, LABOUR									
Cost of living (Milan) Total	»	1,355	1,798	1,939	2,388	2,431	2,607	2,859	—
» » » Food	»	2,018	2,408	2,506	2,987	3,132	3,392	3,623	—
Wages in Milan:									
Skilled labour	»	423	498	915	1,033	1,182	1,410	1,501	—
Professional workers	»	298	321	470	588	762	898	929	—
Unemployed registered	Thousands	—	—	—	—	1,428	1,531	1,770	1,858
PRODUCTION									
Pig-iron (Northern Italy) (1)	1938=100	24	8	12	41	10	61	86	93
Steel (Northern Italy) (1)	»	19	15	14	24	36	53	65	75
Rolled steel (Northern Italy) (1)	»	17	9	10	25	39	57	51	65
Cotton yarns (1)	»	3	3	4	5	22	60	42	—
Artificial textile fibres	»	2	3	4	4	6	32	50	55
Mechanical (Fiat)	»	8	32	24	43	56	57	37	—
Chemical (Montecatini)	»	12	10	14	15	24	55	63	70
Electric power (2)	»	97	77	76	77	108	108	111	112
FOREIGN TRADE									
Imports (3) (4)	Dols. ('000)	—	—	—	—	33,845	376,302	553,027	657,361
Exports (3)	»	—	—	—	—	5,339	85,424	142,186	167,665
Wheat imports (4)	Tons ('000)	—	—	—	—	94	943	1,073	1,125
Coal imports (4)	»	—	—	—	—	459	2,627	3,370	4,162
POL imports (UNRRA) (5)	»	—	—	—	—	—	633	1,085	1,149
STATE RAILWAY TRAFFIC									
Passengers	Thousands	—	—	13,355	15,268	17,926	10,138	—	—
Goods	Tons ('000)	—	—	1,895	2,053	2,389	2,476	2,834	2,847

(For Explanatory Notes See Opposite Page)

Declassified E.O. 12356 Section 3.3/NND No. 785021

STATISTICAL SURVEY FOR SEPTEMBER

On the opposite page is a statistical survey of economic conditions in Italy up till September, 1946. The survey covers currency and prices; cost of living, wages and labour; production; foreign trade and State railway traffic. It has been prepared from information supplied by the Central Institute of Statistics in Rome, the Bank of Italy, the Italian State Railways and other official sources.

Stimulated by larger imports of fuel and raw materials, particularly by UNRRA imports, the Italian economy showed greater vitality in September than in previous months of 1946. There were clear signs of recovery in industrial production and of improvement in transport and foreign trade. Labour unrest, however, became more serious during September, largely owing to the increased cost of living.

While the currency circulation level was 21 times above 1938, free prices ranged from a minimum of 26 times pre-war (open market price of the dollar) up to a maximum of 36 times (price of fine gold). The level of bank deposits was still only six times pre-war. This mainly resulted from (a) the considerable decrease in the flow of savings from workers and fixed income categories (real wages and salaries, on the average, were about 50 per cent. of 1938); (b) hoarding of the lira, which was a noteworthy development, especially among farmers; (c) the many transactions (especially black market transactions) which took place outside the banks; (d) the disparity between the level of the currency circulation and the price level—which made it necessary to use, for the same volume of transactions, a proportionately greater amount of currency.

The outstanding factor in the Italian labour situation was the maladjustment of wages and salaries to the increase in the cost of living. Although the cost of living had by September increased 29-36 times, compared with pre-war, wages and salaries were only 10-18 times higher. The number of registered unemployed

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NOTES ON STATISTICAL SURVEY

(1) *Production*: Indices of production are still subject to a margin of error. An intensive study conducted through the UNRRA North Italy Office and the Comitato Industriale Alta Italia (C.I.A.I.) indicates the following discrepancies:

(MONTHLY AVERAGE: 1938 EQUALS 100)

	JANUARY, 1946		JUNE, 1946	
	Official	UNRRA	Official	UNRRA
Pig Iron (Northern Italy)	10	not available	61	not available
,, ,, (all Italy)	3.6	4	27.8	22
Steel (Northern Italy)	36	not available	53	not available
,, (all Italy)	26.7	27	52.8	40
Rolled Steel (Northern Italy)	39	not available	57	
,, ,, (all Italy)	26.4	28	45.3	48
Cotton Yarns	22	34	60	85

Figures for artificial textile fibres agree; for the other series it is not possible to make a direct comparison. The index numbers for the mechanical and chemical industries refer to two companies which, though large, do not indicate the true status throughout the whole of these two industries.

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

(3) *Foreign Trade*: Figures are cumulative, beginning 1 January. Present statistics on exports and imports are subject to a large but unknown error. The tonnage import figures are uncertain because it is known that UNRRA imports were not completely recorded in official figures. Value figures are additionally uncertain because of unreliable valuations and inconsistent conversion from foreign currencies to lire. In these figures, the export to 225 lire.

Declassified E.O. 12356 Section 3.3/NND No. 785021

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(4) Cumulative, including UNRRA.

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

Declassified E.O. 12356 Sec. 3.2/NND No. 785021

workers (about three-fourths of the total number of people out of work) steadily increased from January to September, 1946.

This increase is mainly due to the return of large numbers of prisoners of war and deported workers, and to greater accuracy in registration (particularly in August and September), following the Government's decision to pay the "premium of the Republic" to unemployed registered at labour exchanges.

Output figures for some representative commodities and electric power support the official Government estimate that the general level of Italian production was approximately 65 per cent. of pre-war—the figure given by the Italian Prime Minister.

Exports Increase

Total Italian exports up to 31 August, 1946, amounted to about one-fourth of the imports. Exports, however, steadily increased up to 31 August. The table shows, by quantity, the imports of cereals, coal and petroleum products (POL) which form approximately 50 per cent. of the total value of all Italian imports. The official Italian figure of total imports from 1 January to 31 August, 1946, is 6,160,976 metric tons. UNRRA arrivals during this period were approximately 3,300,000 metric tons: it is known, however, that not all this quantity is included in the official Italian statistics. This is mainly because UNRRA goods are often recorded some time after the imports take place. UNRRA arrivals in this eight months period included 656,735 metric tons of wheat and 2,904,884 metric tons of coal.

Passenger and freight traffic on the Italian State Railways was steadily increasing, as a result of systematic rehabilitation of the Italian railway system, and repair and renewal of the rolling stock.

LIRE FUND TO HELP HOUSING

Continued from Page 3

is not like other rehousing schemes—such as slum clearance—where you can set the pace to suit administrative convenience. In the Abruzzi, and other areas where fighting was heavy, it is not a question of giving people

"The job is to repair where possible, rebuild where necessary, houses for people who have no homes at all. People crowded into the relatively few buildings that are habitable, or forced to live in shacks, cannot afford to wait four or five years. The moral effect of such delay will be appalling.

Homeless Cannot Wait

"I must emphasize, too, that this task of rebuilding heavily damaged war areas is not a local one. More and more, post-war reconstruction becomes a national problem. The easy repair work is largely done. What remains is the more expensive reconstruction where damage has been heavy—rebuilding, for example, a whole village, where the people always have been poor, and are poorer still today.

"There is, again, the serious problem of allocating, not only funds and materials, but also skilled labour. Sparsely inhabited mountain districts, where often the damage is relatively very high, just cannot find locally the masons, carpenters, tilers and plumbers needed to cope with the gigantic task of rehousing families now condemned to live in shacks."

Work Began in 1945

The first direct help by UNRRA in rehousing needy, homeless Italians was begun in April, 1945, by the UNRRA Italian Refugee Unit No. 2, staffed by voluntary members of the British Friends' Ambulance Unit attached to UNRRA, in the war devastated communes of Frosinone. This work was extended to the Abruzzi in August, 1945, by the establishment of an UNRRA Voluntary Society Unit, staffed by volunteer members of the International Voluntary Society for Peace.

At the same time the Friends' Devastated Areas Group (composed of volunteer members of the American Friends' Service Committee and the British Friends' Ambulance Unit) had been developing independently of UNRRA a similar, but smaller, assistance programme in the Aventino Valley; and subsequently the work of this Group was combined with the larger UNRRA effort. Throughout the operation the work of volunteers, including Americans, British, Swiss and Italians, has

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Continued from Page 3

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Declassified E.O. 12356 Section 3.3/NND No. 785021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(10 - 16 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Adjutant	Genoa	11 November	UNRRA	General	839
Bantria	»	» »	»	»	622
Andrea Contarini	Naples	12 »	It. Government	Minerals	1,900
Eskdalegate (1)	Leghorn	13 »	UNRRA	General	900
Francesca	Brindisi	» »	It. Government	Minerals	2,400
Apollo	Venice	14 »	» »	»	5,100
Isonzo	»	» »	» »	»	8,112
Sameden	Genoa	15 »	UNRRA	Pig Iron	3,499
Baalbek	»	» »	»	General	41
Richard Henry Lee	Venice	» »	»	Minerals	9,000
Merkland	Genoa	16 »	»	General	750
Jericho Victory	»	» »	»	»	115

NOTE: (1) Also discharged at Genoa.

LATEST COAL SHIPMENTS

(11 - 16 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Pelorum	Ancona	12 November	United States	UNRRA	7,082
William James	Civitavecchia / Piombino	16 »	» »	»	3,374
King James	Venice	12 »	South Africa	»	3,399
Ernesto	Savona	13 »	Germany	»	11,696
Ines Corrado (1)	Reggio Calabria	» »	United States	»	4,000
Nicolaos G. Culucundis	Savona	14 »	Turkey	Swiss	4,643
Radmar	Naples	» »	Germany	UNRRA	5,524
Empire Copperfield	Venice	» »	South Africa	Br. Army	7,013
Samuel F. B. Morse	Genoa	16 »	United States	UNRRA	9,115

(1) Also discharged at Messina.

Declassified E.O. 12356 Section 3.3/NND NO. 763021

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Declassified E.O. 12356 Sec. 3.3/NND No. 785021

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ECONOMIC NOTES

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CONTENTS

1. UNRRA's Three Years of Work
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Mr. Keeny Reviews Italian Programme

"On 9 November," wrote Mr. Keeny, "the United Nations Relief and Rehabilitation Administration will be three years old. On 10 November, 1943, President Roosevelt convened the representatives of 44 nations (since increased to 48), who undertook on that day to establish the first International Organization of the kind, to help alleviate the sufferings of millions of people, victims of the second world war.

"Since that date, these countries have voted a total of nearly 3,750 million dollars (£937,500,000 sterling). These funds have been used to carry and expand relief previously rendered to the civilian population by the Military. Of this total, the allocation for the Italian Programme is approximately 425 million-and-a-half ago—and provided for limited relief in the fields of child welfare, medical services and aid to refugees.

Second Agreement

"I recall with special pleasure the occasion of meeting with you personally to sign the second agreement on 19 January of this year. I was particularly impressed at that time by the promptness with which the discussions leading to the signing had been cleared, and since then, by the whole-hearted co-operation your Government has given in the development of the greatly enlarged supply programme which UNRRA then took over from the Allied Commission.

"Since 1 March, 1946, there have been brought into Italy more than 6,700,000 tons of supplies. There are still to come some 3,700,000 additional tons. Some of the supplies already imported are still in the process of distribution, so that the benefits of almost one-half of the entire programme of just over 10,000,000 tons have yet to be felt by the Italian people.

Maintaining Vital Supplies

"We trust that this large volume of supplies still to be distributed will help to continue the vital supply lines, especially of food, coal and

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"Since that date, these countries have voted a total of nearly 3,750 million dollars (£937,500,000 sterling). These funds have been used to carry and expand relief previously rendered to the civilian population by the Military. Of this total, the allocation for the Italian Programme is approximately 425 million dollars, exclusive of shipping charges.

"On this anniversary I wish to thank the Italian Government for its excellent co-operation in the Italian Programme of UNRRA. The first agreement between UNRRA and Italy was signed in March, 1945—a year-and-a-half ago—and provided for limited relief in the fields of child welfare, medical services and aid to refugees.

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Maintaining Vital Supplies

"We trust that this large volume of supplies still to be distributed will help to continue the vital supply lines, especially of food, coal and oils, until arrangements have been completed for imports through normal peacetime procedure.

"In addition, the benefits of the UNRRA aid will continue to further the welfare of the

Declassified E.O. 12356 Sec. 3.3/NND No. 780021

Italian people through the wise expenditure by the Italian Government of the Lire Fund, which is being built up from the proceeds of those commodities which are sold through commercial channels. The funds already expended have given notable assistance in malarial control, in combating the grasshopper plague in Sardinia, in the repair of houses for the homeless—and 90 per cent. of these funds are still to be assigned.

"I should also like to congratulate the Italian people upon the progress that has been made, especially in the last year. Although conditions are still difficult, it is encouraging to note that industry is already operating at approximately 65 per cent. of the pre-war level, and that repairs now being made will result in still further progress as soon as more coal can be procured.

Health Figures Are Encouraging

"Even more encouraging are the figures on the health of the Italian people. It is a great tribute to all the forces working in this country on health and welfare that the total death-rate in communes of over 50,000 people has dropped from 13.8 per thousand for the first seven months of 1945 to 12.3 per thousand for the corresponding period of 1946. Deaths from tuberculosis in 19 Italian cities with a population of more than 100,000 fell from a total of 7,250 in the first six months of 1945 to 6,026 in the same 19 Italian cities in the first six months of 1946.

"Particularly outstanding has been the achievement in the reduction of infant mortality, where the death-rate in 67 cities of more than 50,000 has fallen from 104 per thousand live births in the first half of 1945 to 82 per thousand live births in the first half of 1946—a drop of 20 per cent. in a single year. UNRRA is glad for any part it has played in this improvement, but the major credit belongs to the Italian people.

"This year's programme has not gone forward without serious difficulties—but most of them have arisen outside Italy. Industrial rehabilitation was seriously delayed by the United States coal strike of last spring and by two maritime strikes this fall. Italy is still feeling—in current shortages of wheat, coal and gasoline—the effects of a whole month's inter-

Atlantic and other ships are being loaded as rapidly as possible by people who appreciate how urgent is the need here. Within the next few weeks, we hope that the temporary shortages will have been adjusted.

Future Grain Supplies

"It would be unrealistic to overlook the fact that some commodities are still extremely difficult to procure, even when the money is available. Chief among these is wheat. UNRRA is working daily with the international allocating authorities and the Italian Government to ensure that Italy gets as much grain as possible and gets it as soon as possible.

"As you know UNRRA funds have all been assigned and UNRRA supplies are being delivered as fast as they can be procured. These supplies will continue to arrive throughout the early months of next year. All of the supplies should have arrived and been distributed by the middle of the year—by which time this Mission will have completed its programme.

"In the latter stages of our work we are bending every effort, in collaboration with the Government, to plan in such a way that our withdrawal will not interrupt the progress which is now taking place. Careful plans are being worked out—commodity by commodity—in order that the pipe-line may never run dry.

Liberty Ships Will Reduce Costs

"We recognize that some commodities will still be hard to procure in 1947 and that the problem of paying for them will not be easy until the volume of Italian exports can be further increased. We hope, among other things, that the services which will be rendered by the 50 Liberty ships now going into commission, will provide material assistance in reducing costs and in expediting deliveries.

"I cannot close this letter without a special word of thanks to all those Italians who have helped reactivate the ports, and to move these millions of tons of supplies through ports that were wrecked and mined only a few months ago, and that are still working under great handicaps. The achievement of the Italian port and railway workers in handling and moving more than a million tons a month at peak

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Declassified E.O. 12356 Section 3.3/NND No. 745031

trol, in combating the grasshopper plague in Sardinia, in the repair of houses for the homeless—and 90 per cent. of these funds are still to be assigned.

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"Fortunately, however, the coal ships that were held up are already half-way across the

Future Grain Supplies

"It would be unrealistic to overlook the fact that some commodities are still extremely difficult to procure, even when the money is available. Chief among these is wheat. UNRRA is working daily with the international allocating authorities and the Italian Government to ensure that Italy gets as much grain as possible and gets it as soon as possible.

"As you know UNRRA funds have all been assigned and UNRRA supplies are being delivered as fast as they can be procured. These supplies will continue to arrive throughout the early months of next year. All of the supplies should have arrived and been distributed by the middle of the year—by which time this Mission will have completed its programme.

"In the latter stages of our work we are bending every effort, in collaboration with the Government, to plan in such a way that our withdrawal will not interrupt the progress which is now taking place. Careful plans are being worked out—commodity by commodity—in order that the pipe-line may never run dry.

Liberty Ships Will Reduce Costs

"We recognize that some commodities will still be hard to procure in 1947 and that the problem of paying for them will not be easy until the volume of Italian exports can be further increased. We hope, among other things, that the services which will be rendered by the 50 Liberty ships now going into commission, will provide material assistance in reducing costs and in expediting deliveries.

"I cannot close this letter without a special word of thanks to all those Italians who have helped reactivate the ports, and to move these millions of tons of supplies through ports that were wrecked and mined only a few months ago, and that are still working under great handicaps. The achievement of the Italian port and railway workers in handling and moving more than a million tons a month at peak, is one of the finest records set anywhere in the total operations of UNRRA.

"Finally, may I thank you personally for the sympathetic aid you have given in all the

Declassified E.O. 12356 Section 3.3/NND No. 785021

troublesome questions that have had to be raised during all these months. The fact that you did this in the face of the enormous other responsibilities you have been carrying has been a source of extreme gratification to us.

"We pledge that we shall redouble our efforts in these last months to do everything possible to accelerate the improvement in the welfare of the Italian people. This is not only our duty, but also a great pleasure, for we greatly enjoy our experience in working with them as colleagues.

"Please accept the expression of my highest esteem."

Sincerely yours,
(Signed) S. M. KEENY
Chief of Mission

Prime Minister's Reply

In his reply to Mr. Keeny, the Italian Prime Minister said:

"I am particularly happy, on this third anniversary of the foundation of UNRRA, to express to you my deepest personal appreciation and gratitude, and that of the Italian people, for the work which the Administration is doing and has done for the past year and a half, for the rehabilitation of our country.

"UNRRA has helped to bring to our country, as to other countries of Europe and the Orient, the aid of the nations which fought and won for liberty.

"This was the concept of President Roosevelt, when during those very days in which Italy was initiating the hard struggle for its liberation, he launched to the United Nations the appeal to continue in peacetime, that same co-operation and unity of effort which had linked them during the war: 'We have worked together with the United Nations in full agreement and action in the fighting on land, on the sea and in the air. We are now about to take an additional step in the combined actions which are necessary to win the war and to build the foundation for a secure peace.'

Signs of Recovery

"The results of this work are summarized in your letter and the figures point very clearly to recovery. While thanking UNRRA for all making to ensure the satisfactory achievement of the programme and to prevent the transition period between the end of UNRRA and subsequent imports reacting unfavourably on the progress of the country's reconstruction.

"UNRRA is now approaching the end of its activities, but it leaves the lesson of years of wisely conducted work. It has taken the lead, during this post-war period, in demonstrating that there is a common ground on which, far from all political, religious and racial discrimination, all peoples can co-operate.

"Italy hopes that the successors of UNRRA will be inspired by the same concepts and that the memory of the tasks achieved will serve as an inducement to them not to desist, and not to leave unfulfilled in 1947 the requirements of those who still feel the effects of war.

"I would ask you, Mr. Keeny, kindly to convey my feelings of gratitude to the Director General, Fiorello LaGuardia, and to accept the expression of my highest esteem."

(signed) DE GASPERI

OCTOBER IMPORTS

Supplies imported during October on UNRRA account totalled 512,724 tons delivered in 75 ships, as against 873,218 tons in 120 ships during September. The lower figures reflect the maritime strike which held up shipping in United States ports from 3 October to 27 October.

Some 260,000 tons of UNRRA coal shipped for Italy since the strike are already on the high seas, according to latest advices. Further shipments now on their way include 5,400 tons of wheat, 9,000 tons of nitrate fertilizer, 1,313 tons of fodder, 3,459 tons of rubber, 6,000 tons of bitumen and 2,108 tons of basic slag. Impending arrivals of supplies for the rehabilitation of the steel industry include 1,000 tons of chromite, 7,926 tons of pig-iron and 100 tons of wolframite.

In October, despite adverse circumstances, 299,929 tons of coal and over 149,000 tons of petroleum products reached Italian ports. Industrial items included 1,876 tons of fire-clay

Declassified E.O. 12356 Section 3.3/NND No. 745021

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Signs of Recovery

"The results of this work are summarized in your letter and the figures point very clearly to recovery. While thanking UNRRA for all this, I am glad to associate myself with you in recognizing how much the self-sacrifice and determination of the Italian people have contributed to those successes.

"I share and follow the efforts which the Administration and the Government are of wisely conducted work. It has taken the lead, during this post-war period, in demonstrating that there is a common ground on which, far from all political, religious and racial discrimination, all peoples can co-operate.

"Italy hopes that the successors of UNRRA will be inspired by the same concepts and that the memory of the tasks achieved will serve as an inducement to them not to desist, and not to leave unfulfilled in 1947 the requirements of those who still feel the effects of war.

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OCTOBER IMPORTS

Supplies imported during October on UNRRA account totalled 512,721 tons delivered in 75 ships, as against 873,218 tons in 120 ships during September. The lower figures reflect the maritime strike which held up shipping in United States ports from 3 October to 27 October.

Some 260,000 tons of UNRRA coal shipped for Italy since the strike are already on the high seas, according to latest advices. Further shipments now on their way include 5,400 tons of wheat, 9,000 tons of nitrate fertilizer, 1,313 tons of fodder, 3,459 tons of rubber, 6,000 tons of bitumen and 2,108 tons of basic slag. Impending arrivals of supplies for the rehabilitation of the steel industry include 1,000 tons of chromite, 7,926 tons of pig-iron and 100 tons of wolframite.

In October, despite adverse circumstances, 299,929 tons of coal and over 149,000 tons of petroleum products reached Italian ports. Industrial items included 1,876 tons of fire-clay and 274 tons of rubber. Supplies for the iron and steel industry amounted to 4,093 tons of pig-iron, 2,743 tons of manganese ore and 155 tons of steel.

UNRRA imports of grain and grain products (including 990 tons of wheat and 10,933

Declassified E.O. 12356 Section 3.3/NND No. 763031

tons of wheat flour) totalled 20,106 tons. Other main food items were 4,146 tons of meat and meat preparations, 346 tons of dry skim milk and 471 tons of edible fats and oils.

October arrivals on the agricultural rehabilitation programme included 9,347 tons of nitrate fertilizer (see "Nitrate Fertilizer Price Fixed" in this issue), 721 tons of tin-plate for the food preserving industry, 473 tons of pesticides and 337 tons of clover seed.

Gradual fulfilment of the 45,000-ton UNRRA woollen programme was represented by the arrival of a further 6,325 tons of raw wool and 4,201 tons of woollen rags. Medical and sanitary supplies amounted to 270 tons and inedible oils to 699 tons.

NITRATE FERTILIZER PRICE FIXED

The price of UNRRA-imported nitrate of soda has this week been fixed at 22,000 lire per metric ton (net weight of goods, sacks free) by the Joint Price Committee.

The first 9,250 tons of the total UNRRA procurement (amounting to 36,000 tons) have already been despatched to the regions of Central and Southern Italy, and Sicily (see *Economic Notes* No. 41, of 25 October). Farmers may procure the fertilizer from Provincial Consorzi Agrari warehouses or their agencies, upon presentation of "buoni" (coupons) issued by the Provincial Inspectorate of Agriculture, in accordance with current regulations on the distribution of nitrogenous fertilizers.

Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, has called upon all farmers and distributors to do their part in ensuring that the nitrate is used to increase cereal production.

More Food

"I want to make a personal appeal to every Italian farmer and every person concerned with the distribution of this precious nitrate, to help ensure its proper use for the proper purpose", Mr Keeny said. "Under present world supply conditions it has not been easy to procure nitrate for Italy. It has been donated to Italy by the member nations of UNRRA for only one purpose—to help increase the urgently needed supply of food for the Italian people. Improper use of this nitrate is, therefore, sabotage of the Italian people's food supply".

SHIPPING COMMENTARY

UNRRA coal arriving in Italian ports last week totalled 54,312 tons. (The situation regarding future coal shipments is summarized in the article, "October Imports", in this issue).

Industrial products included 3,500 tons of pig-iron, 2,600 tons of fire-clay, 3,500 tons of bitumen, 1,850 tons of crude rubber, 840 tons of rosin and seven tons of sanocure for rubber processing.

A further 1,080 tons of woollen rags were brought in on the UNRRA wool programme. Other items included seven tons of medical supplies and seven tons of fodder beet seed.

Declassified E.O. 12356 Section 3.3/NND No. 785021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(1 - 8 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Torrens (1)	Genoa	2 November	UNRRA	Pig Iron	3,499
Mount Rhodope	"	3 "	Swiss	Cereals	7,350
Naroce	Leghorn	" "	UNRRA	Minerals	2,215
Eskdalegate	Genoa	6 "	"	General	1,552
Andrea Contarini	Bagnoli	" "	It. Programme	Minerals	2,000
Stavros	Genoa	7 "	Swiss	Cereals	8,800
Prince de Liege	Savona	9 "	UNRRA	Minerals	2,175
Gartwood	Genoa	" "	"	General	1,850

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

LATEST COAL SHIPMENTS

(1 - 10 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Empire Razorbill	Genoa	4 November	Germany	UNRRA	6,425
Nicholas Gilman	Naples	6 "	United States	"	8,567
Gloria C.	Venice	7 "	Yugoslavia	Commercial	550
Biokovo	"	" "	Germany	UNRRA Allied Forces	8,336 354
Caterina Gerolimich	Leghorn	8 "	United States	UNRRA	6,853
Ines Corrado	Messina	" "	" "	"	7,503
Robert F. Stockton	Palermo	" "	" "	"	8,131
Atlantic Ocean	Savona	9 "	" "		9,595
Brika	Bagnoli	" "	Germany	"	6,477
Frank Springer	Genoa	10 "	Bahrein	It. Program.	8,895

Declassified E.O. 12356 Section 3.3/NND No. 745021

November 8, 1946

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ECONOMIC NOTES

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

CONTENTS

1. Food and the Future
2. Malaria Control
3. Commodity Price Decisions
4. Shipping Commentary
5. Movements of Ships

FOOD AND THE FUTURE

Figures of UNRRA's grain shipments to Italy since the harvest, and of UNRRA's future grain programme were announced in an official joint statement issued last week by the Italian Government and the UNRRA Italy Mission.

"UNRRA's programme of cereal shipments to Italy for the period 1 July, 1946, onwards continues to stand at 750,000 tons," it is stated. "Deliveries since 1 July have been 211,000 tons, of which a part was the balance of the allocation for the second quarter of 1946.

"For the fourth quarter of this year, 120,000 tons of bread grains have been allocated to Italy by the International Emergency Food Council. A higher amount was requested by UNRRA and the money was available for its purchase, but this larger amount could not immediately be allocated by the International Emergency Food Council, in view of the present world supply situation.

Balance in 1947

"The announcement of the fourth quarter's allocation to Italy, namely 120,000 tons, is not to be taken as the complete UNRRA programme. The balance of the total UNRRA programme will, in fact, be shipped to Italy as early in 1947 as the allocations to Italy are granted by the International Emergency Food Council."

Following a new study of Italy's food production—with a view to assessing more exactly available home supplies—estimates of areas sown and crop production (on which the ammassing goals are based) have lately been revised upwards by the Ministry of Agriculture. The total wheat harvest for 1945-46 is now estimated to have reached 6,144,300 tons. This is nearly 2,000,000 tons better than 1944-45, but is approximately 1,080,000 tons—or 15 per cent.—below the average for the pre-war period, 1933-37.

Bigger Wheat Yield

The area sown in wheat in the 1945-46 crop year was 4,628,445 hectares (11,436,888 acres). This represents an increase of about four per cent. on the hectarage sown, compared with the previous year; but, thanks primarily to the better season, the wheat yield per hectare was very nearly 50 per cent. greater.

This year's rice crop is estimated at 179,000 tons, which, although very much better than a year ago, is still about 35 per cent. below the 1933-37 average, largely because of the lower production per hectare—namely, four tons compared with the pre-war five—and also because of decreased hectarage.

The deficiencies in the wheat and rice crops, comparing 1946 with the 1933-37 average, are equal to about two-thirds of Italy's minimum

Declassified E.O. 12356 Section 3.3/NND No. 745021

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[As this issue goes to Press, word has come from Washington that an additional allocation from the United States for the fourth quarter of 1946 is now being arranged.]

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Bigger Wheat Yield

The area sown in wheat in the 1945-46 crop year was 4,628,445 hectares (11,436,888 acres). This represents an increase of about four per cent. on the hectarage sown, compared with the previous year; but, thanks primarily to the better season, the wheat yield per hectare was very nearly 50 per cent. greater.

This year's rice crop is estimated at 479,000 tons, which, although very much better than a year ago, is still about 35 per cent. below the 1933-37 average, largely because of the lower production per hectare—namely, four tons compared with the pre-war five—and also because of decreased hectarage.

The deficiencies in the wheat and rice crops, comparing 1946 with the 1933-37 average, are equal to about two-thirds of Italy's minimum import needs before the next harvest. This underlines the vital importance of agricultural rehabilitation, to assure food supplies in the 1947-48 crop year.

Declassified E.O. 12356 Section 3.3/NND No. 785021

The extent to which Italy receives help from abroad may in turn be largely influenced by the evidence of self-help on Italy's part.

Discussing Italy's need for foreign loans in 1947—during the course of a radio talk from Rome last week—the Chief of the UNRRA Italy Mission, Mr. S. M. Keeny, observed: "I hope, and believe, that this help will be forthcoming. It will come more readily if Italy does everything possible to help herself—especially by growing every pound of food possible."

Revised estimates for this season's ammassing goal—in view of the higher estimate of this year's harvest—are still under discussion between the Ministry of Agriculture and the UNRRA Italy Mission. Although 100 per cent. amassing throughout the country is very improbable, certain regions have ammassed very well to date, notably Tuscany, Marche and Emilia.

Wheat for Sicily

A disturbing factor, on the other hand, is the very low percentage of collections made in certain Compartments, notably Sicily, where, however, ammassing has improved by 17,500 tons in the past two months. As an important grain-growing area of Italy, Sicily should have been able to meet a far larger proportion of its requirements from its own resources than at present appears likely. Although Sicily is not self-supporting in grain, imports from other parts of Italy have become necessary sooner than should have been the case.

The wide variation, comparing Compartment with Compartment, in the percentage of ammassi collections, and the small proportion of imported deliveries to big cities—such as Naples—owing to the very limited allocations of grain to Italy by the International Emergency Food Council in recent months, are adding to the cost and difficulty of maintaining food supplies. Italy has once more had to resort to abnormal and uneconomic internal movements of grain from surplus areas to the cities and other deficiency areas, in order to maintain the ration. These emergency movements—as distinct from normal internal trade between grain growing areas and their natural imports before the next harvest must be procured and shipped during the first months of 1947 when world demand—against deficient world supplies—will be at its height. This emphasizes the need for care with existing supplies, if adequate reserves are to be maintained.

Subsidiary Grains

There is need also to include subsidiary grains like corn (maize), rye and barley in the standard bread flour *now*, while they can be mixed in relatively small proportions with the available wheat. These subsidiary grains all rank—for the purposes of world assessment of food stocks—as "bread grains"; and, in view of the world shortage of wheat, will need to be used if flour—and bread—rations are to be maintained. Too high a proportion of wheat in the flour now may result in an excessive mixture of minor grains in the flour during the last months before the harvest.

Whether paid for by UNRRA or by the Italian Government, the cost of wheat is a serious factor. Expenditure on wheat from the fixed total of UNRRA's budget for Italy may mean a reduction in expenditure on other imports; and the same is true of Italy's own purchases of bread grains, in view of the limited amount of foreign exchange available to meet all import requirements.

More important than finance is the question of whether stocks are, or will be, available to meet world demand in the first half of next year. This, rather than the amount of foreign exchange at Italy's command, will govern the volume of Italy's grain imports.

MALARIA CONTROL

UNRRA aid will play an important part in the all-out campaign against malaria throughout Italy and the islands, which was begun this year and is now in process of extension. The work is being undertaken by the Italian authorities, in collaboration with the UNRRA Italy Mission. UNRRA foreign currency is being used to buy abroad vital supplies, such as the D.D.T. required for spraying buildings; UNRRA trucks have been made available

Declassified E.O. 12356 Section 3.3/NND No. 785021

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The small allocation of grain for the fourth quarter means that the bulk of Italy's grain world supplies—will be at its height. This emphasizes the need for care with existing supplies, if adequate reserves are to be maintained.

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Declassified E.O. 12356 Sec. 3.3/NND No. 785021

Proposals are now in preparation, for submission to the Lire Fund Control Committee, to finance a long-term programme of malaria control on the Italian mainland and in Sicily. This programme has been prepared by the High Commissioner for Hygiene and Public Health, and approved by the Health Division of the UNRRA Italy Mission. It is at present in its early discussion stages, and details have not yet been finally settled. Broadly, however, it is designed to carry on and extend UNRRA's highly successful anti-malaria campaign of D.D.T. spraying, undertaken this year in Sicily, the Po Delta, the Venetian littoral, the Agro Pontino and the Agro Romano.

Sardinian Project

Large-scale D.D.T. spraying operations are expected to begin this month in connection with the anopheline eradication project in Sardinia. This campaign is being undertaken by the organization, E.R.L.A.A.S. (Ente Regionale per la Lotta Anti-Anofelica in Sardegna), created by Government Decree.

The project is to be financed by a grant from the Lire Fund. The first appropriation was 300,000,000 lire; but this figure will need to be revised upwards. In addition, the UNRRA Italy Mission is providing foreign currency to buy essential items, such as 800 tons of D.D.T. emulsion and 200 trucks. E.R.L.A.A.S. is an Italian project, operating under Government auspices, and directed by technicians provided by the International Health Division of the Rockefeller Foundation.

The project is designed entirely to eradicate the anopheline mosquito from the island of Sardinia, where during the past three years the known incidence of malaria in the provinces of Cagliari, Nuoro and Sassari has been 70,000 cases a year. Since many cases are not reported, the true figure is estimated to be nearer 125,000 a year.

Work During Winter Months

Contrary to the procedure adopted where larvicidal control is the chief method of attack, the E.R.L.A.A.S. campaign, which is based on the destruction of adult mosquitoes, will be carried out during the winter months. The anopheline, malaria-bearing mosquito population consists of adults, hibernating by the thousand in houses and other buildings, particularly stables and pigsties.

Every Building To Be Sprayed

Systematic destruction of adult mosquitoes with D.D.T. during the period of hibernation has already proved very successful, since it vastly reduces subsequent breeding. Because of the lasting properties of D.D.T., spraying remains effective for six to eight months, or even longer. It is hoped to have every building in the island sprayed before the spring. During the summer months, spraying will stop, and the campaign will then be diverted to the destruction of larvae. The cycle of winter spraying with D.D.T. and summer larva control will be repeated for two or three years, at the end of which, it is hoped, malaria will be entirely eradicated.

The Government Decree establishing E.R.L.A.A.S. was promulgated in April—too late for the campaign to begin during the 1946 malaria season. During the summer months, however, a detailed survey of the whole island was carried out with the help of UNRRA. Bases were established at Cagliari, Oristano, Sassari, Olbia, Nuoro and Arbatax, from which 1,000 inspections were carried out over an area of 1,500 square miles. This survey will prove of great value in the course of the campaign, since it has established the species of anopheline malaria-carrying mosquitoes chiefly met with, and where they are located.

COMMODITY PRICE DECISIONS

The Italian Government and the UNRRA Italy Mission have agreed to the following price recommendations of the Joint Price Committee at its meetings held on 28 October and 2 November:—

INDUSTRIAL REHABILITATION

Bitumen – all types:

21 lire per kilogram ex consignee's warehouse, including Customs. Customs to be refunded to the Lire Fund.

Solvent naphtha (light):

5,600 lire per quintal ex CIP (Comitato Italiano

Declassified E.O. 12356 Section 3.3/NND No. 785021

High Commissioner for Hygiene and Public Health, and approved by the Health Division of the UNRRA Italy Mission. It is at present in its early discussion stages, and details have not yet been finally settled. Broadly, however, it is designed to carry on and extend UNRRA's highly successful anti-malaria campaign of D.D.T. spraying, undertaken this year in Sicily, the Po Delta, the Venetian littoral, the Agro Pontino and the Agro Romano.

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Contrary to the procedure adopted where larvicidal control is the chief method of attack, the E.R.L.A.A.S. campaign, which is based on D.D.T. spraying, will be at its height in the winter months.

During these months breeding in ponds and streams stops completely. The entire

Every Building To Be Sprayed

Systematic destruction of adult mosquitoes with D.D.T. during the period of hibernation has already proved very successful, since it vastly reduces subsequent breeding. Because of the lasting properties of D.D.T., spraying remains effective for six to eight months, or even longer. It is hoped to have every building in the island sprayed before the spring. During the summer months, spraying will stop, and the campaign will then be diverted to the destruction of larvae. The cycle of winter spraying with D.D.T. and summer larva control will be repeated for two or three years, at the end of which, it is hoped, malaria will be entirely eradicated.

The Government Decree establishing E.R.L.A.A.S. was promulgated in April—too late for the campaign to begin during the 1946 malaria season. During the summer months, however, a detailed survey of the whole island was carried out with the help of UNRRA. Bases were established at Cagliari, Oristano, Sassari, Olbia, Nuoro and Arbatax, from which 1,000 inspections were carried out over an area of 1,500 square miles. This survey will prove of great value in the course of the campaign, since it has established the species of anopheline malaria-carrying mosquitoes chiefly met with, and where they are located.

COMMODITY PRICE DECISIONS

The Italian Government and the UNRRA Italy Mission have agreed to the following price recommendations of the Joint Price Committee at its meetings held on 28 October and 2 November:—

INDUSTRIAL REHABILITATION

Bitumen — all types:

21 lire per kilogram ex consignee's warehouse, including Customs. Customs to be refunded to the Lire Fund.

Solvent naphtha (light):

5,600 lire per quintal ex CIP (Comitato Italiano Petroli) regional tanks or storehouses.

Solvent naphtha (medium):

5,320 lire per quintal ex CIP (Comitato Italiano Petroli) regional tanks or storehouses.

Declassified E.O. 12356 Section 3.3/NND No. 785001

Solvent naphtha (heavy):
5,280 lire per quintal ex CIP (Comitato Italiano Petroli) regional tanks or storehouses.

White spirit:
4,790 lire per quintal ex CIP (Comitato Italiano Petroli) regional tanks or storehouses.

Fire clay (Sub-standard):
3 lire per kilogram, ex C.I.M.P. warehouse, for fire clay which contains less than 30 per cent. alumina and more than 1 per cent. iron oxide.

Fire clay (Standard - which meets UNRRA procurement specifications):
7 lire per kilogram, including handling charges, ex consignee's warehouse.

Magnesite bricks:
28.80 lire per kilogram ex consignee's warehouse.

Calcined magnesite:
16.15 lire per kilogram ex consignee's warehouse.

Sanocure:
400 lire per kilogram ex consignee's warehouse.

Channel black:
65 lire per kilogram ex consignee's warehouse.

Furnace black:
55 lire per kilogram ex consignee's warehouse.

Pine tar:
45 lire per kilogram ex consignee's warehouse.

Bitumen imports have been programmed at 75,000 tons. Of the 9,944 tons which have arrived to date, 8,000 tons have been allocated to the Ministry of Public Works for road repair.

Aid for Rubber Industry

The naphtha and white spirit, of which 16,000 tons are included in UNRRA's import programme, are required for the rubber industry.

Fire clay, of which UNRRA plans to import 30,000 tons, is required for home production of refractory materials, and will also be used in cement and brick kiln linings, and open hearth furnaces. A lower price has been fixed for that portion of the procurement which does not tally with UNRRA specifications. Refractories are also being imported in the form of calcined magnesite and magnesite bricks urgently needed for the relining and repair of steel furnaces, and reconstruction in the chemical and metallurgical industries.

Sanocure (13 tons) and plastifying pine tar (260 tons) are two of the basic products to be used in processing rayon for use in the manu-

FOOD

Milk (whole dry):
150 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Milk (evaporated):
52 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Milk (dry skim roller and dry skim spray):
69.50 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Beans (haricot), *peas* (dried), *lentils*, *garbanzos*:
55 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Lard, *shortening*, *fat cuts*:
153 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Copra:
3,300.50 lire per quintal, free port warehouse, Genoa.

Margarine (produced from UNRRA-imported copra):
300 lire per kilogram, wrapped in one-kilogram packets, packed in 30-kilogram cases, free manufacturer's warehouse.

Margarine (imported):
110 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Soup (dehydrated):
35 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

UNRRA's original food programme included 63,100 metric tons of dairy products, against which 63,800 tons had arrived by 10 October, 1946; 19,000 tons of edible fats and oils (31,393 tons arrived); 45,000 tons of pulses (29,194 tons arrived); and 8,188 tons of dehydrated soup (7,311 tons arrived). These, like all other UNRRA supplies, were handed over to the Italian Government free of charge for sale at controlled prices, or for free distribution to the needy. The procurement of further quantities will depend on world availability and possible readjustment of Italian requirements.

Food Prices Compared

A comparison between some of the food prices now fixed by the Joint Price Committee and the prices normally charged on the "free" market show how uncontrolled distribution raises the cost of living. The "free" price to normal consumers of home-produced whole dry milk has averaged 400 lire per kilogram; condensed (evaporated) milk, 250 lire per kilogram; dry skim (spray) milk, 350 lire per

Declassified E.O. 12356 Section 3.3/NND No. 785021

3 lire per kilogram, ex C.I.M.P. warehouse, for fire clay which contains less than 36 per cent. alumina and more than 1 per cent. iron oxide.

Fire clay (Standard - which meets UNRRA procurement specifications):
7 lire per kilogram, including handling charges, ex consignee's warehouse.

Magnesite bricks:
28.80 lire per kilogram ex consignee's warehouse.

Calcined magnesite:
16.15 lire per kilogram ex consignee's warehouse.

Sanocure:
490 lire per kilogram ex consignee's warehouse.

Channel black:
65 lire per kilogram ex consignee's warehouse.

Furnace black:
55 lire per kilogram ex consignee's warehouse.

Pine tar:
15 lire per kilogram ex consignee's warehouse.

Bitumen imports have been programmed at 75,000 tons. Of the 9,914 tons which have arrived to date, 8,000 tons have been allocated to the Ministry of Public Works for road repair.

Aid for Rubber Industry

The naphtha and white spirit, of which 16,000 tons are included in UNRRA's import programme, are required for the rubber industry.

Fire clay, of which UNRRA plans to import 30,000 tons, is required for home production of refractory materials, and will also be used in cement and brick kiln linings, and open hearth furnaces. A lower price has been fixed for that portion of the procurement which does not fully with UNRRA specifications. Refractories are also being imported in the form of calcined magnesite and magnesite bricks urgently needed for the relining and repair of steel furnaces, and reconstruction in the chemical and metallurgical industries.

Sanocure (13 tons) and plastifying pine tar (960 tons) are two of the basic products to be used in processing rayon for use in the manufacture of tyres. Channel and furnace black are basic elements in the manufacture of carbon black, required for the processing of rubber.

intercommunal warehouse.

Milk (dry skim roller and dry skim spray):
69.50 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Beans (haricot), *peas* (dried), *lentils*, *garbanzos*:
55 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Lard, shortening, fat cuts:
150 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Copra:
3,300.50 lire per quintal, free port warehouse, Genoa.

Margarine (produced from UNRRA-imported copra):
160 lire per kilogram, wrapped in one-kilogram packets, packed in 20-kilogram cases, free manufacturer's warehouse.

Margarine (imported):
110 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Soup (dehydrated):
35 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

UNRRA's original food programme included 63,400 metric tons of dairy products, against which 63,800 tons had arrived by 10 October, 1946; 49,000 tons of edible fats and oils (31,293 tons arrived); 45,000 tons of pulses (29,194 tons arrived); and 8,188 tons of dehydrated soup (7,311 tons arrived). These, like all other UNRRA supplies, were handed over to the Italian Government free of charge for sale at controlled prices, or for free distribution to the needy. The procurement of further quantities will depend on world availability and possible readjustment of Italian requirements.

Food Prices Compared

A comparison between some of the food prices now fixed by the Joint Price Committee and the prices normally charged on the "free" market show how uncontrolled distribution raises the cost of living. The "free" price to normal consumers of home-produced whole dry milk has averaged 400 lire per kilogram; condensed (evaporated) milk, 250 lire per kilogram; dry skim (spray) milk, 350 lire per kilogram.

Continued on Page 6

Declassified E.O. 12356 Section 3.3/NND No. 785021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(28 OCTOBER - 3 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Voluntas	Genoa	28 October	It. Programme	Minerals	3,428
Philomel (1)	Naples	» »	UNRRA/Commercial	General	500
Virtu	Genoa	29 »	UNRRA	»	731
River Swift	Leghorn	30 »	»	Minerals	1,441
Capo Mele	Genoa	2 November	It. Programme	»	5,260
Makiki	»	» »	It. Programme/Comm'l./Swiss	General	8,260
Carlo Zeno	Piombino	» »	It. Programme	Minerals	2,100
Olympos	Genoa	3 »	Swiss	Cereals	7,243

NOTE: (1) Also discharged at Genoa and Leghorn.

LATEST COAL SHIPMENTS

(28 OCTOBER - 3 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Karmen	Venice	29 October	Yugoslavia	Commercial	3,500
Fort Slave	»	» »	South Africa	UNRRA	6,196
Westmoor	Savona	29 »	Germany	»	7,768
David E. Hughes	Genoa	» »	Bahrein	It. Program.	7,500
Greenland	»	» »	United Kingdom	UNRRA	1,833
Gloria C.	Venice	» »	Yugoslavia	Commercial	550
Augustine B. McManus	Savona	1 November	United States	Swiss	1,475
Isidore	Civitavecchia	» »	South Africa	Brit. Army	8,544
Fjeld	Bagnoli	2 »	Germany	UNRRA	4,350
Fort Beausejour (1)	Ancona	» »	South Africa	»	4,429
Stad Haarlem	Savona	3 »	Germany	»	7,700

NOTE: (1) Also discharged at Bari.

Declassified E.O. 12356 Section 3.3/NND No. 785021

(28 OCTOBER - 3 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Voluntas	Genoa	28 October	It. Programme	Minerals	3,428
Philomel (1)	Naples	» »	UNRRA/Commercial	General	500
Virtu	Genoa	29 »	UNRRA	»	731
River Swift	Leghorn	30 »	»	Minerals	1,441
Capo Mele	Genoa	2 November	It. Programme	»	5,260
Makiki	»	» »	It. Programme/Comm'l Swiss	General	8,260
Carlo Zeno	Piombino	» »	It. Programme	Minerals	2,100
Olympos	Genoa	3 »	Swiss	Cereals	7,213

NOTE: (1) Also discharged at Genoa and Leghorn.

LATEST COAL SHIPMENTS

(28 OCTOBER - 3 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
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Westmoor	Savona	29 »	Germany	»	7,768
David E. Hughes	Genoa	» »	Bahrein	It. Program.	7,500
Greenland	»	» »	United Kingdom	UNRRA	3,838
Gloria C.	Venice	» »	Yugoslavia	Commercial	550
Augustine B. McManus	Savona	1 November	United States	Swiss	9,475
Indore	Civitavecchia	» »	South Africa	Brit. Army	8,544
Fjeld	Bagnoli	2 »	Germany	UNRRA	4,350
Fort Beausejour (1)	Ancona	» »	South Africa	»	4,429
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NOTE: (1) Also discharged at Bari.

Declassified E.O. 12356 Sec. 3.3/NND No. 759021

SHIPPING COMMENTARY

Arrivals of sea-borne UNRRA supplies reached a low level last week, owing to the delayed effect of the United States maritime strike. Shipments from United States ports were resumed at the beginning of last week, and first cargoes are scheduled to reach Italian ports about 16 November.

Total coal arrivals from overseas for the Italian civilian economy amounted to approximately 55,000 tons.

Some 100,000 tons of UNRRA coal are expected to arrive from the United States alone before 20 November, and shipping advices to date report that expected loadings for the first half of November will amount to a further 170,000 tons. The latest advices indicate that over 60 colliers will be loaded in the United States for Italy during the whole month of November.

A further consignment of cargo-handling gear and port equipment amounting to 730 tons was unloaded at Genoa. It included steel nets, steel cables, spare parts for engines and pumps (cylinder heads and pistons, piston rings, valves, generators, crankshafts, bearings, oil filters, electric motors, and chains). (See *Economic Notes* No. 42, of 1 November, 1946.)

Main items brought in by other UNRRA vessels were 1,441 tons of fire clay—part of the 30,000 tons fire clay programme—270 tons of natural rubber, 142 tons of woollen rags, 41 tons of lead billets and eight tons of medical supplies.

Continued from Page 4

COMMODITY PRICE DECISIONS

Similarly calculated prices for dried vegetables average: haricot beans, 160 lire per kilogram; dried peas 100 lire per kilogram; lentils 160 lire per kilogram; garbanzos 106 lire per kilogram. The price of home-produced fat of similar quality to that for which prices have now been fixed is about 400 lire per kilogram to normal consumers.

The milk now being sold at controlled prices will mostly be issued as a supplementary ration to nursing and expectant mothers, babies, invalids and the aged, and also to special classes. A certain proportion will be distributed free of charge through relief organizations, as part of the UNRRA Welfare Assistance Programme.

Dried vegetables are important sources of high-grade protein and UNRRA supplies are being distributed to special classes. The meat fats and margarine will be issued partly to normal consumers on the ordinary ration, and partly to special classes and the welfare programme.

Copra (of which 12,500 tons have been imported under the edible fats programme) is being used for making margarine, and other purposes (see *Economic Notes* No. 37 of 27 September, 1946).

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Declassified E.O. 12356 Section 3.3/NND No. 759021

November 1, 1946

Vol. I. No. 42

UNRRA

transport shipping

ECONOMIC NOTES

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

CONTENTS

1. Coal Prospects for November
2. Port Rehabilitation
3. UNRRA Imports
4. Commodity Price Decisions
5. Movements of Ships

COAL PROSPECTS FOR NOVEMBER

The end of the maritime strike in the United States has immediately released 150,000 tons of coal for Italy. Some 50,000 tons were already loaded in ships awaiting clearance; another 100,000 tons were at the ports, ready to be loaded. Further stocks of coal await transport from the mines to the ports. A few days' delay is inevitable before this coal from the mines reaches the ports; but Italy can expect the flow of coal supplies to return quickly to normal provided the threatened coal strike in the United States can be prevented. Until that threat is dispelled [as seemed possible, according to information available in Rome up to Wednesday] it will be necessary to conserve coal stocks at present in this country.

Reduced Allocations Continue

For this reason, the reduced allocations to the various categories of consumer, announced within the past few days, remain in force. If the strike threat lifts, the position in Italy can rapidly return to normal; if, on the other hand, the strike occurs, further cuts will be necessary.

Italy's present normal consumption is based on a monthly allocation of 600,000 tons of coal from Sardinia and from foreign sources of supply. Some coal will arrive from the United States during November, but Italy is not

mately 152,600 tons, and are made up as follows: Ruhr 73,600 tons, Poland 20,000 tons, Yugoslavia 15,000 tons, Turkey 3,000 tons, South Africa 23,000 tons and Bahrein Islands 18,000 tons of petroleum coke.

New Sources of Supply

The UNRRA Italy Mission has been endeavouring for some time to increase its coal procurements from sources nearer to Italy. The Italian Government, too, is making every effort to re-establish trade relations with the country's normal suppliers, so that, once the UNRRA programme is fulfilled, uneconomical non-European sources of supply may gradually be eliminated.

By the terms of the agreement signed on 10 October, Poland will send 750,000 tons of coal to Italy in exchange for Italian agricultural and industrial products. Supplementary agreements have been made with Czechoslovakia and Austria concerning the transport of this coal through their territories. Monthly arrivals will be approximately 30,000 tons for the present, and will probably not exceed 60,000 tons at any time.

Belgian Possibilities

Following increased output in the Belgian mines, it is understood that there may also be a possibility of opening up this source, against

Declassified E.O. 12356 Section 3.3/NND No. 743021

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COAL PROSPECTS FOR NOVEMBER

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For this reason, the reduced allocations to the various categories of consumer, announced within the past few days, remain in force. If the strike threat lifts, the position in Italy can rapidly return to normal; if, on the other hand, the strike occurs, further cuts will be necessary.

Italy's present normal consumption is based on a monthly allocation of 600,000 tons of coal from Sardinia and from foreign sources of supply. Some coal will arrive from the United States during November, but Italy is not wholly dependent upon America for her coal imports. November allocations from sources other than the United States total approximately 152,600 tons, and are made up as follows: Ruhr 73,600 tons, Poland 20,000 tons, Yugoslavia 15,000 tons, Turkey 3,000 tons, South Africa 23,000 tons and Bahrein Islands 18,000 tons of petroleum coke.

New Sources of Supply

The UNRRA Italy Mission has been endeavouring for some time to increase its coal procurements from sources nearer to Italy. The Italian Government, too, is making every effort to re-establish trade relations with the country's normal suppliers, so that, once the UNRRA programme is fulfilled, uneconomical non-European sources of supply may gradually be eliminated.

By the terms of the agreement signed on 10 October, Poland will send 750,000 tons of coal to Italy in exchange for Italian agricultural and industrial products. Supplementary agreements have been made with Czechoslovakia and Austria concerning the transport of this coal through their territories. Monthly arrivals will be approximately 80,000 tons for the present, and will probably not exceed 60,000 tons at any time.

Belgian Possibilities

Following increased output in the Belgian mines, it is understood that there may also be a possibility of opening up this source, against the export of Italian finished products.

Italy's domestic production normally averages 100,000 tons monthly from the Sardinian,

Declassified E.O. 12356 Section 3.3/NND No. 745 029 #1

and 8,000 to 10,000 tons from the Cogne (Val d'Aosta) mines. The "go-slow" strike, which for two weeks cut Sardinian production to half its normal figure, was settled early this week. Output of lignite, an auxiliary fuel, which can only be put to certain minor uses (in lime kilns, for instance) has now reached 170,000 tons a month—a figure which is roughly equivalent to 73,000 tons of coal.

Ministry's Coal Order

In view of the existing coal situation, the Ministry of Industry and Commerce and the UNRRA Italy Mission last week jointly agreed that a first re-adjustment of allocations would have to be based on a revised estimate of 770,000 tons for the period October-November as against the original allocation of 600,000 tons for October. The following cuts were accordingly ordered: a 20 per cent. reduction in allocations to cokeries and gas works; and a 27 per cent. reduction to non-preferential categories (including steel and engineering works; cement and brick works; textile, pharmaceutical, rayon, paper, foodstuffs, rubber and other industries; and winter heating for schools and public buildings in North Italy).

The Industrial Sub-Commissions which make the detailed allocations have been empowered to order further reductions in allocations of foreign coal for the non-preferential categories, where local conditions warrant. These further cuts are to be compensated by equivalent allocations of Sardinian coal.

Essential Services not Affected

The order does not apply to such essential services as hospitals, bakeries, power stations and secondary (privately-operated) railways. The State Railways have been instructed to use reserve stocks, and will receive no additional allocations. It is expected, however, that the stockpiles will allow railway services to be maintained until the end of November, without serious inconvenience—and it is certain that replacement stocks will be available thereafter.

By the end of October the UNRRA Italy Mission had imported approximately 3,800,000 639,446 tons. They dropped to approximately 300,000 tons in October on account of the maritime strike. The monthly figure will increase as soon as the situation returns to normal.

Need for Quick Handling

When coal arrivals are resumed on a large scale there will be special need for the ports and railways to speed up the movement of coal inland to factories and other users, whose stocks will be low.

"With the termination of the maritime strike in the United States, we are hopeful that UNRRA coal shipments to Italy will be resumed on a scale which will make unnecessary prolongation of the emergency allocations beyond November," Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, stated a few days ago. "If all goes well, we shall have 150,000 tons of UNRRA coal from the United States by about the middle of the month. This coal must be unloaded quickly from the ships and sent inland promptly, to keep the wheels of Italian industry and transport moving."

PORT REHABILITATION

The distribution of 4,000 tons of cargo-handling gear and harbour equipment, imported under the UNRRA programme and delivered free of charge to the Italian Government, is now being planned by the Italian authorities and the UNRRA Italy Mission. These supplies formed part of Allied Army surplus material throughout Europe valued at over 19,000,000 dollars (£4,750,000 sterling), which UNRRA was asked to take up on behalf of its receiving countries.

The UNRRA Italy Mission was able to obtain for 750,000 dollars (£187,500 sterling) an allocation of supplies the actual value of which, at a conservative estimate based on lowest prices, exceeds 2,500,000 dollars (£625,000 sterling).

The material includes essential supplies for port reconstruction such as cranes, discharge pumps from 1.5 to 8-inch discharge capacity, slings, grabs, hoists and wire rope; marine

Declassified E.O. 12356 Section 3.3/NND No. 759001

this week. Output of lignite, an auxiliary fuel, which can only be put to certain minor uses (in lime kilns, for instance) has now reached 170,000 tons a month—a figure which is roughly equivalent to 73,000 tons of coal.

Ministry's Coal Order

In view of the existing coal situation, the Ministry of Industry and Commerce and the UNRRA Italy Mission last week jointly agreed that a first re-adjustment of allocations would have to be based on a revised estimate of 770,000 tons for the period October-November as against the original allocation of 600,000 tons for October. The following cuts were accordingly ordered: a 20 per cent. reduction in allocations to cokeries and gas works; and a 27 per cent. reduction to non-preferential categories (including steel and engineering works; cement and brick works; textile, pharmaceutical, rayon, paper, foodstuffs, rubber and other industries; and winter heating for schools and public buildings in North Italy).

The Industrial Sub-Commissions which make the detailed allocations have been empowered to order further reductions in allocations of foreign coal for the non-preferential categories, where local conditions warrant. These further cuts are to be compensated by equivalent allocations of Sardinian coal.

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The order does not apply to such essential services as hospitals, bakeries, power stations and secondary (privately-operated) railways. The State Railways have been instructed to use reserve stocks, and will receive no additional allocations. It is expected, however, that the stockpiles will allow railway services to be maintained until the end of November, without serious inconvenience—and it is certain that replacement stocks will be available thereafter.

By the end of October the UNRRA Italy Mission had imported approximately 3,800,000 tons of coal into Italy. Shipments for August totalled 888,199 tons and for September normal.

Need for Quick Handling

When coal arrivals are resumed on a large scale there will be special need for the ports and railways to speed up the movement of coal inland to factories and other users, whose stocks will be low.

"With the termination of the maritime strike in the United States, we are hopeful that UNRRA coal shipments to Italy will be resumed on a scale which will make unnecessary prolongation of the emergency allocations beyond November," Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, stated a few days ago. "If all goes well, we shall have 150,000 tons of UNRRA coal from the United States by about the middle of the month. This coal must be unloaded quickly from the ships and sent inland promptly, to keep the wheels of Italian industry and transport moving."

PORT REHABILITATION

The distribution of 1,000 tons of cargo-handling gear and harbour equipment, imported under the UNRRA programme and delivered free of charge to the Italian Government, is now being planned by the Italian authorities and the UNRRA Italy Mission. These supplies formed part of Allied Army surplus material throughout Europe valued at over 19,000,000 dollars (£1,750,000 sterling), which UNRRA was asked to take up on behalf of its receiving countries.

The UNRRA Italy Mission was able to obtain for 750,000 dollars (£187,500 sterling) an allocation of supplies the actual value of which, at a conservative estimate based on lowest prices, exceeds 2,500,000 dollars (£625,000 sterling).

The material includes essential supplies for port reconstruction such as cranes, discharge pumps from 2.5 to 8-inch discharge capacity, slings, grabs, hoists and wire rope; marine spare parts such as chains, anchors, fenders; and engine accessories. There are also heavy

Declassified E.O. 12356 Section 3.3/NND No. 759021

eight to 16-ton trailers and about 800 tons of metal scrap.

The Italian vessel s.s. *Capo Mele* unloaded a first shipment of 2,500 tons at Genoa, early in October. Other consignments reached Italy by rail in the course of the month, and further shipments are now awaited from the United Kingdom. As soon as distribution plans are completed, the items essential for port rehabilitation—which represent 90 per cent. of the entire allocation—will be handed over to port reconstruction concerns throughout Italy.

UNRRA IMPORTS

UNRRA supplies reaching Italian ports last week totalled 76,829 tons. This low figure, which is considerably below the average, reflects the four weeks' stoppage of shipments from the United States. Coal arrivals dropped to 59,555 tons from all sources, including Great Britain, Turkey, South Africa and Germany, as well as the United States.

The cargo of 11,700 tons of wheat included in this week's shipping table was unloaded in Sicily. Present wheat allocations to Italy are low because of world scarcity, and the consequent necessity for each receiving country to live on its supplies for the first months after the harvest.

Supplies for industrial rehabilitation include:— 2,993 tons of woollen rags and 1,741 tons of raw wool, all part of UNRRA's woollen manufacturing programme for Italy; 406 tons of fire-clay for the building industry; 270 tons of natural rubber; 128 tons of lead billets; and 18 tons of tyres and tubes.

Supplies for agricultural rehabilitation include 77 tons of clover seed, 51 tons of fodder beet seed and 444 tons of insecticide materials. Among the smaller items are three tons of chocolate donated by the "Save the Children Fund." Medical supplies amount to 14 tons.

COMMODITY PRICE DECISIONS

In accordance with Article III (d) (iii) of the Supplementary Agreement of 19 January, 1946, between the Government of Italy and UNRRA, prices for the following commodities were agreed by the Joint Price Committee at its meetings on 21 September and 5 October:—

Sealing compound:
235 lire per kilogram, ex Saleurgica Italiana S. A.

Zinc phosphide:
290 lire per kilogram ex Consorzio Agrario warehouse, including packing in paper bags.

Manganese ore:
12 lire per kilogram, ex consignee's warehouse.

Fire refined copper:
87 lire per kilogram, ex consignee's warehouse.

Electrolytic copper:
92 lire per kilogram, ex consignee's warehouse.

Chrome ore – metallurgical grade:
10 lire per kilogram, ex consignee's warehouse.

Chrome ore – chemical grade:
8 lire per kilogram, ex consignee's warehouse.

Kaolin
12 lire per kilogram, ex C.I.M.P. warehouse (subject to commodity meeting written specifications)

Plasticbey:
9.25 lire per kilogram, ex C.I.M.P. warehouse (subject to commodity meeting written specifications)

Declassified E.O. 12356 Section 3.3/NND No. 759001

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(OCTOBER 20 - 27 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Samaritan	Genoa	21 October	UNRRA	General	1,988
	Savona	23 »	»	»	1,250
Henry Lomb	Palermo	21 »	»	Cereals	8,101
	Syracuse	26 »	»	»	3,100
Empire Colne	Genoa	22 »	»	General	686
Sfinge	Piombino	» »	It. Programme	Minerals	7,300
Fanny Brunner (1)	Brindisi	» »	»	»	2,340
Pertusola	Palermo	» »	»	»	2,240
Pra	Bagnoli	23 »	»	»	820
Apollo (2)	Crotone	» »	»	»	1,900
Philomel (3)	Leghorn	24 »	UNRRA/Commercial	General	640
Maristella	La Spezia	» »	It. Programme	Minerals	7,080
Sunshire	Leghorn	25 »	UNRRA	General	1,000
Inal	Venice	27 »	—	Cereals	2,009

NOTE: (1) Also discharged at Ancona; (2) also discharged at Catania; (3) also discharged at Genoa

LATEST COAL SHIPMENTS

(OCTOBER 21 - 27 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Matthew J. O'Brien	Savona	21 October	United States	Swiss	6,398
Achuri	Genoa	» »	United Kingdom	UNRRA	5,484
Ais Giorgis	Venice	» »	Turkey	»	1,072
Dante	Bagnoli	22 »	Germany	»	7,819
Nelson Aldrich	Genoa	23 »	United States	»	8,241
Joaquin Miller	Naples	» »	» »	»	8,512
Ambrose E. Burnside	Venice	25 »	» »	»	8,004
Cervino	Savona	26 »	Germany	»	7,214
Cherea	Venice	27 »	»	»	7,200

Declassified E.O. 12356 Section 3.3/NND No. 763021

(OCTOBER 20 - 27 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Samaritan	Genoa	21 October	UNRRA	General	1,986
	Savona	23 »	»	»	1,250
Henry Lomb	Palermo	21 »	»	Cereals	8,001
	Syracuse	26 »	»	»	3,100
Empire Colne	Genoa	22 »	»	General	686
Sfinge	Piombino	» »	It. Programme	Minerals	7,300
Fanny Brunner (1)	Brindisi	» »	»	»	2,340
Pertusola	Palermo	» »	»	»	2,240
Pra	Bagnoli	25 »	»	»	820
Apollo (2)	Crotone	» »	»	»	1,900
Philomel (3)	Leghorn	24 »	UNRRA/Commercial	General	640
Maristella	La Spezia	» »	It. Programme	Minerals	7,080
Sunshire	Leghorn	25 »	UNRRA	General	1,009
Inal	Venice	27 »		Cereals	2,000

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LATEST COAL SHIPMENTS

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Matthew J. O'Brien	Savona	21 October	United States	Swiss	8,398
Achuri	Genoa	» »	United Kingdom	UNRRA	3,484
Ais Giorgis	Venice	» »	Turkey	»	1,032
Dante	Bagnoli	22 »	Germany	»	7,319
Nelson Aldrich	Genoa	23 »	United States	»	8,241
Joaquin Miller	Naples	» »	» »	»	8,512
Ambrose E. Burnside	Venice	25 »	» »	»	8,004
Cervino	Savona	26 »	Germany	»	7,214
Cherca	Venice	27 »	»	»	7,200
Fort Beauscjour	Bari	» »	South Africa	»	8,559

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October 25, 1946

Vol. I, No. 41

ES/1.5-4

Trans. & Shipping

ECONOMIC NOTES

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

CONTENTS

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

SPECIAL RATIONS FOR INDUSTRIAL CENTRES

Two special allocations of food to certain groups of wage earners and unemployed will relieve the strain on at least 6,000,000 Italian food budgets during the next few months.

The increase in the country's already considerable unemployment (the figure is now estimated at over 2,000,000), the recent upward trend in prices of unrationed commodities, and the hardship inevitable at this time of the year, are responsible for an emergency situation with which the Italian authorities and the UNRRA Italy Mission are jointly endeavouring to cope.

The special allocations will be made available through the usual channels: workers' cooperatives, communal and industrial messes, feeding centres and kindred agencies.

Distribution has already begun on an allocation of 6,000 tons of "generi da minestra" —mainly pasta—which have been earmarked for towns of 100,000 inhabitants and also for smaller centres where the percentage of industrial workers is high in relation to the total population, or war destruction has been particularly serious.

Workers Eligible

The supplementary issue takes the form of an extra ration—not exceeding one kilogram per head—for which only industrial workers, employees of public services, the unemployed [illegible] of their families, are placed at the disposal of each SEPRAL (Provincial Food Office). These offices—which are better informed as to conditions obtaining locally—are empowered to allot extra rations in towns where the need is known to be acute. Should the maximum extra ration—one kilogram per person—be allowed on the special distribution in all cases, 6,000,000 people will benefit. A lower allowance will, of course, mean a larger number of recipients.

Allocations for 41 Towns

Allocations will affect 41 large towns, Milan receiving 900 tons, Rome 800, Naples 700, Turin 500, Genoa 350, Florence 260 and Palermo 190 tons.

Plans are well ahead for another special distribution to the same areas and population groups. The Government has requested that approximatively 2,000 tons of UNRRA-imported miscellaneous tinned meat and fish products, be allocated to this scheme—which would involve a special ration of about 300 grams per head. The products consist of a variety of items such as ham and canned sweet potatoes, chopped ham and eggs, chicken haddie, tinned mackerel and tinned ham.

While the use of these tinned products for the special purpose designated by the Government has been agreed to in principle by the UNRRA Italy Mission, the Mission considers that the time has now come when fullest use

Declassified E.O. 12356 Section 3.3/NND No. 785021

ECONOMIC NOTES

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Workers Eligible

The supplementary issue takes the form of an extra ration—not exceeding one kilogram per head—for which only industrial workers, employees of public services, the unemployed and certain members of their families are eligible.

The High Commissioner for Food is responsible for specific allocations to the large towns, but a certain portion of the 6,000 tons has been placed at the disposal of each SEPRAL (Provincial Food Office). These offices—which are better informed as to conditions obtaining locally—are empowered to allot extra rations in towns where the need is known to be acute. Should the maximum extra ration—one kilogram per person—be allowed on the special distribution in all cases, 6,000,000 people will benefit. A lower allowance will, of course, mean a larger number of recipients.

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While the use of these tinned products for the special purpose designated by the Government has been agreed to in principle by the UNRRA Italy Mission, the Mission considers that the time has now come when fullest use should be made of the supplies of dehydrated soup available. So long as the quest for food continues at its present level, and Italy's foreign asset resources are taxed to their utmost,

Declassified E.O. 12356 Section 3.3/NND No. 759091

no existing sources of nutrition should be overlooked.

Dehydrated soup has for various reasons proved unpopular with certain sections of the Italian population, particularly in the South. Two factors have been instrumental in arousing a certain amount of prejudice: lack of knowledge as to the proper use and preparation of the commodity, and its frequent appearance in temporary soup kitchens when the Allied Military Government had to provide for the emergency feeding of areas soon after they had been occupied by Allied troops during the campaign in Italy.

The nutritional properties of dehydrated soup are considerable on account of its high protein content. In fact, it is now being used in the manufacture of pasta for the Welfare Assistance Programme in certain areas, precisely on this account. Doctors and nurses throughout the North Italian regions concur in recommending as extensive a use as possible of the commodity, for which there is, moreover, an increasing demand on the part of communal messes which have recently been opened in Northern and Central Italy.

Properly prepared according to a number of recipes, and judiciously varied with other items on the weekly menu so as to avoid a surfeit, it has proved acceptable in institutions where it has formed part of the feeding programme.

Those responsible for national welfare cannot afford to disregard any sustenance factor during the coming season, when fresh vegetable produce is comparatively scarce; and every effort must be made to fill the gap between the normal ration and the calorie value essential for subsistence.

FERTILIZER FOR ITALIAN CROPS

A further development in the restoration of Italian agriculture is the distribution of the first 9,300 tons of the 36,000 tons of nitrate of soda fertilizer to be imported under the UNRRA programme of relief and rehabilitation for Italy—to supplement Italy's own domestic production of nitrogenous fertilizers. First priority in the distribution of this nitrate procure. Six years of enforced neglect and the damage inflicted on the land have made the soil problem an urgent issue. The UNRRA budget for Italian agricultural rehabilitation envisages an estimated allocation of 8,000,000 dollars (£2,000,000 sterling) for the procurement of urgently needed fertilizers. The 36,000 tons of sodium nitrate form part of this programme. They are needed for "top-dressing," in January and February, of cereal crops sown during the autumn.

First Shipment

The first shipment of sodium nitrate has now arrived in Italy. The s.s. *Lucy Stone* carrying 9,300 tons of nitrate of soda in bulk, procured by UNRRA in Chile, reached Naples on 10 October. The fertilizer is being packed in 100 kilogram hemp sacks and despatched to 23 provinces in Central, Southern and Insular Italy, these regions being closest to Naples, the port of entry.

Present distribution plans provide that Sicilian provinces will receive 1,370 tons, the Southern region 1,920 tons (including 500 tons in the province of Naples) and the Central region 5,960 tons (including 200 tons in the province of Rome), making a total of 9,250 tons.

The distribution plan, prepared by the Ministry of Agriculture and Forests in agreement with UNRRA, is based on pre-war consumption of nitrogen fertilizers, and sodium nitrate in particular. This consumption pattern has been adjusted to take into consideration priority of crops, relative effective demand, transport limitations and the time of arrival in relation to season and locality.

The Federazione dei Consorzi Agrari is responsible for taking delivery of this fertilizer at port and forwarding it to the provinces. The Provincial Consorzi Agrari then release it to farmers against the coupons (buoni) which are issued to them in accordance with current regulations on the distribution of nitrogenous fertilizers—which provide that all nitrogenous fertilizers are to be sold only to *bona fide* farmers for use on bread cereal crops.

Declassified E.O. 12356 Section 3.3/NND No. 745021

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A further development in the restoration of Italian agriculture is the distribution of the first 9,300 tons of the 36,000 tons of nitrate of soda fertilizer to be imported under the UNRRA programme of relief and rehabilitation for Italy—to supplement Italy's own domestic production of nitrogenous fertilizers. First priority in the distribution of this nitrate of soda will be given to the production of bread cereal crops.

Maximum domestic production of food and the return of the country's soil fertility to pre-war standards both largely depend on the amount of fertilizer which Italy is able to ment of urgently needed fertilizers. The 36,000 tons of sodium nitrate form part of this programme. They are needed for "top-dressing," in January and February, of cereal crops sown during the autumn.

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Price Decision

The price for this sodium nitrate is now being fixed and will be notified by the time that distribution to provinces and communes is completed, so that sales can begin.

Declassified E.O. 12356 Section 3.3/NND No. 759021

FARM MACHINERY DISTRIBUTION

The rehabilitation of Italian agriculture by giving small farmers in war-devastated and impoverished areas an opportunity to use the latest types of machinery has been under discussion for some time by the Italian authorities and the UNRRA Italy Mission.

War-time looting or slaughter of draught-animals, especially oxen, has in many cases been as serious a blow as the destruction of farmsteads and crop-lands, and has increased the difficulties of the small farmer, who even in normal circumstances cannot afford the capital outlay required for the purchase of power-driven machinery. Renting is also expensive, as the present inadequate supply of farm machinery has been an incentive to speculators.

The UNRRA programme for agricultural rehabilitation includes 150 tractors, a certain number of ploughs and some auxiliary equipment. Of the tractors, 250 have crawler tracks and 200 are rubber or steel-wheel types. Weighing up to 15 tons, the tractors are mainly intended for ploughing for grain production, where possible, though the heavier types are also suitable for deeper work on fruit plantations and vineyards. They can also be turned to a number of subsidiary uses such as threshing. The tests which have been held so far with wheeled tractors have proved them to be satisfactory where soil and topographical conditions are suitable. The various models imported will be subjected to further extensive trials in all parts of the country and on all types of land, in order to assess their efficiency in relation to operational costs.

Tractor Pools

The Division of Agriculture of the UNRRA Italy Mission has made a careful study of all considerations involved, to assist the Italian Government in establishing a distribution policy which will make these supplies accessible to the largest possible number of small farmers. The subject is somewhat controversial, but the conclusions reached, as a result of this enquiry, point to a tractor pool system as the most appropriate under the present circum-

Mr. Keeny states that there are two alternatives for the distribution of UNRRA-imported tractors. "The first," he says, "is to sell them direct to individual farmers or groups of farmers, as has been done with the other agricultural machinery imported to date. The second is to use these tractors in pools which will be established throughout the country, with the primary purpose of providing cheaper ploughing to assist farmers in war-affected areas to increase food production.

"The Mission considers that the second alternative is the one that should be initiated, being completely in line with the UNRRA resolutions of making available to the most needy sections of the population UNRRA services and UNRRA supplies."

System of Operation

Mr. Keeny outlines the conditions which the Mission recommends as a basis for the establishment of these tractor pools. Some 25 pools, he suggests, should be set up in selected areas throughout the country, and make available the 150 tractors, a certain number of UNRRA-imported ploughs, and some auxiliary operating equipment which might be transferred from stocks now held by ARAR (Azienda Rilievi Alienazioni Ricuperi).

The operation of the pools should be entrusted to such legally constituted organizations or private concerns as may be selected by the Ministry of Agriculture on recommendations from Compartments, and in agreement with the UNRRA Italy Mission. All initial equipment should be provided to the operating agencies at a price low enough to make the ploughing rates attractive to the farmer.

The cost of 150 tractors is approximately 400,000,000 lire. This—in Mr. Keeny's view—should be reduced as much as necessary to make the rates attractive. The suggested reduction would result in smaller amounts accruing to the Lire Fund, and later being available for further relief and rehabilitation expenditure. Mr. Keeny points out, however, that if necessary a part of the cost could be recovered for the Lire Fund from the income derived from the working of the pools.

After stressing the urgency of the problem, since the tractors are now arriving and the

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The UNRRA programme for agricultural rehabilitation includes 450 tractors, a certain number of ploughs and some auxiliary equipment. Of the tractors, 250 have crawler tracks and 200 are rubber or steel-wheel types. Weighing up to 15 tons, the tractors are mainly intended for ploughing for grain production, where possible, though the heavier types are also suitable for deeper work on fruit plantations and vineyards. They can also be turned to a number of subsidiary uses such as threshing. The tests which have been held so far with wheeled tractors have proved them to be satisfactory where soil and topographical conditions are suitable. The various models imported will be subjected to further extensive trials in all parts of the country and on all types of land, in order to assess their efficiency in relation to operational costs.

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The Division of Agriculture of the UNRRA Italy Mission has made a careful study of all considerations involved, to assist the Italian Government in establishing a distribution policy which will make these supplies accessible to the largest possible number of small farmers. The subject is somewhat controversial, but the conclusions reached, as a result of this enquiry, point to a tractor pool system as the most appropriate under the present circumstances.

The Mission's recommendations are embodied in a letter, dated 9 October, to the Italian Prime Minister from the Chief of the UNRRA Italy Mission, Mr. S. M. Keeny.

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After stressing the urgency of the problem, since the tractors are now arriving and the ploughing season has started, Mr. Keeny concludes as follows: "I feel that at all costs a situation must be avoided in which these tractors are not put into use rapidly in an effort to improve Italy's food position in 1947."

Declassified E.O. 12356 Section 3.3/NND No. 789021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(OCTOBER 14 - 19 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Helene Kulukundi	Genoa	14 October	Swiss	Cereals	9,187
Philomel	»	» »	UNRRA	General	411
Reuben Tipton	»	» »	»	»	5,500
Baxtergate	Naples	16 »	»	»	1,493
Apollo	Catania	» »	It. Programme	Minerals	5,420
Motia	Venice	» »	UNRRA	General	1,206
Govert Flinck	Genoa	» »	»	Minerals	1,500
Highflyer	»	17 »	»	General	153
Ada Gorthon	»	» »	Commercial	»	4,430
Seaside (1)	»	18 »	UNRRA	Cereals	2,430
Storeborg	»	» »	—	General	2,975
Hoegh Silverbeam	Naples	» »	UNRRA	»	3,536
Empire Fawley	Genoa	19 »	Commercial	Wool	2,000
Peter V. Daniel	Venice	» »	UNRRA	General	3,258

NOTE: (1) Also discharged at Civitavecchia.

LATEST COAL SHIPMENTS

(OCTOBER 14 - 20 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Snar (I)	Savona	13 October	—	Swiss	4,990
Alexander White	»	14 »	United States	»	8,890
John Merrick	»	» »	» »	UNRRA	8,919
Empire Gazelle	»	» »	United Kingdom	»	6,176
Fred E. Joyce	Genoa	» »	United States	»	8,515
Karmen	Venice	» »	Yugoslavia	Commercial	3,550
John Blair	»	» »	United States	U. S. Army	8,392
Empire Puma	Savona	15 »	Germany	UNRRA	10,640
Charles D. Walcott	»	» »	United States	U. S. Army	8,400
William Pepperell	Genoa	» »	» »	UNRRA	8,356
Daltonhall	Venice	» »	South Africa	»	9,650
Dunav	»	» »	Yugoslavia	Commercial	6,220
John Ireland	Catania	16 »	United States	UNRRA	8,738
Opole	Palermo	» »	» »	»	8,755
Temple Inn	Venice	17 »	South Africa	»	8,200
Nicholas D. LaBadie	Civitavecchia	18 »	United States	»	8,436
Arthur Riggs	Savona	19 »	» »	»	9,603
Dallington Court	Venice	» »	South Africa	Brit. Army	3,844
				UNRRA	7,387

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Declassified E.O. 12356 Section 3.3/NND No. 787001

Helene Kulukundi	Genoa	14 October	Swiss	Cereals	9,187
Philomel	»	» »	UNRRA	General	411
Reuben Tipton	»	» »	»	»	5,500
Baxtergate	Naples	16 »	»	»	1,493
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Fred E. Joyce	Genoa	» »	United States	»	8,515
Karmen	Venice	» »	Yugoslavia	Commercial	3,550
John Blair	»	» »	United States	U. S. Army	8,392
Empire Puma	Savona	15 »	Germany	UNRRA	10,640
Charles D. Walcott	»	» »	United States	U. S. Army	8,400
William Pepperell	Genoa	» »	» »	UNRRA	8,356
Daltonhall	Venice	» »	South Africa	»	9,650
Dunav	»	» »	Yugoslavia	Commercial	6,220
John Ireland	Catania	16 »	United States	UNRRA	8,738
Opole	Palermo	» »	» »	»	8,757
Temple Inn	Venice	17 »	South Africa	»	8,200
Nicholas D. LaBadie	Civitavecchia	18 »	United States	»	8,436
Arthur Riggs	Savona	19 »	» »	»	9,603
Dallington Court	Venice	» »	South Africa	Brit. Army	3,844
Gaeta	Ancona	20 »	United States	UNRRA	7,387

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

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October 11, 1946

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ECONOMIC NOTES

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CONTENTS

1. Italy's Housing Needs
2. UNRRA Imports
3. Problems at Washington Meeting
4. Movements of Ships

ITALY'S HOUSING NEEDS

The cost of providing Italy with the minimum number of houses, both new and repaired, to meet present urgent needs, would be about 640,000 million lire—according to an enquiry just completed by the UNRRA Italy Mission. The purpose of the enquiry was to determine the extent of Italy's housing shortage, the contributing causes and what measures were possible to relieve the existing situation.

Estimates of war damage by the Ministry of Public Works, corrected up to 30 April, 1946, give a total of 4,026,081 rooms damaged or destroyed. Of these 1,145,000 rooms were destroyed, 645,400 heavily damaged and 2,226,680 lightly damaged.

Pre-War Situation

But even before the war, Italy's housing situation was difficult. According to the 1931 census, the first—and only—census that included a count of houses, the number of families living in overcrowded conditions formed a high percentage of the total for the whole of Italy. The census of 1931 showed that the size of the average apartment was generally smaller in the smaller cities and towns than it was in the larger cities, with some exceptions in Central Italy, and it also showed that the condition of rural housing was especially critical.

A study by Sig. Barberi, Director of the Istituto Centrale di Statistica, entitled "Le Condizioni delle Popolazioni Italiane nei riguardi delle Case di Abitazione," showed that during the 10 years between 1931 and 1941 [illegible] increased their total housing accommodation by less than 42,000 rooms.

In the period from 1931 to the present time Italy's population has increased from 41,600,000 to 45,800,000. The new housing needed to accommodate this increase in population should (on the ratio established in the 1931 census) have been practically double the actual net increase in rooms before the war. Apart, therefore, from war damage, Italy's housing shortage would, in any case, have been acute.

The estimate of 640,000 million lire covers the cost of rebuilding and repairing homes damaged by the war, and also the new construction necessary to overcome housing shortages due to increased population. Of this sum about 400,000 million lire are required for the reconstruction of war-damaged property and 240,000 million lire for new house construction.

Estimated Requirements

A study by Professor Chiodi of the University of Milan, "Problemi e Prospettive della Ricostruzione Edilizia," was used as a basis for making estimates of amounts of building materials and hours of labor that would be necessary to supply Italy's total housing needs.

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

Lime and cement	tons	14,300,000
Bricks and tile	No.	18,300,000,000
Lumber	cub. meters	4,000,000
Iron	tons	1,100,000
Paving materials	cub. meters	100,000,000
Glass	sq. meters	14,400,000

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Declassified E.O. 12356 Sec. 3.3/NND No. 785011

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CONTENTS

1. Italy's Housing Needs
2. UNRRA Imports
3. Problems at Washington Meeting
4. Movements of Ships

ITALY'S HOUSING NEEDS

The cost of providing Italy with the minimum number of houses, both new and repaired, to meet present urgent needs, would be about 640,000 million lire—according to an enquiry just completed by the UNRRA Italy Mission. The purpose of the enquiry was to determine the extent of Italy's housing shortage, the contributing causes and what measures were possible to relieve the existing situation.

Estimates of war damage by the Ministry of Public Works, corrected up to 30 April, 1946, give a total of 1,026,081 rooms damaged or destroyed. Of these 1,145,000 rooms were destroyed, 645,400 heavily damaged and 2,226,680 lightly damaged.

Pre-War Situation

But even before the war, Italy's housing situation was difficult. According to the 1931 census, the first—and only—census that included a count of houses, the number of families living in overcrowded conditions formed a high percentage of the total for the whole of Italy. The census of 1931 showed that the size of the average apartment was generally smaller in the smaller cities and towns than it was in the larger cities, with some exceptions in Central Italy, and it also showed that the condition of rural housing was especially critical.

A study by Sig. Barberi, Director of the Istituto Centrale di Statistica, entitled "Le Condizioni delle Popolazioni Italiane nei riguardi delle Case di Abitazione," showed that during the 10 years between 1931 and 1941 (when building activity, which had been declining since 1935, came practically to an end) housing accommodation increased in Lombardy by approximately 350,000 rooms, in Lazio by nearly 300,000 rooms, and in Piedmont by about 190,000 rooms. On the other hand, Umbria, Lucania and Abbruzzi together increased their total housing accommodation by less than 12,000 rooms.

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Lumber	cub. meters	4,000,000
Iron	tons	1,100,000
Paving materials	cub. meters	100,000,000
Glass	sq. meters	14,400,000
Labor (masonry and general construction)	man-hours	1,597,440,000

Both directly and indirectly UNRRA is contributing towards repairing and rebuilding the houses that Italy needs. The chief contribution is indirect—through the provision of

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the coal needed for the manufacture of building materials. Of UNRRA's total coal shipments which amounted to over 3,500,000 tons by the end of September, it is estimated that some 147,000 tons were allocated to brick kilns, cement, glass and lime works. October allocations of UNRRA-imported coal amounted to a further 32,200 tons. There is a further indirect contribution of UNRRA-imported coal, for rail transport of these materials; and of UNRRA-imported petroleum products, for truck haulage.

Self-help through C.A.S.A.S.

UNRRA's direct contribution is through the CASAS (Comitato Amministrativo Soccorsi ai Senzatetto) project designed to help the neediest of those who have lost their homes through the war. CASAS plans to help in the repair of about 78,000 rooms by the end of the year, and the building of 700 new family apartments by February, 1947, in areas where war damage has been exceptionally severe. The CASAS project (as already reported in *Economic Notes* No. 9 of 15 March) is financed by an allocation of 1,000 million lire from the Lire Fund created by the sale of UNRRA-imported goods delivered free of charge to the Italian Government.

Up to the present, of the 1,000 million lire allocated to CASAS by UNRRA, a total of 400 million lire has already been appropriated for general costs. A further allocation of 167 million lire has been approved for charges connected with motor transport. In addition, UNRRA is meeting substantial foreign currency expenditure for transport, equipment, tools and accessories purchased from foreign sources.

Free Road Transportation

Free road transportation of house-building materials for repair schemes undertaken through CASAS is provided by UNRRA. The fleet of CASAS motor-vehicles now totals 617, and further additions are planned. CASAS is at present operating from 14 different centres of which the most important are Ortona, Bologna, Carrara, Castel di Sangro and Scauri. Two new centres are in process of being opened at Udine and in the Rimini-

Achieving Steady Progress

Up to 15 September CASAS had made possible the repair of 32,843 rooms of which 7,000 were located in the province of Chieti, 6,700 in the province of Bologna and nearly 5,000 in the province of Frosinone. During the four-week period from mid-August to mid-September CASAS completed repair on 7,115 rooms, while repairs were in progress on a further 8,651. Up to date CASAS has helped to rehouse 34,742 needy persons rendered homeless by the war.

With regard to new construction—as distinct from house repair—work is now in progress on 25 out of 26 of the contracts approved by the Executive Committee of CASAS. The houses now being built will provide 700 apartments. Work has been delayed at Cassino owing to difficulties with the local authorities in the selection of a building site.

The program for the rest of the year envisages a repair schedule of 14,000 rooms per month, for October, November and December and the completion of 192 new apartments. A further 256 new apartments should be completed by the third week in January.

Closer Co-operation

To speed up repair work a Chief Engineer has recently been appointed with special responsibility for the repair program. Greater flexibility has been introduced in the day-to-day working of the CASAS organization, and unduly rigid budgetary control relaxed.

In order to ensure close collaboration between the Ministry of Post-War Assistance and CASAS, particularly in regard to evacuation of the camps, a working committee has been formed composed of representatives of the Ministry of Post-War Assistance, CASAS and the Special Relief Projects and Welfare Divisions and the Sub-Bureau of Industrial Rehabilitation of the UNRRA Italy Mission.

To eliminate present financial difficulties in regard to "anticipated" materials which the local civil authorities are authorized to issue to needy persons for house repairs, in advance of payment of the 60 per cent. Government grant, proposals are now under consideration for creation of a revolving fund—by means of

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allocations of UNRRA-imported coal amounted to a further 32,200 tons. There is a further indirect contribution of UNRRA-imported coal, for rail transport of these materials; and of UNRRA-imported petroleum products, for truck haulage.

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Free Road Transportation

Free road transportation of house-building materials for repair schemes undertaken through CASAS is provided by UNRRA. The fleet of CASAS motorvehicles now totals 617, and further additions are planned. CASAS is at present operating from 11 different centres of which the most important are Ortona, Bologna, Carrara, Castel di Sangro and Scauri. Two new centres are in process of being opened at Udine and in the Rimini-Pesaro area. CASAS is also undertaking responsibility for the completion of the program of rehousing of cave-dwellers in Naples, where some 40 families, still to be rehoused, will be provided with permanent homes in 10 modern, four-apartment houses.

During the four-week period from mid-August to mid-September CASAS completed repair on 7,115 rooms, while repairs were in progress on a further 8,654. Up to date CASAS has helped to rehouse 54,742 needy persons rendered homeless by the war.

With regard to new construction—as distinct from house repair—work is now in progress on 25 out of 26 of the contracts approved by the Executive Committee of CASAS. The houses now being built will provide 700 apartments. Work has been delayed at Cassino owing to difficulties with the local authorities in the selection of a building site.

The program for the rest of the year envisages a repair schedule of 11,000 rooms per month, for October, November and December and the completion of 192 new apartments. A further 256 new apartments should be completed by the third week in January.

Closer Co-operation

To speed up repair work a Chief Engineer has recently been appointed with special responsibility for the repair program. Greater flexibility has been introduced in the day-to-day working of the CASAS organization, and unduly rigid budgetary control relaxed.

In order to ensure close collaboration between the Ministry of Post-War Assistance and CASAS, particularly in regard to evacuation of the camps, a working committee has been formed composed of representatives of the Ministry of Post-War Assistance, CASAS and the Special Relief Projects and Welfare Divisions and the Sub-Bureau of Industrial Rehabilitation of the UNRRA Italy Mission.

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A further proposal is under consideration to use this revolving fund for advances not only for "anticipated" materials, but also for "anticipated" labor in cases where needy people can afford neither the labor nor the materials to repair their houses. The establishment of this revolving fund, both for "anticipated" materials and "anticipated" labor, is dependent upon amendment of the Government Decree of 9 June, 1946, setting up the CASAS organization.

UNRRA IMPORTS

Readers of *Economic Notes* should be interested in the following figures showing the proportion of UNRRA's relief and rehabilitation program for Italy which had been fulfilled by the end of August, 1946.

It will be seen that of a total of approximately 10,000,000 tons of commodities which the UNRRA Italy Mission is responsible for supplying free of charge to the Italian Government, over 5,600,000 metric tons had reached Italian ports by 31 August last.

Divided into five main categories, the figures show that by that date UNRRA supplies intended for Italy's industrial rehabilitation had reached a total of 4,001,652 tons; agricultural rehabilitation, 43,892 tons; food, feed and soap, 1,197,490 tons; textiles, clothing and footwear, 50,784 tons; medical and sanitation supplies 5,831 tons.

The figures are based on latest shipping reports and further alterations, if any, will be only of a trifling nature.

1. *Industrial Rehabilitation:*

	Partial Tonnage	Total
Vehicles & Vehicle Maintenance Supplies	3,538	
Solid Fuel (Coal)	2,907,158	
P.O.L. (1)	1,020,000	
Pig Iron	5,396	
Steel	7,825	
Manganese Ore	1,524	
Tin	405	
Copper (refined)	3,753	
Nickel	1,056	
Asphalt	27,590	
Colophony	2,247	
Chemicals and Other Raw Materials	4,772	
Rubber	2,811	
Lumber	473	
Paper	1,000	
Agricultural Machinery	2,158	
Fertilizers (Nitrates, Basic Slag)	12,085	
Food Processing (Tin Plates, Sealing Compound)	1,228	
Pesticides (Copper Sulphate, other)	11,083	
Blister Copper	3,632	
Seeds:		
Potatoes	10,152	
other)	2,334	
		43,892
3. *Food, Feed and Soap:*		
Wheat	673,350	
Wheat Flour, Soya Flour, Oats, Corn, Other Grain & Grain Products	240,220	
Meat & Meat Preparations	14,270	
Fish (canned, dried or salted)	38,804	
Dairy Products	61,606	
Edible Fats & Oils (Lard, Fat Cuts, Copra)	31,963	
Sugar & Related Products	60,742	
Pulses (dried beans and peas)	28,075	
Beverages (Coffee Beans, Other Beverages)	5,044	
Soup, dehydrated	6307	
Other Foods	11,841	
Animal Feed	5,004	
Inedible Fats & Oils	12,259	
		1,197,490
4. *Clothing, Textiles and Footwear:*		
Raw Cotton	33,411	
Raw Wool (greasy)	11,650	
Miscellaneous Textiles & Processing Equipment (Finished Clothing, Blankets & Bedding, Misc. Materials including Sewing Machines)	697	
Finished Footwear	691	
Hides and Skins	977	
Composition & Rubber Soling	1,174	
Misc. Footwear Materials	2,184	
		50,784
5. *Medical and Sanitation Supplies*		5,831

September Arrivals

September imports of UNRRA-supplied commodities exceed a total of 867,000 tons.

The main items are 665,000 tons of coal and over 141,000 tons of petroleum products. Manganese ore figures for 5,890 tons, steel for 2,118 tons and rubber for 1,120 tons. Food

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Tin	105	
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Nickel	1,050	
Asphalt	27,506	
Colophony	2,247	
Chemicals and Other Raw Materials	4,772	
Rubber	2,811	
Lumber	473	
Asbestos	3,803	
Clays (including Kaolin)	8,647	
Other	651	
		4,001,652

(1) Estimated amount.

Bister Copper	3,692	
Seeds:		
Potatoes	10,152	
other)	2,351	
		43,892
3. *Food, Feed and Soap:*		
Wheat	673,350	
Wheat Flour, Soya Flour, Oats, Corn, Other Grain & Grain Products	246,220	
Meat & Meat Preparations	14,270	
Fish (canned, dried or salted)	38,804	
Dairy Products	61,986	
Edible Fats & Oils (Lard, Fat Cuts, Copra)	31,963	
Sugar & Related Products	60,742	
Pulses (dried beans and peas)	28,973	
Beverages (Cofee Beans, Other Beverages)	5,044	
Soup, dehydrated	6,907	
Other Foods	13,841	
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The main items are 665,000 tons of coal and over 144,000 tons of petroleum products. Manganese ore figures for 5,890 tons, steel for 2,118 tons and rubber for 1,120 tons. Food imports in September include 30,800 tons of grain and other cereals; 2,450 tons of meat and meat preparations, 1,760 tons of dairy products in the form of processed milk. Imports of raw wool last month amounted to 1,940 tons.

0127
Declassified E.O. 12356 Sec. 3.3/NND No. 795001

PROBLEMS AT WASHINGTON MEETING

To study Italian Supply problems on the spot, preparatory to the fourth UNRRA Supply Conference which is to open at Washington on 15 October, Mr. Joseph L. Nellis, Chief of the Italian, Greek and Austrian Program Division, Bureau of Supply, at UNRRA Headquarters in Washington, last week paid a brief visit to Italy.

The Division is responsible for ensuring liaison, co-ordination and proper execution of the supply programs established on behalf of the receiving countries. Weekly telephone conversations between Washington and the Italy Mission in Rome, keep the responsible UNRRA officials posted on the latest developments and enable them to take the necessary measures promptly in the event of strikes or other unforeseen circumstances which might otherwise temporarily delay the flow of UNRRA supplies. Hence Mr. Nellis—who was formerly Chief Attorney of the OPA (Office of Price Administration) Food Division—may be said to act as Italy's representative at UNRRA Headquarters in Washington, and it is his Division's primary task to see that the Italy Mission's requests are adequately satisfied and that the flow of supplies proceeds as smoothly as circumstances permit.

Adequate Stocks of Fuel

Mr. Nellis pointed out that the U.S. strike of firemen and engineers, which started on October 2, is bound to cause some additional delay in shipping the UNRRA program. Fortunately, however, the approximately 70 ships that had been held up in the first strike were all cleared before the second one began so that these supplies will be available meanwhile. Of the two items comprising the largest volume—Coal and P.O.L.—the supplies in this country are adequate to permit industry and transport to go forward at the present levels, unless the strike continues for an unexpectedly long time.

As regards the selection of UNRRA supplies, Mr. Nellis pointed to the fact that a nation's requirements have to be reconciled with world availability of a given commodity and also with UNRRA's resources.

He stressed the Administration's statutory position, whereby 90 per cent. of the contributions to UNRRA is, by statute, to be made in kind, and only 10 per cent. is made available in actual cash. In some cases UNRRA has to take-it-or-leave-it.

The Principal Task

In fact, the principal task facing Mr. Cleveland and Mr. Lazzatto of our Mission at the Supply Conferences starting in Washington on October 15, will be to attempt to reconcile to the greatest possible extent the requirements of Italy with the supplies available. They will have the benefit of the close collaboration of Mr. Saccerdoti, the head of the Italian Technical Delegation in Washington, nominated by the Italian Government as its representative at the Supply Conference.

Everything will be done by these three men to ensure that the Italian economy receives adequate supplies of those commodities which are indispensable to its recovery and which are particularly vital in helping Italy to tide over the delicate transition period with which it is now faced.

Although UNRRA has officially taken no formal action as regards the post-UNRRA period, there is no doubt that many of the conversations in Washington will center around this problem. Both our representatives and Mr. Saccerdoti are thoroughly familiar with the Italian post-UNRRA problems and their presence in Washington at this moment should be very valuable to Italy's supply plans for 1947.

Declassified E.O. 12356 Section 3.3/NND No. 785091

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(SEPTEMBER 30 - OCTOBER 5 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Fido (1)	Genoa	29 Sept.	UNRRA	Basic Slag	2,400
Samtruth	»	30 »	»	Minerals	600
Marocco	»	2 October	»	General	45
Apollo	Venice	» »	It. Programme	Minerals	5,200
Empire Arun	Genoa	3 »	UNRRA	Raw Wool	1,500
Capo Mele	»	5 »	»	Harbour installations	—

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

LATEST COAL SHIPMENTS

(SEPTEMBER 30 - OCTOBER 6 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Nicolaos G. Culucundis	Savona	30 September	Turkey	Swiss	3,757
Sidney Wright (1)	Ancona	» »	United States	UNRRA	4,500
Henry Gilbert Costin	Savona	2 October	» »	»	8,793
Francis D. Culkin	Genoa	» »	» »	»	9,111
	Leghorn	5 »	» »		
Mathew Maury	Venice	2 »	» »	»	8,225
	Ancona	4 »	» »		
George Sharswood (1)	»	2 »	» »	»	3,000
Vittorio Veneto	Bagnoli	3 »	Germany	»	6,400
	Bari	5 »	United States	»	8,723

Declassified E.O. 12356 Section 3.3/NND No. 745021

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	Leghorn	5 »	» »	»	
Mathew Maury	Venice	2 »	» »	»	8,225
	Ancona	4 »	» »	»	
George Sharswood (1)	»	2 »	» »	»	3,000
Vittorio Veneto	Bagnoli	3 »	Germany	»	6,400
Dodekanisos	Bari	5 »	United States	»	8,723
Kordum	Venice	6 »	Germany	»	7,515

NOTE: (1) Also discharged at Venice

Declassified E.O. 12356 Section 3.3/NND No. 745001

October 4, 1946 Vol. I, No. 38

ECONOMIC NOTES

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CONTENTS

1. Finance for Italy's 1947 Needs
2. UNRRA Cotton Plans
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FINANCE FOR ITALY'S 1947 NEEDS

Italy's import requirements during the transition period in the first half of 1947, as UNRRA completes its program of assistance, are now being closely studied by the UNRRA Italy Mission, in conjunction with the Italian Government. The object of these talks is to ensure a smooth change-over from UNRRA to the Italian Government of responsibility for financing, procuring and shipping the basic imports—primarily grain, coal and petroleum products—that are essential to the maintenance of Italy's national economy.

UNRRA's view-point in regard to this transition period has been explained by the Deputy Chief of the Italy Mission for Requirements and Distribution, Mr. Harlan Cleveland, who in Milan last week urged the need for early planning to ensure a steady flow of supplies.

Program Will Be Completed

"UNRRA's job in Italy will not be finished until the second quarter of 1947—or seven or eight months from now," he said. "Even though 50,000,000 to 100,000,000 dollars' worth of goods, which Italy is supposed to receive, have not been bought and shipped by Christmas time, UNRRA's Christmas presents will continue to be sent until the total program of supplies has been received. The last arrival should be in April or May."

the war; enough to give the Italian railways a safety margin in the form of substantial stocks; enough to get the Italian steel industry into production on an important scale for the first time; enough to provide fuel for the many industries which are starting again to produce the materials and products that a reborn Italian economy needs so badly.

Wheat, Oil and Rubber

At the same time, UNRRA is undertaking to bring in, between now and the next harvest, more than one-third of the wheat needed to meet Italy's grain deficit during this crop year.

UNRRA has continued the flow of petroleum supplies, so that it is now fair to say that petroleum is not in short supply in Italy for any legal and justified purpose. UNRRA is enabling the Italian oil refineries to be put back in condition by importing crude oil—thereby decreasing the cost in foreign exchange of petroleum products for Italy.

In addition, UNRRA during the fourth quarter of this year alone will buy 10,000 tons of rubber for Italy—enough to make 300,000 tyres, or fully equip 30,000 trucks. This represents more than one-third of Italy's normal consumption of rubber for domestic purposes.

Industrial Imports

UNRRA is also bringing in large quantities

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CONTENTS

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Program Will Be Completed

"UNRRA's job in Italy will not be finished until the second quarter of 1947—or seven or eight months from now," he said. "Even though 50,000,000 to 100,000,000 dollars' worth of goods, which Italy is supposed to receive, have not been bought and shipped by Christmas time, UNRRA's Christmas presents will continue to be sent until the total program of supplies has been received. The last arrival should be in April or May."

The vital significance of UNRRA supplies to Italy has been growing every month. In August, UNRRA imported into Italy *about 900,000* tons of coal alone—more than 80 per cent. of Italy's normal monthly imports before the war; enough to give the Italian railways a safety margin in the form of substantial stocks; enough to get the Italian steel industry into production on an important scale for the first time; enough to provide fuel for the many industries which are starting again to produce the materials and products that a reborn Italian economy needs so badly.

Wheat, Oil and Rubber

At the same time, UNRRA is undertaking to bring in, between now and the next harvest, more than one-third of the wheat needed to meet Italy's grain deficit during this crop year.

UNRRA has continued the flow of petroleum supplies, so that it is now fair to say that petroleum is not in short supply in Italy for any legal and justified purpose. UNRRA is enabling the Italian oil refineries to be put back in condition by importing crude oil—thereby decreasing the cost in foreign exchange of petroleum products for Italy.

In addition, UNRRA during the fourth quarter of this year alone will buy 10,000 tons of rubber for Italy—enough to make 300,000 tyres, or fully equip 50,000 trucks. This represents more than one-third of Italy's normal consumption of rubber for domestic purposes.

Industrial Imports

UNRRA is also bringing in large quantities of steel, pig-iron, tin, copper, nickel, alloying elements, chemicals, refractories, medical raw materials and agricultural supplies.

"But UNRRA's 1946 program, great as it is, cannot solve Italy's 1947 problems," Mr.

Declassified E.O. 12356 Section 3.3/NND No. 785021

Cleveland urged. "It is succeeding in its primary objectives—to maintain the basic supply-line of food; to get Italy's industrial production going again by injecting fuel and basic raw materials; and to contribute to the defence of the lira by providing that universal antidote for inflation—goods.

"The problem which now faces the Italian Government and the Italian people is to make sure that the momentum created by the UNRRA import program is not lost during the first few months of 1947. Therefore, I invite the attention of every Italian to this critical 'transition period'."

There have been various estimates as to how big the deficit will be in Italy's 1947 balance of international payments. They range from 600,000,000 dollars (£150,000,000 sterling) to 900,000,000 dollars (£225,000,000 sterling). Even the smaller figure is very large.

For 1947, while there is no assurance that any international agency will be in a position to assume even part of this burden, there is good reason to hope for a sufficient increase in loans and special credits to cover a substantial portion of Italy's deficit.

Speedy Action Needed

"But time is all-important," Mr. Cleveland continued. "Even if Italy gets all the help she needs in April, the problem will not be solved. Money made available in April will not put goods into Italy until July. For Italy must find a minimum of 100,000,000 dollars (£25,000,000 sterling) before the end of this year, and another 150,000,000 dollars (£37,500,000 sterling) by March, 1947, just to keep the supply-line going in the most basic commodities—wheat, coal and petroleum products.

"There is now *no arrangement* by which this money will become available automatically. Italy will need to go hunting for it, and the present status of negotiations is not very far along, considering how soon the end of the year will be upon us, and how long it takes for all of the financing, procurement and shipping arrangements to be made.

"Strictly speaking, our responsibility as UNRRA will be discharged, if we bring in supplies still remaining on the Italian program from UNRRA to Post-UNRRA a successful one. The problem requires that plans be drawn swiftly by the Italian Government in co-operation with whatever groups can make a contribution to them.

"Based on some experience of previous transition periods, we have this advice to give: Concentrate on wheat, coal and petroleum—and the rest of the import requirements will not prove too difficult to meet."

Wheat Requirements

Wheat is the biggest item. Italy's wheat deficit from harvest to harvest is about 2,60,000 tons—of which UNRRA may bring in as much as 750,000 tons. The Italian Government must, therefore, import on its own account about 1,250,000 tons—at a cost (including freight) of about 145,000,000 dollars (£36,250,000 sterling).

Italy cannot wait until next April, and see what funds may be available by that time through any continuation of relief financing on a limited scale. The problem is immediate. Imports of wheat should start as soon as possible to meet this deficit and at the same time maintain a stock in the country of at least one month's supply.

UNRRA has given the Italian Government tentative estimates as to how this can best be done. But with the world wheat situation still tight, and with the need to find nearly 150,000,000 dollars (£37,500,000 sterling) to cover wheat purchases until the next harvest, only the most vigorous action by all Government and other organizations concerned will prevent a break in the flow of supplies.

Imports Must Start at Once

"It is not a matter of waiting until UNRRA supplies are exhausted and then starting an import program," Mr. Cleveland pointed out. "Our wheat supplies will be delayed, so the Italian Government import program must be started immediately, in order to keep stocks at a reasonable level."

During the last half of this year, UNRRA is supplying Italy with 3,600,000 tons of coal. To cover the country's minimum coal needs through June, 1947, Italy will need to bring in about 4,000,000 tons in the first six months

Declassified E.O. 12356 Section 3.3/NND No. 745021

of the lira by providing that universal antidote for inflation—goods.

"The problem which now faces the Italian Government and the Italian people is to make sure that the momentum created by the UNRRA import program is not lost during the first few months of 1947. Therefore, I invite the attention of every Italian to this critical 'transition period'."

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For 1947, while there is no assurance that any international agency will be in a position to assume even part of this burden, there is good reason to hope for a sufficient increase in loans and special credits to cover a substantial portion of Italy's deficit.

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"There is now *no arrangement* by which this money will become available automatically. Italy will need to go hunting for it, and the present status of negotiations is not very far along, considering how soon the end of the year will be upon us, and how long it takes for all of the financing, procurement and shipping arrangements to be made.

"Strictly speaking, our responsibility as UNRRA will be discharged, if we bring in supplies still remaining on the Italian program. But we are anxious that our program shall have the maximum effect in helping the Italian people to help themselves. Therefore, we have no wish but to help in making this transition

"Based on some experience of previous transition periods, we have this advice to give: Concentrate on wheat, coal and petroleum—and the rest of the import requirements will not prove too difficult to meet."

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Italy cannot wait until next April, and see what funds may be available by that time through any continuation of relief financing on a limited scale. The problem is immediate. Imports of wheat should start as soon as possible to meet this deficit and at the same time maintain a stock in the country of at least one month's supply.

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During the last half of this year, UNRRA is supplying Italy with 3,000,000 tons of coal. To cover the country's minimum coal needs through June, 1947, Italy will need to bring in about 1,000,000 tons in the first six months of 1947.

If this coal could all be supplied from the cheapest sources it would be a much simpler problem than it is. But, in practice, Italy will

Declassified E.O. 12356 Section 3.3/NND No. 785021

be able to get from the Ruhr, from Poland, from South Africa and England less than half of its coal supply requirements. Supply needs will, therefore, force Italy to buy from the United States large quantities of coal that is costly, because it has to come from so far away.

The 4,000,000 tons which Italy needs to import on its own account will cost about 77,500,000 dollars (£19,375,000 sterling) including freight—of which about 46,000,000 dollars (£11,500,000 sterling) will need to be spent on buying and shipping U.S. coal.

This 77,000,000-dollar program, plus the UNRRA program, will enable the Italian economy to consume a gradually increasing amount of imported coal—rising from the present 600,000 tons a month to more than 800,000 tons. "If the funds are not available," Mr. Cleveland warned, "Italian industry will run down badly, soon after the first of the year."

Petroleum Imports

Petroleum is not financially as difficult a problem. Thanks to the recent decision to restart refining oil in Italy (as reported in *Economic Notes* No. 34 of 6 September), the petroleum products which have to be imported on Italian account between now and June, 1947, would amount to only about 25,000,000 dollars (£6,250,000 sterling).

Wheat, coal and petroleum alone will cost 250,000,000 dollars (£62,500,000 sterling) for purchases between now and April, 1947, to maintain the flow of these basic supplies through June, 1947. Of these funds roughly about 100,000,000 dollars (£25,000,000 sterling) will need to be available by the end of the year, if supplies are to be maintained.

"Considering Italy's relative lack of external assets, as a result of the war," Mr. Cleveland observed, "this critical transition problem becomes largely a question of where to find the money in time. To the extent that arrangements can be made for these vital commodities through private commercial credits or existing 'valuta' now in private hands, so much the better—since that will reduce the burden which the State has to carry with its own funds.

Combining State and Private Effort

"Italy's economy is now in a transition period, in which it is moving from a wartime economy to a peacetime economy. This transition period will be a difficult one, and will require the combined efforts of the Italian Government and people, UNRRA, and the United States Government. It will require, too, the combined efforts of private and State means. It will require the setting aside of any theoretical discussions on free trade versus government control. If, by whatever private and State means, this transition period is successfully navigated, UNRRA and the Italian Government and people will, together, have taken a long step in meeting those economic problems which face every Italian, regardless of party, in the present moment."

UNRRA COTTON PLANS

Plans are now well advanced for the distribution, partly free, and partly at a specially low sale price, of the UNRRA cotton goods to be manufactured in accordance with the 31,000-ton cotton program recently agreed upon by the Italian Government and the Italian Cotton Association. These 31,000 tons—together with a further 4,000 tons shipped on UNRRA account—have been imported by UNRRA free of charge to the Italian Government; and, as already announced in *Economic Notes* (issue No. 30 of 9 August), are to be manufactured into cotton textiles to meet the urgent needs of the low-income groups in the Italian home market.

Deliveries of finished cotton goods are due to begin this month, and will continue until June next year. Details of the distribution program were discussed in Rome this week at a meeting of the Italian Government agencies concerned, the Italian Government Delegation for Relations with UNRRA and the UNRRA Italy Mission. October deliveries of finished goods are expected to amount to 500,000 kilograms. Deliveries should increase to 1,500,000 kilograms next month and 2,000,000 kilograms in December. They should rise to a maximum of 4,000,000 kilograms per month in March and April.

One-Third Free

These figures represent the total monthly production of cotton goods from UNRRA-imported cotton—both for low price sale and for free distribution. While the entire plan provides for free distribution of one-third of the total output, and sale of the remainder to selected low-income groups—at low prices on a controlled allocation plan—this propor-

Declassified E.O. 12356 Section 3.3/NND No. 763501

will, therefore, force Italy to buy from the United States large quantities of coal that is costly, because it has to come from so far away.

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"Considering Italy's relative lack of external assets, as a result of the war," Mr. Cleveland observed, "this critical transition problem becomes largely a question of where to find the money in time. To the extent that arrangements can be made for these vital commodities through private commercial credits or existing 'valuta' now in private hands, so much the better—since that will reduce the burden which the State has to carry with its own funds.

Co-ordinating State and Private Effort

"To meet this problem, careful co-ordination between State and private effort will, of course, be required; and the need for this co-ordination is so important that it transcends

Government and people will, together, have taken a long step in meeting those economic problems which face every Italian, regardless of party, in the present moment."

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Declassified E.O. 12356 Section 3.3/NND No. 785021

not able to afford the ruling high prices of ordinary cotton goods.

The rate of free distribution will be governed partly by the rate at which those classes of goods—for instance, flannelette for babies' layettes—scheduled for free distribution, are delivered from the mills, and partly by the rate at which funds become available from sales, since the entire operation is being financed out of a revolving fund. This fund, created by a repayable loan from the Lire Fund, will be used continuously to pay the processing costs of successive deliveries of goods, whether destined for sale or free distribution, immediately they are produced by the factories.

The proposed total of this loan is 3,000 million lire, of which so far 1,650 million lire have been made available. The total costs of manufacture and distribution will be far in excess of 3,000 million lire. Thus, it is essential that controlled sales should progress step by step with free distribution, to maintain the principle of the revolving fund, and to ensure that adequate funds are always available to meet current manufacturing and distribution costs. The operation will be under the control of UNRRA-Tessili, the body set up by Government decree to handle this 31,000-ton cotton processing program.

Four Main Types of Material

Although the program calls for 10 different types of material, only four main types will be included in the early deliveries. These consist of sheeting, shirting material, light material for women's underwear and flannelette for babies. The first three classes of material will be available both for sale and for free distribution, but all the flannelette is required for free distribution under the health authorities' layette program.

A detailed allocation plan for the free distribution of 8,800 tons of cotton goods, which represents the approximate anticipated yield from 10,000 tons of raw cotton, has been prepared by the Italian Government and the UNRRA Italy Mission, after consultation with the various Ministries and agencies involved. This plan is to be regarded as a broad indication of the numbers to be assisted and the amount of clothing or cotton goods to be allocated to the Ministry of Post-War Assistance and the Ministry of Labour. This, it is estimated, will provide clothing for approximately 4,725,000 needy persons—men, women, boys and girls.

Allocation Program

Clothing will be allocated to 2,405,000 men on the scale of one pair of overalls, one shirt and two sets of underwear per man; and to 1,060,000 women on the scale of one house dress, one slip and two pairs of underwear per woman. Some 1,050,000 boys (aged 4-15) will each receive two shirts and two pair of underpants, and 210,000 girls (aged 4-15) a clothing outfit similar to that agreed upon for women.

The needy who are to receive this free distribution of clothing will be selected from among those who are at present being helped by established social agencies and institutions. In UNRRA's view, it is desirable that this distribution should be under the control of the provincial Welfare Committees that are already well established and have now had long administrative experience in connection with UNRRA welfare activities.

The High Commissioner for Hygiene and Public Health will, it is proposed, provide layettes for 300,000 babies, and, in addition, will distribute 252,000 sets of sheets, pillowcases and towels to hospitals, orphanages and lunatic asylums. Approximately 1,000,000 kilograms of cotton goods will be allocated to the Ministry of the Interior for the distribution of clothing and household cotton goods sufficient for 280,000 inmates in orphanages, schools for crippled children and homes for invalids and the aged.

Other Institutions Will Benefit

O.N.M.I. (Opera Nazionale per la Protezione della Maternità e dell'Infanzia) will distribute clothing and household cotton goods for 32,000 children in *asili* and residential institutions. The remainder of the cotton goods for free distribution will be allocated to the Ministry of Education for distribution to institutions caring for feeble-minded, and deaf and dumb children; and to the Ministry of Justice for distribution to training schools for delinquents and to prisons.

Plans are still under discussion for control-

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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A detailed allocation plan for the free distribution of 8,800 tons of cotton goods, which represents the approximate anticipated yield from 16,000 tons of raw cotton, has been prepared by the Italian Government and the UNRRA Italy Mission, after consultation with the various Ministries and agencies involved. This plan is to be regarded as a broad indication of the numbers to be assisted and the amount of clothing or cotton goods to be distributed to each individual or institution. The program is subject to minor change, as distribution proceeds.

About 5,280 tons of cotton goods totalling some 27,500,000 square metres have been approximately 1,725,000 needy persons—men, women, boys and girls.

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Plans are still under discussion for controlling the distribution of cotton goods that are

Continued on page 6

Declassified E.O. 12356 Sec. 3.3/NND No. 745021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(SEPTEMBER 23 - 29 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Arsia	Bagnoli	23 Sept	It. Program	Minerals	1,000
Paul David Jones (1)	Torre Annunziata	» »	UNRRA	Cereals	4,320
Pertusola	Genoa	25 »	It. Program	Minerals	2,131
A. Contarini	La Spezia	» »	» »	»	2,000
Carlo Zeno	Ancona	» »	» »	»	2,100
George Dewey (2)	Genoa	26 »	UNRRA	General	2,110
Fort Chesterfield	»	27 »	Commercial	» »	5,440
Frederick Banting	»	» »	»	Raw Cotton	4,122
Carrier Dove	»	» »	UNRRA & Comm'l.	General	7,800
Flora Nomicos	Venice	» »	It. Program.	Minerals	3,200
Alberto Giampaolo	Genoa	29 »	» »	»	—

NOTES: (1) Also discharged at Castellammare; (2) Also discharged at Naples.

LATEST COAL SHIPMENTS

(SEPTEMBER 22 - 28 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Harry Kirby	Genoa	22 September	United States	UNRRA	9,723
	Leghorn	27 »			
Foonan	Savona	23 »	United Kingdom	»	2,658
Edward J. Berwind	»	» »	United States	»	8,763
Orata	Venice	» »	Germany	»	11,181
James M. Gillis	Savona	24 »	Bahrein	It. Program	8,570
Fort Grouard	»	» »	Germany	UNRRA	9,355
Seaman A. Knapp (1)	Naples	» »	United States	»	4,436
John Trumbull	Venice	25 »	»	»	7,709
San Anthony (2)	Civitavecchia	» »	Germany	»	3,060
Samuel Livermore	La Spezia	26 »	United States	»	8,183
Ward Hunt	Genoa	27 »	»	»	7,888
Lou Gehrig (3)	Piombino	» »	»	»	4,463
Sidney Wright	Venice	» »	»	»	8,378
Joseph A. Brown	»	» »	»	»	8,400
George Sharswood	»	» »	»	»	8,163
Lurano	Genoa	28 »	»	»	7,828

Declassified E.O. 12356 Section 3.3/NND No. 785021

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SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
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Carlo Zeno	Ancona	» »	» »	»	2,100
George Dewey (2)	Genoa	26 »	UNRRA	General	2,110
Fort Chesterfield	»	27 »	Commercial	»	5,410
Frederick Banting	»	» »	»	Raw Cotton	4,122
Carrier Dove	»	» »	UNRRA & Comm'l.	General	7,800
Fiera Nomicon	Venice	» »	It. Program.	Minerals	3,200
Alberto Gianpaolo	Genoa	29 »	» »	»	—

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Ward Hunt	Genoa	27 »	»	»	7,888
Lou Gehrig (3)	Piombino	» »	»	»	4,463
Sidney Wright	Venice	» »	»	»	8,378
Joseph A. Brown	»	» »	»	»	8,400
George Sharswood	»	» »	»	»	8,163
Lugano	Genoa	28 »	»	»	7,828
Thomas Nelson	»	» »	»	»	9,020

NOTE: (1) Also discharged at Bagnoli; (2) Also discharged at Savona; (3) Also discharged at Civitavecchia.

Declassified E.O. 12356 Section 3.3/NND No. 785091

Continued from page 4.

UNRRA COTTON PLANS

to be on sale to low-income groups. In broad principle, it is UNRRA's view that these low-price goods should be allocated for sale to clearly defined population groups; and that there should be some form of ration card, indicating what each holder may buy and the period for which the card is valid.

UNRRA is, further, of the view that these low-price UNRRA goods should have some unobtrusive distinguishing mark (like the official mark on "utility" goods on sale in Great Britain) and that prices should be standardized throughout the country. While recommending that distribution should be through the normal trade channels, the Italy Mission considers that some limitation is desirable on the number of wholesalers and retailers handling these UNRRA goods. It is also the Mission's view that distribution, instead of being at all times dispersed in large numbers of small consignments throughout the country, should, in the first instance, be concentrated in the most populous centres and should then be extended region by region.

COMMODITY PRICES AGREED

Prices of UNRRA-imported basic slag and pig tin have been fixed as follows by the Joint Price Committee, in accordance with Article III (d) (iii) of the Supplementary Agreement of 19 January, 1946, between the Italian Government and the UNRRA Italy Mission.

Basic Slag:

11,600 Lire per ton net weight, sacks included, f.o.b. Consorzio warehouse.

Pig tin:

600 lire per kilogram ex-seller's warehouse. Price valid to 31 December, 1946. Limited to amount of tin used within the period.

"ECONOMIC SURVEY" SUPPLEMENT

The publication of Section 2 of the Supplement on Prices, Cost of Living and Wages has been delayed, so that the latest official data may be included. No supplement is, therefore, published in this week's issue of Economic Notes.

Declassified E.O. 12356 Section 3.3/NND No. 785091

September 27, 1946

Vol. 1, No. 37

ECONOMIC NOTES

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

CONTENTS

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

GRAIN AMASSING PROSPECTS

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

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

Substantial Improvement Expected

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

In view of the grave shortage of rice in the Far East, the UNRRA Italy Mission has proposed to the Italian Government that Italy

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

2,000,000 Tons of Corn

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

No amassing goal for corn has yet been fixed. In view of the retentions legally permitted for hog feeding, and owing to the increase in hog numbers, relatively only a small proportion is available for amassing. In 1942, when amassing was exceptionally effective, only 23 per cent of the 2,409,000 ton crop was amassed. Amassing (with a bad crop) fell to less than 15 per cent. in 1943, rose under the influence of a better crop in 1944, and last year, when the total crop was only 1,400,000 tons (less than half the pre-war average), fell to 5.8 per cent.

Barley Better than Pre-War

This year's barley crop, estimated at

Declassified E.O. 12356 Section 3.3/NND No. 745021

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

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Barley Better than Pre-War

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

7246 158

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

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

ITALY TO PRODUCE MARGARINE

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

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

7,000 Tons Will Be Manufactured

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

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

Oil-Cake and Soap

In addition to an output of 7,000 tons of margarine, processing of this copra will provide a number of valuable by-products. Chief of these will be 1,000 tons of oil-cake for cattle and 700 tons of oleine, for the manufacture of soap. This oleine will be used to make pharmaceutical soap and baby soap. Distribution of the oil-cake will be under the control of the Ministry of Agriculture. The soap will be distributed by the Ministry of Industry and Commerce, in consultation with the High Commissariat for Public Health and Hygiene.

SUPPLY CONFERENCE IN WASHINGTON

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

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

UNRRA Shipments in September

Declassified E.O. 12356 Section 3.3/NND No. 763 003 91

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Copra will be allocated to the processing firms through SNAG (Societa Nazionale Approvvigionamenti Grassi - National Association for Oils and Fats) in agreement with the

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UNRRA Shipments in September

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

Declassified E.O. 12356 Section 3.3/NND No. 763021

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

PART ONE - EMPLOYMENT AND LABOR PROBLEMS

EMPLOYMENT

Full Employment Problem.

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

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

TABLE I

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

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

Source: Italian Official Census.

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

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

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

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

Declassified E.O. 12356 Sec. 3.3/NND No. 785031

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

Declassified E.O. 12356 Sec. 3.3/NND No. 785031

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

Employment Statistics.

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

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

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

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

February	108.4
March	107.3
April	109.9
May	112.5

Some Aspects of Labor Conditions.

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

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

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

Activities of the Trade Unions.

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

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

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

The Government Program.

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

Declassified E.O. 12356 Section 3.3/NND No. 735 021

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Commerce	189,100
Transport and communications . .	528,774
Banking and insurance	99,511
Others	1,707,014
TOTAL . . .	9,187,512

The present unemployed are estimated at 2.3 million (see para. 26). Employment has probably fallen by about one-fifth as compared with pre-war.

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

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

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(e) adjustment of wages to cost of living (and in particular the introduction of a wage sliding scale).

The Government Program.

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

Declassified E.O. 12356 Section 3.3/NND No. 763021

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

Present Tasks of the Ministry of Labor.

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

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

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

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

UNEMPLOYMENT

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

(1) Before the war there was the Istituto Nazionale Addestramento e Perfezionamento dei Lavoratori Industria (INAPLI - [illegible] and for perfecting the skills of

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

	Number of persons unemployed
1945	—
September	1,256,847
December	1,324,763
1946	
January	1,428,101
February	1,197,924
March	1,334,596
April	1,467,678
May	1,546,100
June	1,531,402
July	1,683,077
August	1,769,765

21. The significance of these figures can be appreciated when compared with the total of 1,018,953 unemployed registered in 1933, i.e. at the lowest point of the depression of the early Thirties. The decrease in February, 1946, is due to the failure of many unemployed to register at the unemployment offices during a special census held in that month.

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

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

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

24. There are in 1946 many more unemployed than before the war because many persons who did not then seek employment (housewives—especially of the middle and lower income groups—students) are now, as a

Declassified E.O. 12356 Section 3.3/NND No. 720527

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

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

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

UNEMPLOYMENT

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

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

September	1,256,847
December	1,324,763
1946	
January	1,428,101
February	1,197,924
March	1,334,596
April	1,467,678
May	1,546,100
June	1,531,402
July	1,683,077
August	1,769,765

21. The significance of these figures can be appreciated when compared with the total of 1,018,953 unemployed registered in 1933, i.e. at the lowest point of the depression of the early Thirties. The decrease in February, 1946, is due to the failure of many unemployed to register at the unemployment offices during a special census held in that month.

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 759021

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

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

(b) the coal shortage in May and June.

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

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

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

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

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

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

About one third of those receiving unemployment

Unemployment by Occupation and by Regions.

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

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

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

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

TABLE 2

Unemployment by Regions in Italy: June 1946

Regions (2)	Per cent of total unemployment
Piedmont	5.8
Liguria	4.8
Lombardy	20.5
Venezia Tridentina	1.1
Veneto	14.1
Emilia	10.2
NORTHERN ITALY	56.5
Tuscany	8.0
Marche	2.3
Umbria	0.8
Lazio	2.9
CENTRAL ITALY	14.1
Abruzzi and Molise	2.5
Campania	8.3
Puglie	4.7
Lucania	0.6
Calabria	3.4
SOUTHERN ITALY	21.5
Sicily	5.8
Sardinia	1.7
ITALIAN ISLANDS	7.5
Total	100.0

Declassified E.O. 12356 Section 3.3/NND No. 785001

Minister of Post-War Assistance estimated at 600,000 the number of unemployed and needy war veterans);

(b) the coal shortage in May and June.

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

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

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

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

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

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

About one third of those receiving unemployment benefit are women.

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

of the unemployed is from industry, 14.2 % from agriculture, 8.1 % from commerce and 18.6 % from other activities. Assuming the same proportions for 2.5 million unemployed, approximately 1.43 million persons are unemployed in industry. This is equal to 42 % of the 3.5 million persons employed in industry in 1938.

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

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

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

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Unemployment by Regions in Italy: June 1946

Regions (2)	Per cent of total unemployment
Piedmont	5.8
Liguria	4.8
Lombardy	20.3
Venezia Tridentina	1.1
Veneto	11.1
Emilia	10.2
NORTHERN ITALY	53.3
Tuscany	8.0
Marche	2.2
Umbria	0.9
Lazio	3.9
CENTRAL ITALY	15.0
Abruzzi and Molise	3.5
Campania	8.2
Puglie	4.7
Lucania	0.6
Calabria	2.4
SOUTHERN ITALY	19.5
Sicily	5.8
Sardinia	1.3
ITALIAN ISLANDS	7.1
TOTAL	100.0

Source: Italian Ministry of Labor.

(2) Venezia Giulia excluded.

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 8

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

Regions	December 1945	January 1946	February 1946	March 1946	April 1946	May (1) 1946	June (1) 1946
	Number of unemployed						
Piedmont	48,705	60,784	65,664	70,242	75,709	85,805	88,181
Liguria	62,513	65,062	48,804	51,291	60,928	67,814	72,974
Lombardy	177,027	228,847	221,103	270,527	288,129	302,603	309,988
Venezia Tridentina	8,147	8,768	10,110	11,187	13,017	14,925	16,003
Veneto	171,080	182,615	184,207	198,180	210,929	219,616	246,387
Emilia	175,445	172,195	173,292	198,671	187,179	213,992	156,886
NORTHERN ITALY	*642,180*	*719,268*	*698,371*	*800,098*	*835,941*	*904,755*	*861,419*
Tuscany	115,695	128,049	97,768	109,695	116,947	118,731	122,691
Marche	34,159	36,537	34,057	34,975	37,051	35,836	34,988
Umbria	13,852	14,260	9,198	11,776	12,855	12,975	13,212
Lazio	42,491	47,769	25,428	32,028	43,824	50,392	59,454
CENTRAL ITALY	*206,697*	*226,615*	*166,451*	*188,474*	*209,777*	*218,134*	*230,345*
Abruzzi and Molise	42,478	47,093	40,665	46,465	52,573	54,058	58,696
Campania	150,191	142,046	68,439	103,714	96,060	109,462	142,910
Puglie	90,060	90,016	36,268	89,063	88,911	76,720	72,406
Lucania	13,635	15,793	16,072	14,771	13,203	14,455	8,715
Calabria	41,408	41,760	36,022	53,879	53,243	50,155	52,104
SOUTHERN ITALY	*337,772*	*337,148*	*197,466*	*307,922*	*304,021*	*305,750*	*329,831*
Sicily	108,935	113,288	92,137	10,135	87,304	90,629	89,407
Sardinia	29,879	31,182	23,489	27,967	30,672	28,792	20,200
ITALIAN ISLANDS	*138,814*	*144,470*	*115,626*	*38,102*	*117,976*	*119,421*	*109,607*
TOTAL	1,324,763	1,428,301	1,197,924	1,334,596	1,467,678	1,546,100	1,531,402
INDEX	100	107.8	90.4	100.7	110.8	116.7	115.5

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

Partial Unemployment and Ban on Dismissal.

35. Over and above the unemployed there is in most regions a considerable number of partially employed persons. These are outside the purview of the employment offices. A special agreement made in Milan in July 1945, and extended to the whole of Northern Italy, provided that workers should receive a proportion of their wages even when not working or working less to 75 % of their pay (including family allowances) for the balance of the working week up to 48 hours. Thus, a large part of the industrial workers in Northern Italy working less than a full week was in receipt of "make-up" pay to 48 hours per week, paid partly by the employer and partly by the State from a fund for workers employed part-time.

36. Under a decree issued on 21 August, 1945, No. 523

Declassified E.O. 12356 Section 3.3/NND No. 785021

Regions	1945	1946	1946	1948	1948	1916	1946
	Number of unemployed						
Piedmont	48,705	60,581	65,664	70,242	75,709	85,805	88,481
Liguria	62,547	65,062	47,091	51,291	60,028	67,814	72,974
Lombardy	177,629	228,847	221,458	230,527	288,129	302,603	309,588
Venezia Tridentina	6,147	8,788	10,110	11,187	13,017	14,025	16,903
Veneto	171,983	182,615	184,257	198,180	210,929	219,016	216,387
Emilia	175,445	173,193	173,902	198,643	187,139	213,693	156,886
NORTHERN ITALY	*642,480*	*719,088*	*688,321*	*860,068*	*835,941*	*903,766*	*861,719*
Tuscany	115,695	128,049	97,188	109,695	116,047	118,781	122,691
Marche	31,159	36,737	34,057	34,975	37,051	35,836	34,988
Umbria	13,352	14,360	9,198	11,776	12,855	12,973	13,212
Lazio	42,191	47,769	25,408	32,628	43,824	50,592	59,454
CENTRAL ITALY	*203,397*	*226,915*	*166,361*	*188,374*	*209,777*	*218,132*	*230,345*
Abruzzi and Molise	42,178	47,099	40,865	46,465	52,573	54,058	53,696
Campania	150,191	143,046	88,459	103,711	98,060	109,402	142,910
Puglie	90,960	90,016	56,268	89,093	88,911	76,720	72,406
Lucania	13,653	15,793	16,052	14,771	13,257	14,455	8,715
Calabria	41,408	41,360	36,622	38,879	39,243	30,155	32,104
SOUTHERN ITALY	*337,772*	*337,148*	*237,356*	*307,923*	*291,024*	*304,790*	*329,831*
Sicily	108,935	116,288	92,187	16,135	87,504	93,629	89,407
Sardinia	29,879	31,182	23,489	27,967	30,632	28,792	20,200
ITALIAN ISLANDS	*138,814*	*147,470*	*115,676*	*58,102*	*117,136*	*122,421*	*109,607*
Total	1,324,763	1,428,101	1,197,924	1,334,500	1,403,678	1,546,109	1,531,102
Index	100	107.8	90.4	100.7	110.8	116.7	115.5

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

Partial Unemployment and Ban on Dismissal.

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 4

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

Regions	December 1945 %	January 1946 %	February 1946 %	March 1946 %	April 1946 %	May 1946 %	June 1946 %
Piedmont	3.7	4.5	5.5	5.3	5.2	5.5	5.8
Liguria	4.7	4.6	3.6	3.8	4.2	4.1	4.8
Lombardy	13.1	16.0	18.5	20.3	19.6	19.6	20.2
Venezia Tridentina	0.5	0.6	0.8	0.8	0.9	1.0	1.1
Veneto	13.0	12.8	15.4	14.9	14.1	14.2	14.1
Emilia	10.2	12.1	14.5	14.9	12.7	13.8	10.3
NORTHERN ITALY	*45.5*	*60.4*	*58.5*	*60.0*	*57.0*	*58.3*	*56.3*
Tuscany	8.7	9.0	8.2	8.2	7.9	7.7	8.0
Marche	2.0	2.6	2.8	2.6	2.5	2.6	2.3
Umbria	1.0	1.0	0.8	0.9	0.9	0.8	0.8
Lazio	3.2	3.3	2.1	2.4	2.0	3.3	3.9
CENTRAL ITALY	*15.5*	*15.9*	*15.9*	*14.1*	*14.3*	*14.4*	*15.0*
Abruzzi and Molise	3.2	3.3	3.1	3.5	3.6	3.5	3.5
Campania	11.1	10.0	5.7	7.8	6.5	7.1	9.3
Puglie	6.8	6.2	4.3	6.7	6.1	5.0	4.7
Lucania	1.0	1.1	1.4	1.1	0.9	0.9	0.6
Calabria	3.1	2.9	3.0	1.6	3.6	3.2	3.4
SOUTHERN ITALY	*25.5*	*23.6*	*18.5*	*23.1*	*20.7*	*19.7*	*21.5*
Sicily	8.2	7.0	7.7	6.7	5.9	5.8	5.9
Sardinia	2.3	2.2	1.9	2.1	2.1	1.9	1.3
ITALIAN ISLANDS	*10.5*	*10.1*	*9.6*	*8.8*	*8.0*	*7.7*	*7.2*
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

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

38. On 19 January 1946 an agreement was reached authorizing dismissal of workers employed ("Sblocco

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

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

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

40. A draft decree approved on 23 May 1946 by the Government postponed block dismissals until the end of July 1946. The postponement was subsequently ex-

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	%	%	%	%	%	%	%
Piedmont	3.7	4.3	5.5	5.3	5.2	5.5	5.8
Liguria	4.1	4.6	3.6	3.8	4.2	4.4	4.8
Lombardy	18.4	16.9	18.5	20.3	19.4	19.6	20.2
Venezia Tridentina	0.5	0.6	0.8	0.8	0.9	1.0	1.1
Veneto	13.0	12.8	13.4	14.9	14.4	11.2	14.1
Emilia	13.2	12.1	11.5	11.9	12.7	13.8	10.3
NORTHERN ITALY	*53.5*	*50.4*	*53.3*	*60.0*	*57.0*	*55.5*	*56.3*
Tuscany	8.1	9.0	8.2	8.2	7.9	7.7	8.0
Marche	2.9	2.6	2.8	2.6	2.5	2.8	2.3
Umbria	1.0	1.0	0.8	0.9	0.9	0.8	0.8
Lazio	3.2	3.3	2.1	2.4	3.0	3.3	3.9
CENTRAL ITALY	*15.5*	*15.9*	*13.9*	*14.1*	*14.3*	*14.4*	*15.0*
Abruzzi and Molise	3.2	3.3	3.4	3.5	3.6	3.5	3.5
Campania	11.4	10.0	5.7	7.8	6.3	7.1	9.3
Puglie	6.8	6.3	4.3	6.7	6.1	5.0	4.7
Lucania	1.0	1.1	1.4	1.1	0.9	0.9	0.6
Calabria	3.1	2.9	3.0	4.0	3.5	3.2	3.4
SOUTHERN ITALY	*25.5*	*23.6*	*18.3*	*23.1*	*20.2*	*19.7*	*21.5*
Sicily	8.2	7.9	7.7	0.7	5.9	5.8	5.9
Sardinia	2.3	2.2	1.9	2.1	2.1	1.9	1.3
ITALIAN ISLANDS	*10.5*	*10.1*	*9.6*	*2.8*	*8.0*	*7.7*	*7.2*
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

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

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

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

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

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

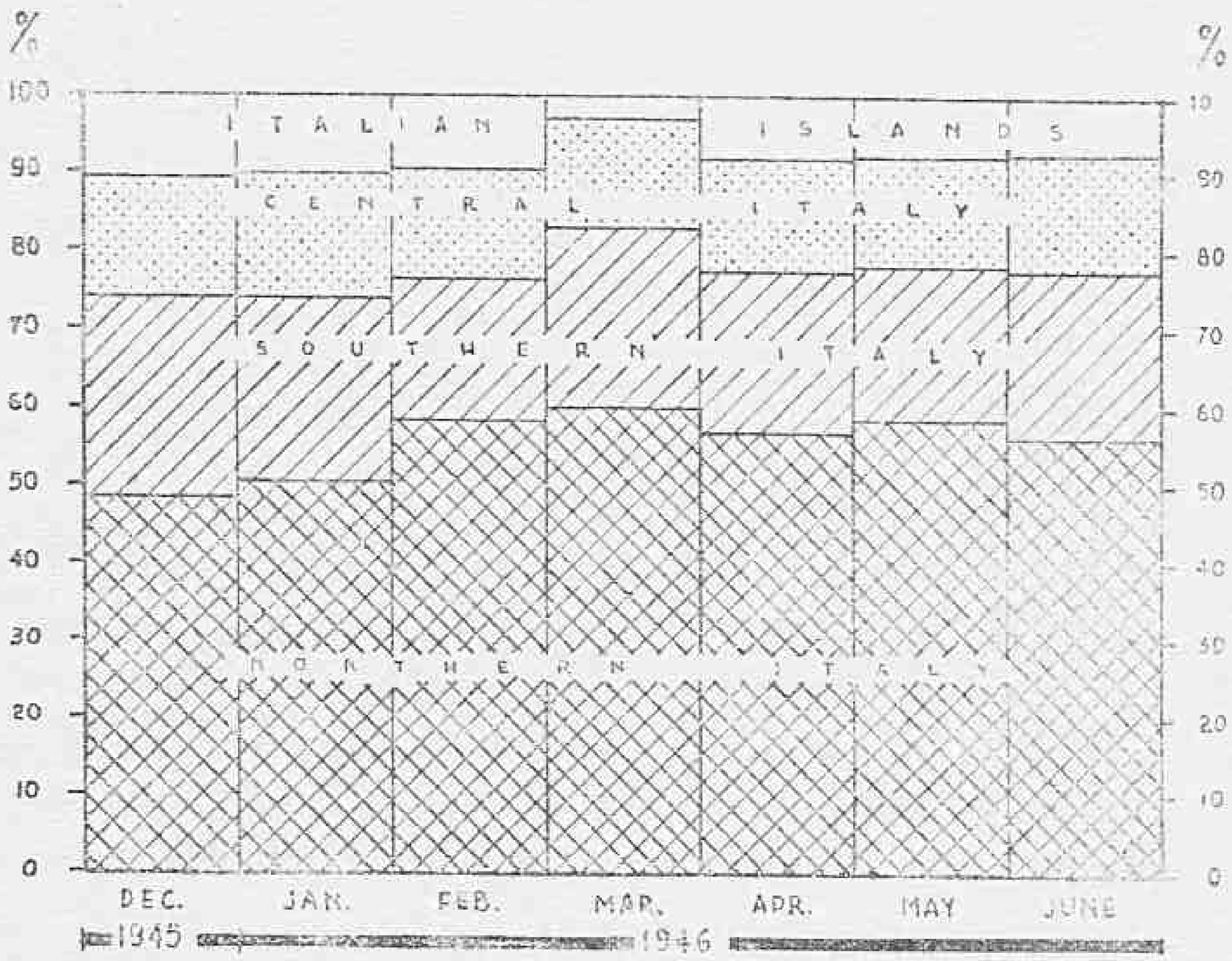
39. This step was only partially carried into effect, and in several industries the established rates of dismissals were alleged to be too low to stop the excessive drain for wages to unnecessary workers.

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 5

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



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

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

42. The Integration Fund from which partially unemployed workers are paid (see Table 18), during the first quarter of 1946, paid out about 1,900 million lire at a monthly rate of about 650 million lire. On the

to be reliable enough, having in mind that in February 1946 there were in Lombardy 270,000 workers who were entitled to part-time benefits. Of these workers, 59,990 were temporarily discharged and 51,000 worked less than 20 hours per week.

Measures Taken to Relieve Unemployment.

43. Unemployment presents a problem found in many modern industrialised countries. In the United States it reached a peak between the two wars of 12 million persons. In Great Britain unemployment was proportionately as severe. In some European countries plan-

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

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

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

Measures Taken to Relieve Unemployment.

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

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Declassified E.O. 12356 Section 3.3/NND No. 785021

Italian Unemployment by Region and by Occupation

TABLE 6

May and June 1946

Regions	Agriculture		Industry		Commerce		Miscellaneous		Total	
	Number of unemployed									
	May	June	May	June	May	June	May	June	May	June
Piedmont	1,471	952	35,944	47,345	1,479	1,732	33,908	35,408	85,805	88,181
Liguria	922	1,004	20,157	22,421	6,217	6,741	20,488	20,728	47,814	52,974
Lombardy	11,226	11,295	215,345	229,874	21,949	24,626	50,873	52,955	302,693	330,088
Veneto	819	1,191	7,221	7,932	2,018	2,282	4,867	5,478	14,925	16,903
Venezia Tridentina	18,402	14,957	167,811	167,812	13,717	13,823	19,028	20,293	219,016	216,887
Emilia	116,230	62,893	78,964	75,318	7,791	7,450	10,578	11,519	213,563	156,889
NORTHERN ITALY	149,170	92,292	525,442	551,702	53,171	56,654	139,742	158,389	868,526	861,037
Tuscany	4,344	4,288	68,688	70,630	15,856	17,213	29,843	30,574	118,731	122,691
Marche	4,329	3,801	26,927	25,534	1,541	1,869	3,039	1,084	35,836	31,088
Umbria	1,088	980	10,578	10,294	41	400	1,266	1,538	12,973	13,212
Lazio	6,549	7,451	31,016	26,441	11,433	13,854	1,594	1,702	50,592	59,454
CENTRAL ITALY	16,310	16,184	136,209	132,905	28,871	33,336	35,642	37,918	218,732	220,345
Abruzzi and Molise	12,883	13,729	34,243	34,765	1,379	1,703	3,681	3,708	54,058	53,696
Campania	21,582	20,763	54,201	71,680	5,559	7,648	48,657	62,810	109,402	142,810
Puglie	36,441	32,943	33,296	32,904	3,055	2,869	3,928	3,720	76,720	72,436
Lucania	9,431	1,254	4,150	3,525	184	197	718	741	14,483	8,715
Calabria	15,509	15,687	28,343	29,862	2,240	2,163	3,893	4,391	50,155	52,101
SOUTHERN ITALY	96,826	87,376	154,233	172,736	12,417	14,578	60,877	75,370	304,790	329,831
Sicily	16,062	13,982	48,807	48,331	16,104	14,473	9,647	12,215	90,620	89,407
Sardinia	14,137	6,184	11,449	10,593	2,503	2,450	903	973	28,790	20,200
ITALIAN ISLANDS	30,229	20,166	60,256	58,924	18,607	16,923	10,550	13,188	119,412	109,607
TOTAL	295,538	215,119	877,288	906,709	116,123	121,618	257,171	284,865	1,546,100	1,521,402

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

(a) undertaking of public works;

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

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

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

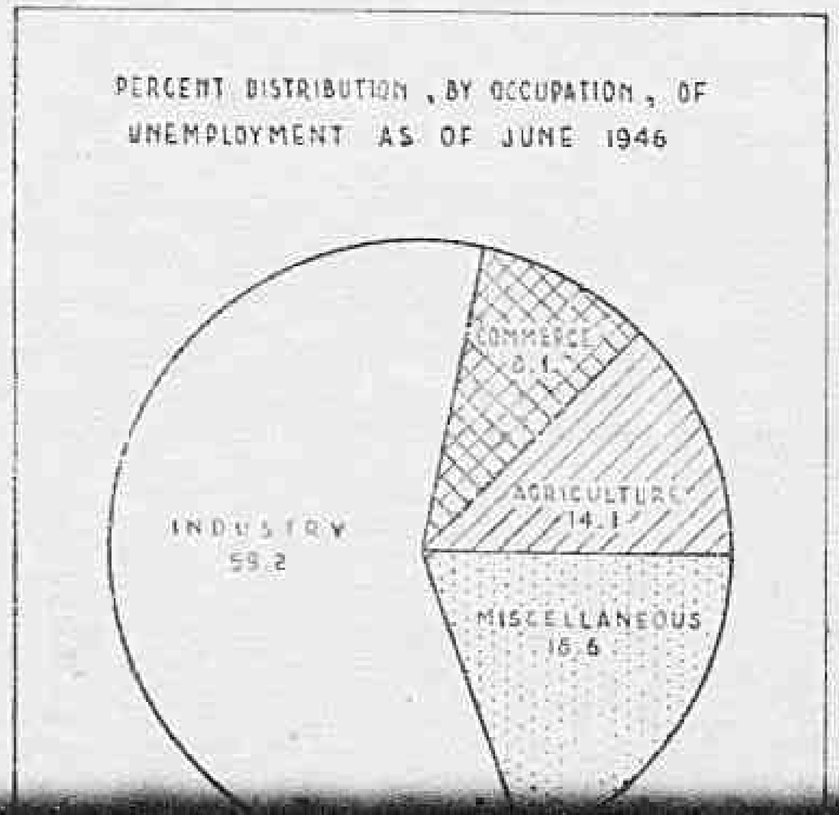
(e) loans made for the rehabilitation of industry and agriculture and for reconstruction work;

(f) land distribution to agricultural workers.

Public Works.

44. As regards para 43 (a), the public works in 1946 consist mainly of repair to war damage. During the

TABLE 7
(See para. 31)



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Declassified E.O. 12356 Section 3.3/NND No. 785021

Region	Number of unemployed									
	May	June	May	June	May	June	May	June	May	June
Piedmont	1,474	952	15,941	17,015	1,479	1,722	33,908	35,468	86,805	88,181
Liguria	932	1,004	58,457	72,921	6,247	6,771	70,188	80,778	67,814	72,974
Lombardy	11,276	11,205	215,345	220,874	21,919	24,926	50,873	52,953	302,693	309,988
Veneto	810	1,101	7,221	7,952	2,018	2,282	4,867	5,418	14,925	16,903
Venezia Tridentina	18,492	14,557	167,811	167,812	13,777	13,925	19,623	20,292	219,613	216,587
Emilia	116,240	82,603	73,864	53,518	7,181	7,150	10,578	11,519	240,863	156,890
NORTHERN ITALY	*152,152*	*91,422*	*539,643*	*551,992*	*50,631*	*59,776*	*139,737*	*158,429*	*933,766*	*861,643*
Tuscany	4,214	4,280	68,683	70,893	15,826	17,215	29,843	30,574	118,731	122,601
Marche	4,829	3,501	26,027	25,504	1,541	1,846	3,859	4,084	35,858	34,988
Umbria	1,088	980	10,578	10,293	41	401	1,296	1,538	12,973	13,212
Lazio	6,319	7,451	31,016	36,511	11,473	13,854	1,594	1,762	50,592	59,154
CENTRAL ITALY	*16,410*	*16,184*	*136,304*	*143,201*	*28,871*	*33,316*	*36,542*	*37,958*	*218,153*	*229,955*
Abruzzi and Molise	13,889	13,720	34,915	31,565	1,579	1,766	3,681	3,708	54,058	53,696
Campania	21,582	20,762	84,294	51,489	5,559	7,648	18,957	62,810	109,402	142,910
Puglie	36,441	32,913	89,296	92,934	3,955	2,889	3,928	3,720	76,720	72,456
Lucania	9,411	1,251	1,150	3,525	181	195	713	741	14,155	8,715
Calabria	15,589	15,887	28,510	29,862	2,240	2,163	3,593	4,591	50,155	52,104
SOUTHERN ITALY	*96,826*	*87,257*	*158,078*	*153,540*	*13,514*	*14,578*	*30,372*	*75,570*	*304,790*	*329,881*
Sicily	16,992	16,982	48,892	48,734	16,104	14,476	9,617	12,215	90,920	89,407
Sardinia	14,177	6,484	11,119	10,283	2,859	2,450	993	973	28,790	20,200
ITALIAN ISLANDS	*31,229*	*23,466*	*60,026*	*59,017*	*18,963*	*16,926*	*10,520*	*13,188*	*119,712*	*109,607*
TOTAL	295,538	215,419	837,988	906,703	116,123	124,618	237,171	284,965	1,576,100	1,531,402

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

(a) undertaking of public works;

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

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

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

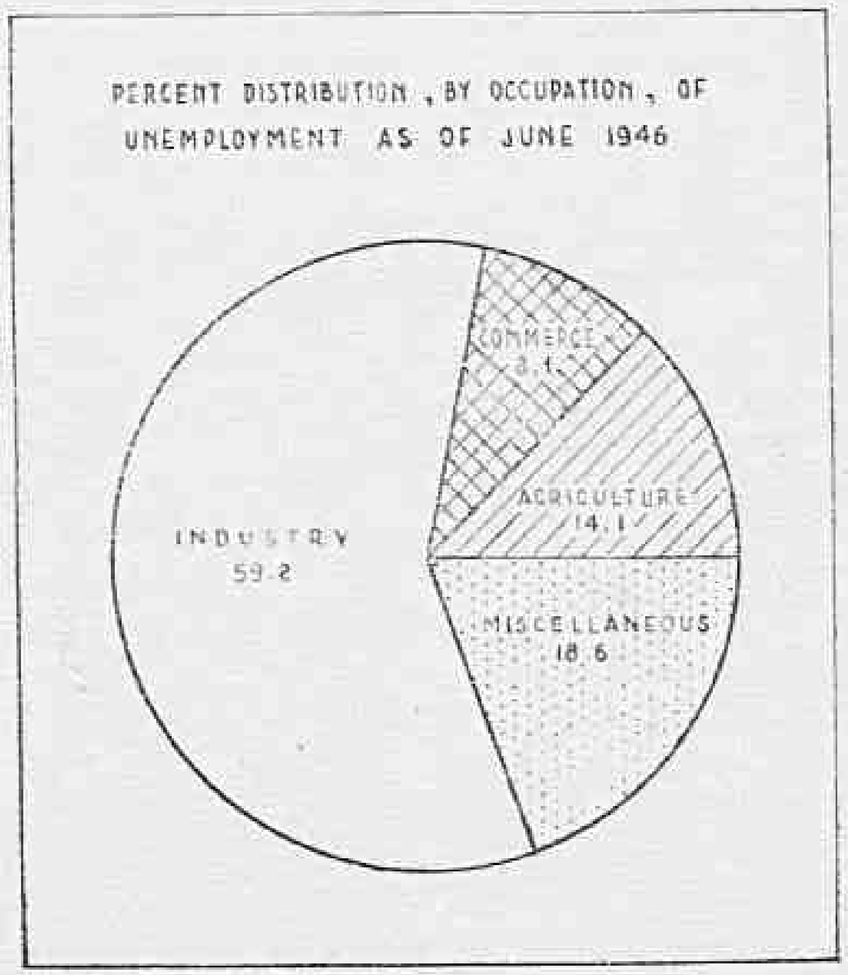
(e) loans made for the rehabilitation of industry and agriculture and for reconstruction work;

(f) land distribution to agricultural workers.

Public Works.

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

TABLE 7
(See para 31)



Declassified E.O. 12356 Section 3.3/NND No. 765021

TABLE 8

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

Regions	Agriculture	Industry	Commerce	Miscellaneous	Total
Piedmont	1.1	53.5	5.3	40.1	100.0
Liguria	1.4	44.4	9.3	44.9	100.0
Lombardy	3.6	71.8	8.0	17.1	100.0
Venezia Tridentina	7.1	47.0	13.5	32.4	100.0
Veneto	6.6	77.6	6.4	9.4	100.0
Emilia	40.0	48.1	4.6	7.3	100.0
NORTHERN ITALY	*10.6*	*64.1*	*6.9*	*18.4*	*100.0*
Tuscany	3.5	57.6	14.0	24.9	100.0
Marche	10.0	73.0	5.3	11.7	100.0
Umbria	7.3	77.9	3.0	11.8	100.0
Lazio	12.3	61.3	23.3	2.9	100.0
CENTRAL ITALY	*7.0*	*62.0*	*14.5*	*16.5*	*100.0*
Abruzzi and Molise	25.5	64.4	3.2	6.9	100.0
Campania	14.4	36.2	5.4	44.0	100.0
Puglie	45.5	45.4	4.0	5.1	100.0
Lucania	48.8	40.5	2.2	8.5	100.0
Calabria	30.1	57.3	4.2	8.4	100.0
SOUTHERN ITALY	*26.5*	*46.2*	*5.1*	*22.2*	*100.0*
Sicily	15.6	54.5	16.2	13.7	100.0
Sardinia	30.6	52.5	12.1	4.8	100.0
ITALIAN ISLANDS	*18.4*	*54.1*	*15.8*	*12.0*	*100.0*
TOTAL	11.1	59.2	8.1	18.6	100.0

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

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

Relief to the Unemployed and War Veterans.

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

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

There are in addition other occasional special allowances.

Subsidies and Credits to Industry.

47. From November 1944 to June 1946 (Decree of November 1944 No. 367, June 1945 No. 313, April 1946

Declassified E.O. 12356 Section 3.3/NND No. 785021

Piedmont	1.1	38.5	3.3	40.1	100.0
Liguria	1.1	44.4	0.3	44.9	100.0
Lombardy	3.6	71.3	8.0	17.1	100.0
Venezia Tridentina	7.1	47.0	13.5	32.4	100.0
Veneto	6.6	77.6	6.4	9.4	100.0
Emilia	40.0	48.1	4.6	7.3	100.0
NORTHERN ITALY	*10.6*	*64.1*	*6.9*	*18.4*	*100.0*
Tuscany	3.5	57.6	14.0	24.9	100.0
Marche	10.0	73.0	5.3	11.7	100.0
Umbria	7.3	77.9	3.0	11.8	100.0
Lazio	12.5	61.3	23.3	2.9	100.0
CENTRAL ITALY	*7.0*	*62.0*	*14.5*	*16.5*	*100.0*
Abruzzi and Molise	25.5	64.4	3.2	6.9	100.0
Campania	14.4	36.2	5.1	44.3	100.0
Puglie	45.5	45.4	4.0	5.1	100.0
Lucania	48.8	40.5	2.2	8.5	100.0
Calabria	30.1	57.3	4.2	8.4	100.0
SOUTHERN ITALY	*26.5*	*46.2*	*4.1*	*23.2*	*100.0*
Sicily	15.6	54.5	16.2	13.7	100.0
Sardinia	20.6	52.5	12.1	4.8	100.0
ITALIAN ISLANDS	*18.1*	*54.1*	*15.6*	*12.0*	*100.0*
TOTAL	14.1	59.2	8.1	18.6	100.0

year 1945-46. Employment on the projects carried out by that Ministry during 1945, was given to 75,817 workers. During the months of April, May and June 1946 respectively, 168,000, 164,000 and 166,000 laborers were employed on public works.

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

Relief to the Unemployed and War Veterans.

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

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

There are in addition other occasional special allowances.

Subsidies and Credits to Industry.

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 9

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

Regions	Agriculture	Industry	Commerce	Miscellaneous	Total
	%	%	%	%	%
Piedmont	6.4	5.2	3.9	12.5	5.8
Liguria	0.5	3.6	3.4	11.5	4.8
Lombardy	3.2	21.4	20.0	18.6	20.3
Venezia Tridentina	0.6	0.9	1.8	1.9	1.1
Veneto	8.3	18.5	11.2	7.1	11.1
Emilia	29.1	8.7	5.7	4.0	10.2
NORTHERN ITALY	48.3	62.9	46.0	55.6	53.1
Tuscany	2.0	7.8	18.5	10.7	8.0
Marche	1.6	2.8	1.5	1.4	2.5
Umbria	0.4	1.1	0.8	0.6	0.9
Lazio	3.3	4.0	11.1	0.6	3.9
CENTRAL ITALY	7.3	15.7	29.7	13.3	15.4
Abruzzi and Molise	6.4	3.8	1.4	1.3	3.5
Campania	9.8	5.7	8.1	22.0	9.8
Puglie	15.5	3.6	2.3	1.3	4.7
Lucania	2.0	0.4	0.2	0.3	0.6
Calabria	5.8	2.8	1.7	1.8	3.1
SOUTHERN ITALY	39.4	16.8	13.7	26.7	21.5
Sicily	6.5	3.1	11.8	4.3	5.8
Sardinia	2.9	1.2	2.0	0.3	1.7
ITALIAN ISLANDS	9.4	4.3	13.8	4.6	7.5
Total	100.0	100.0	100.0	100.0	100.0

48. About 200 firms have so far benefited from these loans. Legislative decree (1) No. 449 of 8 May 1945 provided a general rule for the granting of credits to industries (before that date every case was examined individually). The law-decree of 8 May 1945 provided that loans for the rehabilitation or reconversion of industries of a general character or of a special economic and social utility, must be granted through the Istituto Mobiliare Italiano (I.M.I. - Italian Institute for long-term loans). The I.M.I. can grant loans to those industries not contemplated in previous legislation (see Decree No. 376 of November 1944 and later Decrees referred to in para. 37). I.M.I. is empowered to grant loans up to a total of 8,000 million lire.

Distribution of Land to Agricultural Workers.

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

Regions	Agriculture	Industry	Commerce	Miscellaneous	Total
	%	%	%	%	%
Piedmont	6.4	5.2	3.9	12.5	5.8
Liguria	0.5	3.8	5.4	11.5	4.8
Lombardy	5.2	24.4	20.0	18.6	20.5
Venezia Tridentina	0.6	0.9	1.8	1.9	1.1
Veneto	6.2	18.3	11.2	7.1	14.1
Emilia	29.1	8.2	5.7	4.9	10.2
NORTHERN ITALY	12.5	60.8	18.0	57.0	56.5
Tuscany	2.0	2.8	13.8	10.7	8.0
Marche	1.6	2.8	1.5	1.4	2.2
Umbria	0.4	1.1	0.8	0.6	0.9
Lazio	3.5	4.0	11.1	6.6	5.9
CENTRAL ITALY	7.5	10.7	26.7	19.3	15.1
Abruzzi and Molise	6.4	3.8	1.1	1.3	3.5
Campania	9.6	5.7	6.1	12.0	9.3
Puglie	15.3	3.6	2.8	1.3	4.7
Lucania	2.0	0.4	0.2	0.3	0.6
Calabria	7.3	3.3	1.7	1.6	3.4
SOUTHERN ITALY	40.6	16.8	11.9	16.5	21.5
Sicily	6.5	5.4	13.6	4.3	5.8
Sardinia	2.0	1.2	2.0	0.3	1.0
ITALIAN ISLANDS	8.5	6.6	15.6	4.6	7.1
TOTAL	100.0	100.0	100.0	100.0	100.0

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

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

Distribution of Land to Agricultural Workers.

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

016 9
Declassified E.O. 12356 Section 3.3/NND No. 785021

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

The Effect of UNRRA Operations on Employment in Italy.

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

51. Free food is given every day to about 2 million persons, i.e., children not over 15, expectant and nursing mothers. On 15 August 1946 UNRRA had distributed to Italians 3,935,373 clothing items and 792,148 pairs of shoes. By a law of 20 May 1946 it was provided that the works contemplated in the relief and recon-truction plans worked out jointly between the Italian Government and UNRRA were to be considered not only of a public utility character in their legal aspects but also as urgent and not to be postponed. One instance of the value of this cooperation may be seen in the additional labor given as a result of the allocation of the Lira Fund (2) to reconstructive work, to its influence in limiting inflation and thus of giving more buoyancy to the country's economy.

Emigration.

52. In normal times, emigration has acted as a safety valve in reducing unemployment in overcrowded Italy. Even in normal times, when economic efficiency was at its peak, industrial agricultural and commercial activities could not absorb the natural population growth of working age (equal to 400,000 persons per year) or even the young workers, who represent a valuable asset at home. America no longer provides Italy with the relief from economic pressure as was formerly the case. In the XIX century America afforded a ready outlet for Italian surplus labor which contributed much to the industrial and transportation development of the U.S. In the XX century however unemployment and fear by American labor of a reduction in living standards had caused restrictive measures to be taken. Italy's emigration from 1891 to 1940 is shown in the following table. The period of highest emigration was from 1901 to 1913. 1913 was the peak year—872,000 emigrants, 377,000 of whom went to U.S. After 1913 there was a sharp fall in emigration, particularly to overseas countries. This was the result of (a) fascist policy (which was strongly opposed to emigration), and (b) to the U.S. quota on immigration. From 1921 onwards emigration to overseas countries was less than to European countries. The emigration to European countries was mainly temporary and mainly to France. Official statistics show that for the first time in the history of Italian emigration there was, in the period 1931 to 1933, a surplus of repatriation over emigration. In the peak year, 1931, 125,000 more persons were repatriated than emigrated and in the lowest year, 1936, 12,000 persons.

Italian Emigration: 1891-1940

Yearly averages and peak year	Total		To		
	No. of emigrants	per 100,000 inhabitants	European countries	Extra-European countries	
				Total	of whom to U.S.A.
1891–1895	256,511	830.8	109,067	147,444	11,319
(1891)	(293,631)	(964.1)	(106,056)	(187,575)	(14,359)
1896–1900	310,355	972.3	148,531	161,891	61,516
(1900)	(352,782)	(1,090.6)	(186,279)	(166,503)	(87,714)
1901–1905	554,050	1,681.9	244,808	309,242	199,670
(1905)	(726,341)	(2,188.2)	(279,248)	(447,093)	(316,797)
1906–1910	651,288	1,908.6	257,594	393,694	266,220
(1906)	(787,977)	(2,301.5)	(276,042)	(511,935)	(378,560)
1911–1915	548,612	1,510.4	243,535	305,077	210,010
(1913)	(872,598)	(2,463.6)	(313,032)	(559,566)	(376,776)
1916–1920	217,001	593.9	95,751	121,217	102,118
(1920)	(614,611)	(1,690.1)	(265,275)	(409,236)	(349,042)
1921–1925	303,264	787.4	172,560	130,904	45,334
(1923)	(389,957)	(1,042.7)	(205,273)	(184,684)	(51,740)
1926–1930	212,245	528.5	122,872	89,373	32,529
(1930)	(280,097)	(685.0)	(230,985)	(50,112)	(22,064)
1931–1935	**91,628**	**218.6**	**63,447**	**28,181**	**13,244**

Declassified E.O. 12356 Section 3.3/NND No. 750021

The Effect of UNRRA Operations on Employment in Italy.

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

51. Free food is given every day to about 2 million persons, i.e., children not over 15, expectant and nursing mothers. On 15 August 1946 UNRRA had distributed to Italians 3,935,373 clothing items and 792,143 pairs of shoes. By a law of 20 May 1946 it was provided that the works contemplated in the relief and reconstruction plans worked out jointly between the Italian Government and UNRRA were to be considered not only of a public utility character in their legal aspects but also as urgent and not to be postponed. One instance of the value of this cooperation may be seen in the additional labor given as a result of the allocation of the Lira Fund (2) to reconstructive work, to its influence in limiting inflation and thus of giving more buoyancy to the country's economy.

Emigration.

52. In normal times, emigration has acted as a safety valve in reducing unemployment in overcrowded Italy. Even in normal times, when economic efficiency was at its peak, industrial agricultural and commercial activity for Italian surplus labor which contributed much to the industrial and transportation development of the U.S. In the XX century however unemployment and fear by American labor of a reduction in living standards had caused restrictive measures to be taken. Italy's emigration from 1891 to 1940 is shown in the following table. The period of highest emigration was from 1901 to 1913. 1913 was the peak year—872,000 emigrants, 377,000 of whom went to U.S. After 1913 there was a sharp fall in emigration, particularly to overseas countries. This was the result of (a) fascist policy (which was strongly opposed to emigration), and (b) to the U.S. quota on immigration. From 1924 onwards emigration to overseas countries was less than to European countries. The emigration to European countries was mainly temporary and mainly to France. Official statistics show that for the first time in the history of Italian emigration there was, in the period 1931 to 1938, a surplus of repatriation over emigration. In the peak year, 1931, 125,000 more persons were repatriated than emigrated and in the lowest year, 1936, 12,000 persons.

Italian Emigration: 1891-1940

Yearly averages and peak year	Total		To		
	No. of emigrants	per 100,000 inhabitants	European countries	Extra-European countries	
				Total	of whom to U.S.A.
1891–1895 (1891)	256,511 (293,831)	830.8 (964.1)	109,067 (106,056)	147,444 (187,775)	11,319 (44,569)
1896–1900 (1900)	310,435 (352,782)	972.3 (1,090.6)	148,534 (186,279)	161,901 (166,503)	61,546 (87,714)
1901–1905 (1905)	554,050 (726,541)	1,681.9 (2,188.2)	244,808 (279,248)	309,242 (447,293)	199,370 (316,797)
1906–1910 (1906)	651,288 (787,977)	1,908.6 (2,361.5)	257,594 (276,042)	393,694 (511,935)	260,220 (358,260)
1911–1915 (1913)	548,512 (872,598)	1,540.4 (2,416.6)	243,505 (313,032)	305,077 (559,566)	210,240 (376,776)
1916–1920 (1920)	217,001 (614,311)	595.9 (1,599.1)	93,751 (205,270)	124,247 (409,239)	102,116 (349,042)
1921–1925 (1923)	303,264 (389,957)	787.4 (1,012.7)	172,560 (205,273)	130,704 (184,684)	15,194 (51,740)
1926–1930 (1930)	212,245 (289,097)	528.5 (685.0)	122,872 (220,985)	89,373 (68,112)	32,529 (22,064)
1931–1935 (1931)	91,828 (165,860)	218.6 (402.8)	63,147 (125,070)	28,181 (40,781)	13,244 (16,351)
1936–1940 (1938)	18,901 (61,548)	111.7 (140.6)	29,172 (33,534)	19,729 (27,994)	9,683 (12,197)

Source: Central Institute of Statistics, Rome.

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

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

LABOR PROBLEMS

Organization of Labor.

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

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

Confederation of Agriculture	3,768,904
.. .. Industry	3,097,103
.. .. Commerce	569,725
.. .. Banking & Insurence . .	70,312
.. .. Professional Workers . .	162,139
TOTAL . . .	7,669,013

57. After the collapse of fascism the Confederazione Generale Italiana del Lavoro (C.G.I.L. - Italian General Confederation of Labor) was established at Bari Italiana dei Lavoratori (C.I.L. - Italian Confederation of Workers), Catholic, founded in 1918. The new Confederation held its first general meeting in Naples in January, 1945, attended by 319 delegates representing 991,496 workers. Membership was then said to be 1,200,000. The aim of the organization is the unification of labor activities of socialists, communists and christian-democrats. A tripartite organization was, in fact, set up with three Joint Secretaries (one socialist, one communist, one christian-democrat).

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

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

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

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

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

0188
Declassified E.O. 12356 Section 3.3/NND No. 759031

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

LABOR PROBLEMS

Organization of Labor.

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

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

Confederation of Agriculture	3,768,904
.. .. Industry	3,097,403
.. .. Commerce	569,725
.. .. Banking & Insurance . .	70,342
.. .. Professional Workers . .	162,139
TOTAL . . .	7,669,013

57. After the collapse of fascism the Confederazione Generale Italiana del Lavoro (C.G.I.L. - Italian General Confederation of Labor) was established at Bari on 21 January 1944, as an amalgamation of two labor organizations which had existed before the fascist regime, i.e. the Confederazione Generale del Lavoro (C.G.L. - General Confederation of Labor), Socialist-Communist, founded in 1906, and the Confederazione 1,200,000. The aim of the organization is the unification of labor activities of socialists, communists and christian-democrats. A tripartite organization was, in fact, set up with three Joint Secretaries (one socialist, one communist, one christian-democrat).

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

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

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 760001

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

AGREEMENTS

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

Industry:

(a) *Agreements for Salary Adjustments.*

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

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

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

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

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

of Northern Italy. Categories of workers were also split into groups ("A," "B" and "C") according to the industry in which they were employed.

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

TABLE 10

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

Group	Area (5)	Skilled workers (1)	Semi-skilled workers(2)	Unskilled workers (3)	Laborers (4)
A	1	21.00	19.00	17.90	16.50
	2	19.75	17.85	16.85	15.50
	3	18.70	16.90	15.95	14.70
B	1	20.00	17.90	17.00	15.60
	2	18.80	16.85	16.00	14.65
	3	17.80	16.20	15.15	14.00
C	1	19.00	17.00	16.30	14.80
	2	17.85	16.00	15.20	14.00
	3	16.90	15.15	14.40	14.00

Source: Confederazione Generale dell' Industria Italiana.

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

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

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

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

72. The automatic revision of wages was provided for by the granting of "daily emergency allowances," variable each three months in relation to the provincial [illegible] These "emergency allowances"

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

Industry:

(a) *Agreements for Salary Adjustments.*

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

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

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

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

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

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

TABLE 10

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

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

Source: Confederazione Generale dell' Industria Italiana.

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

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

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

TABLE 11

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

Group (1)	Area (2)	Skilled workers	Semi skilled worker	Unskilled workers not qualified as semi-skilled	Laborers
		lire	lire	lire	lire
A	1	21.00	19.00	17.00	16.50
	2	19.75	17.85	16.85	15.90
	3	18.70	16.90	15.95	14.70
	4	18.05	16.25	15.30	14.20
B	1	20.40	18.40	17.35	15.70
	2	18.80	17.00	16.05	14.75
	3	17.80	16.00	15.20	14.00
	4	17.20	15.55	14.65	13.80
C	1	19.80	17.90	16.90	14.90
	2	17.85	16.15	15.25	14.00
	3	16.90	15.30	14.40	13.80
	4	16.25	14.80	13.90	13.60

(1) For categories see para 52.

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

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

(a) minimum rate as in Table 11;

(b) an "emergency" allowance, variable with the cost of living. The basis of the daily "indennità di contingenza" (emergency allowance) is from 100 to 135 lire per day. The payment of the allowance is made on the first day of January, April, July and October. The value 100 corresponds to the average cost of living for a [illegible] the 1st January. For each variation

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

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 760021

is applicable to males and females.

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

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Group (1)	Area (2)	Skilled workers	Semi skilled worker	Unskilled workers not qualified as semi-skilled	Laborers
		lire	lire	lire	lire
A	1	21.00	19.00	17.00	16.50
	2	19.75	17.85	16.85	15.50
	3	18.70	16.90	15.95	14.50
	4	18.55	16.75	15.80	14.25
B	1	20.00	18.10	17.00	15.50
	2	18.80	17.00	16.05	14.75
	3	17.80	16.10	15.20	14.00
	4	17.70	15.95	14.85	13.80
C	1	19.00	17.20	16.20	14.90
	2	17.85	16.15	15.25	14.10
	3	16.90	15.30	14.40	14.00
	4	16.75	14.80	14.20	14.00

(1) For categories see para 52.

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

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

(a) minimum rate as in Table 11;

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

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

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

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

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

Declassified E.O. 12356 Sec. Section 3.3/NND No. 745021

TABLE 12

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

Index numbers (Salaries in Milan = 100)

Type of Industry	Turin	Milan	Rome	Naples	Taranto	Reggio Calabria	Enna	Sassari
1. SPECIALIZED WORKERS								
Wool	105.4	100.0	110.4	62.4	63.7	56.2	—	52.6
Pasta	98.7	100.0	99.2	70.1	56.0	—	63.6	—
Mechanical	98.8	100.0	98.0	91.0	68.8	—	—	53.7
Building	105.1	100.0	121.6	94.7	92.9	100.0	—	83.5
Chemical	98.8	100.0	93.8	78.6	59.7	77.1	72.4	49.5
Printing	100.0	100.0	93.6	—	54.8	70.5	53.7	61.0
Leather and shoes	99.3	100.0	—	62.5	59.8	—	—	50.3
Transport	78.2	100.0	72.2	—	50.4	42.7	60.8	—
2. SKILLED WORKERS								
Wool	103.7	100.0	105.6	61.2	62.8	55.9	—	50.8
Pasta	98.7	100.0	—	79.8	57.3	—	62.6	—
Mechanical	98.7	100.0	95.9	88.3	67.0	—	—	48.7
Building	100.8	100.0	119.2	86.8	92.2	84.2	55.7	81.9
Chemical	99.0	100.0	91.5	79.5	60.1	—	69.2	49.0
Printing	99.1	100.0	91.6	—	53.4	72.6	52.1	60.8
Leather and shoes	99.5	100.0	—	64.6	58.1	—	—	49.5
Transport	82.8	100.0	—	—	51.5	45.7	65.7	—
3. UNSKILLED WORKERS								
Wool	102.4	100.0	100.8	61.7	61.1	57.1	—	49.7
Pasta	98.7	100.0	100.8	81.3	56.3	—	—	—
Mechanical	98.7	100.0	92.5	85.2	67.5	—	—	47.8
Building	102.2	100.0	117.5	—	85.8	—	68.0	52.0
Chemical	98.7	100.0	91.0	79.1	—	—	68.3	48.1
Printing	95.7	100.0	86.3	—	51.7	68.3	71.6	58.9
Leather and shoes	99.2	100.0	—	62.5	56.1	—	—	49.5
Transport	84.1	100.0	81.8	—	51.6	45.7	—	—

Source: Central Statistical Institute, Rome.

(b) *Salary Agreements for Industrial Executives.*

80. After negotiation between the "Confederazione Generale dell'Industria Italiana" (General Confederation of Italian Industry) and the "Associazione Nazionale dei Dirigenti di Aziende Industriali" (National Association of Executives of Industrial Firms) an agreement was

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

(i) for each year of employment, up to 10 years service, a sum equal to the last

Declassified E.O. 12356 Section 3.3/NND No. 785021

1. SPECIALIZED WORKERS								
Wood	105.4	100.0	110.4	92.4	63.7	56.2	—	52.6
Pasta	98.7	100.0	99.2	79.1	56.0	—	63.6	—
Mechanical	98.8	100.0	98.0	91.0	68.8	—	—	53.7
Building	105.1	100.0	121.6	94.7	92.9	100.0	—	83.5
Chemical	98.8	100.0	93.8	78.6	59.7	77.1	72.4	49.5
Printing	100.0	100.0	93.6	—	54.8	78.3	53.7	61.0
Leather and shoes	99.3	100.0	—	62.5	59.8	—	—	50.3
Transport	78.2	100.0	72.2	—	50.4	42.7	60.8	—
2. SKILLED WORKERS								
Wood	103.7	100.0	103.6	81.2	62.8	55.9	—	50.8
Pasta	98.7	100.0	—	79.8	57.3	—	62.6	—
Mechanical	98.7	100.0	98.9	88.3	67.0	—	—	48.7
Building	100.8	100.0	119.2	86.8	92.2	84.2	55.7	81.9
Chemical	99.0	100.0	91.5	73.5	60.4	—	63.2	49.0
Printing	99.1	100.0	91.6	—	53.4	72.0	52.4	60.8
Leather and shoes	99.5	100.0	—	64.6	58.1	—	—	49.5
Transport	82.8	100.0	—	—	51.5	45.7	65.7	—
3. UNSKILLED WORKERS								
Wood	102.4	100.0	100.8	64.7	61.1	57.1	—	49.7
Pasta	98.7	100.0	100.8	81.3	56.3	—	—	—
Mechanical	98.7	100.0	92.5	85.2	67.5	—	—	47.8
Building	102.2	100.0	117.5	—	85.8	—	68.0	52.0
Chemical	98.7	100.0	91.0	79.1	—	—	68.3	48.1
Printing	95.7	100.0	86.3	—	51.7	68.3	71.6	58.9
Leather and shoes	99.2	100.0	—	62.5	56.1	—	—	49.5
Transport	84.1	100.0	81.8	—	51.6	45.7	—	—

Source: Central Statistical Institute, Rome.

(b) *Salary Agreements for Industrial Executives.*

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 759021

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

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

(c) the employer's contribution to the "Cassa di previdenza" (Provident Fund) for executives was raised from 7 per cent to 11 per cent of the salary. The contribution paid by the executive remained unchanged at 1 %. The maximum yearly salary on which these percentages are calculated is 550,000 lire.
Provident funds have become increasingly important as a security fund for office workers. The Provident Funds are quite separate from the "discharge" fund.

Agriculture (Métayers).

81. In 1946 the position of the métayers has given rise to difficulty. The métayers number about 1.8 million out of the 3.7 million workers engaged in agriculture and therefore represent over 20 % of the agricultural workers. Métayers are mainly concentrated in Emilia, Tuscany, Umbria and Veneto. Métayage is a very ancient institution. In its classical form it can be summed up in the formula: half the produce as rent to the landowner, who provides seed and livestock, and half to the métayer or husbandman. The trade union of métayers pressed for a larger share of the total produce. Since no satisfactory solution of the dispute could be reached, the General Confederation of Labor empowered the President of the Council of Ministers, Mr. De Gasperi, to arbitrate on the question. Mr. De Gasperi was not, however, empowered to arbitrate on behalf of the landowners, i.e. the Confederazione Italiana degli Agricoltori (CONFIDA - Italian Confederation of Farmers).

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

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

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

Disputes.

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

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

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

88. The differences shown in Table 13 have arisen out ... In spite of the difficult

Declassified E.O. 12356 Section 3.3/NND No. 763021

the profits and the bonuses must, over a year, not exceed a year's pay as calculated above. The pay includes also the money equivalent of room and board which may have been provided to the executive;

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

(c) the employer's contribution to the "Cassa di previdenza" (Provident Fund) for executives was raised from 7 per cent to 11 per cent of the salary. The contribution paid by the executive remained unchanged at 1 %. The maximum yearly salary on which these percentages are calculated is 350,000 lire.
Provident funds have become increasingly important as a security fund for office workers. The Provident Funds are quite separate from the "discharge" fund.

Agriculture (Métayers).

81. In 1946 the position of the métayers has given rise to difficulty. The métayers number about 1.3 million out of the 3.7 million workers engaged in agriculture and therefore represent over 20 % of the agricultural workers. Métayers are mainly concentrated in Emilia, Tuscany, Umbria and Veneto. Métayage is a very ancient institution. In its classical form it can be summed up in the formula: half the produce as rent to the landowner, who provides seed and livestock, and half to the métayer or husbandman. The trade union of métayers pressed for a larger share of the total produce. Since no satisfactory solution of the dispute could be reached, the General Confederation of Labor empowered the President of the Council of Ministers, Mr. De Gasperi, to arbitrate on the question. Mr. De Gasperi was not, however, empowered to arbitrate on behalf of the landowners, i.e. the Confederazione Italiana degli Agricoltori (CONFIDA - Italian Confederation of Farmers).

82. The award of the President of the Council of Ministers was made at the end of June 1946. While the present métayage contract and the division of pro-

farm, 10 % of the landlord's share for 1946 must be set aside for farm improvement to be carried out in 1946 by casual agricultural labor. If the work is done by the métayers themselves, they are entitled to payment according to the wage scale for casual labor.

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

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

Disputes.

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 13

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

1946	No. of disputes not settled or considered at beginning of the month	No. of fresh disputes in the month	Disputes relating to existing agreements			
			Settled mutually during the month	Unsettled	Withdrawn	Number settled by arbitration
June	848	790	327	693	54	—
May	913	1,122	589	150	110	—
January	1,197	872	671	172	110	—
April	1,356	629	513	162	119	—
February	990	859	583	151	119	1
March	1,077	769	427	171	101	3
Total for first half year 1946	6,180	5,018	3,167	929	642	4

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

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

Declassified E.O. 12356 Section 3.3/NND No. 745021

PART TWO - SOCIAL INSURANCE AND SECURITY (1)

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

TABLE 14

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

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

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

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

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

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785061

stitutions. The contributions and the insurance benefits

the graphs in Tables 15 and 16.

TABLE 14

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

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

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

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

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

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

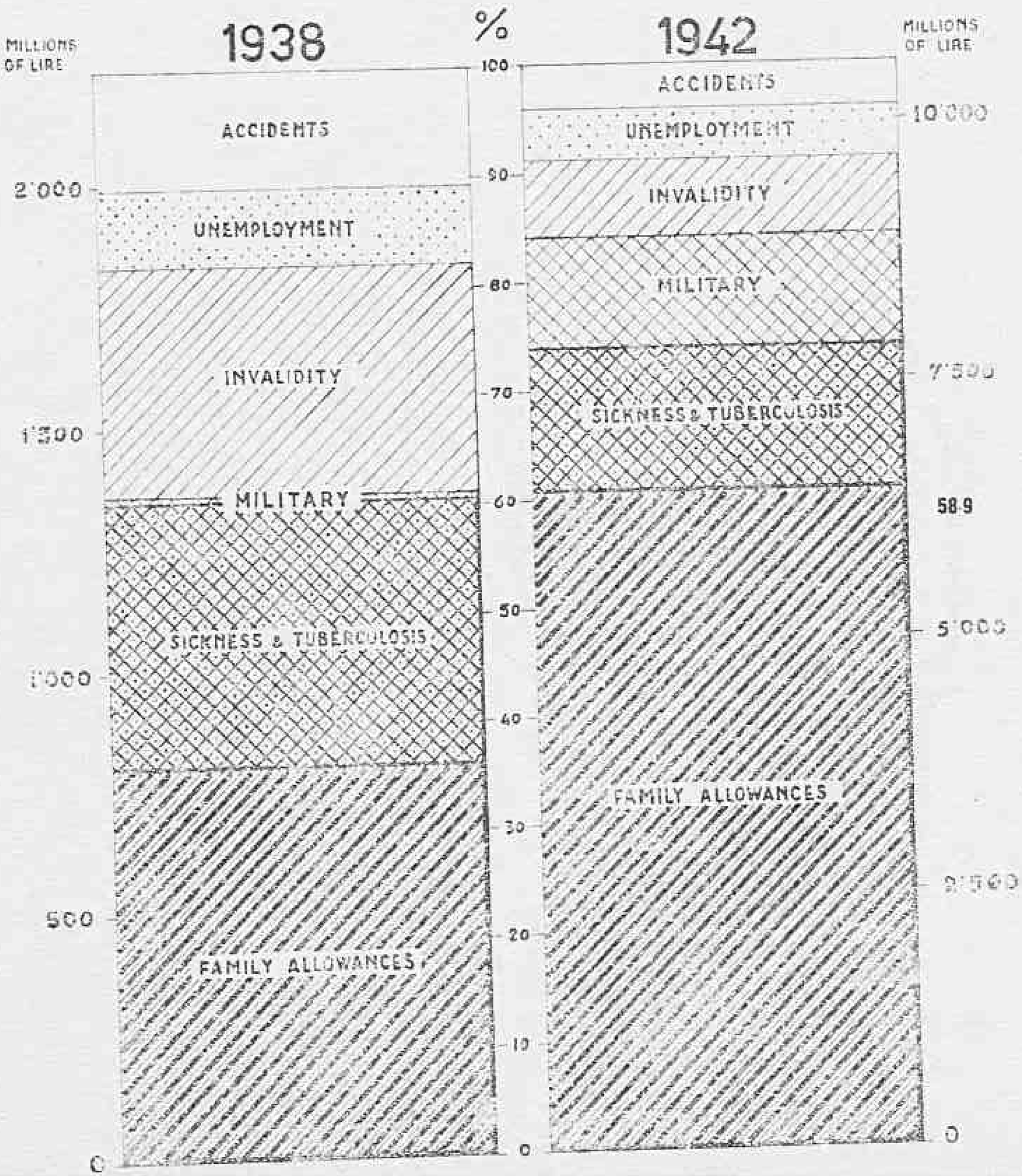
92. While the general price index increased about 60 % from 1938 to 1942, family allowances increased eight times in the same period; unemployment benefits increased only 19 % and disability and old age benefits 58 %. More recent data are lacking; such information as is available confirms that the expansion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

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

Declassified E.O. 12356 Section 3.3/NND No. 795021

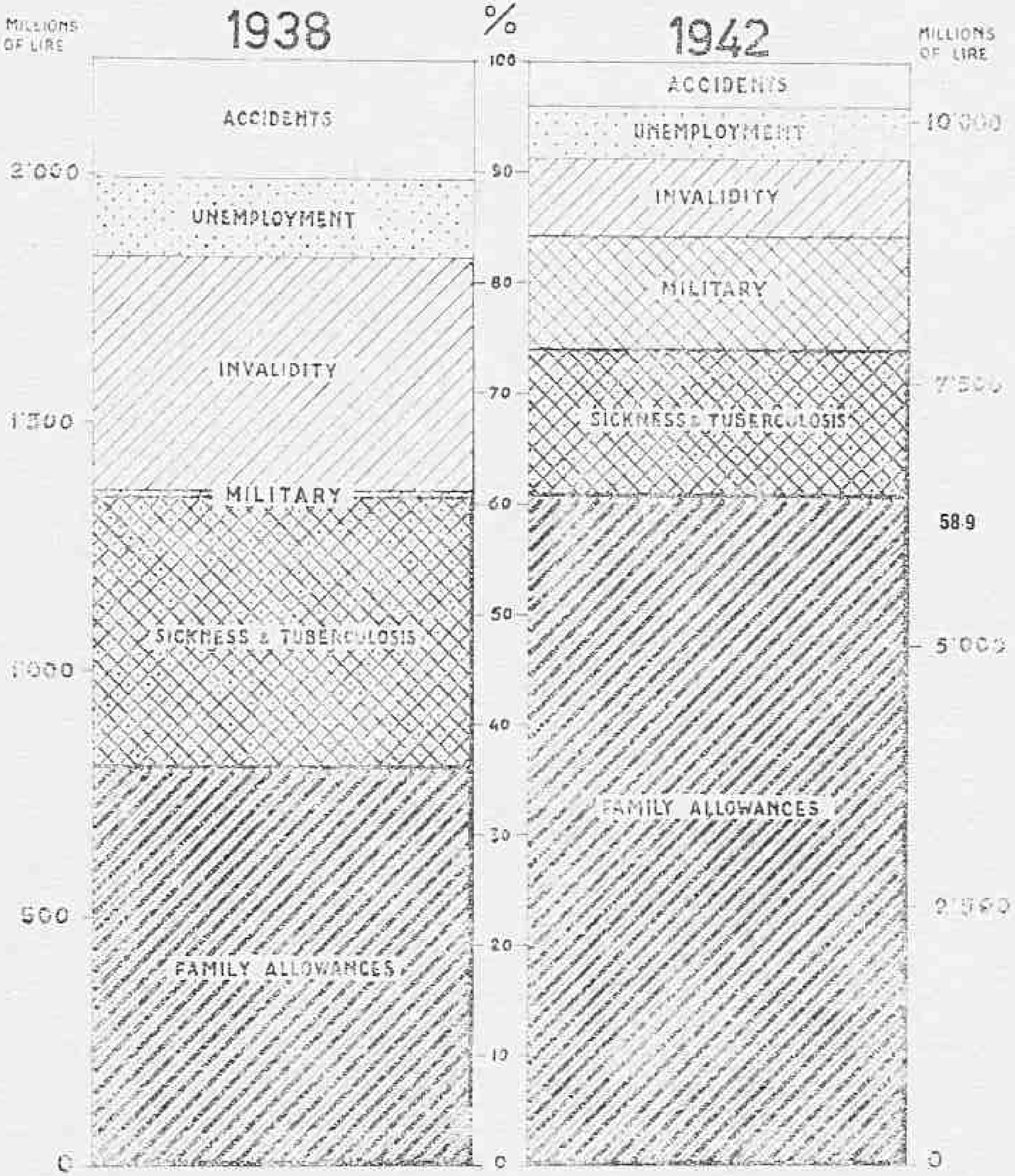
TABLE 15

BENEFITS FROM SOCIAL INSURANCE



Declassified E.O. 12356 Section 3.3/NND No. 745001

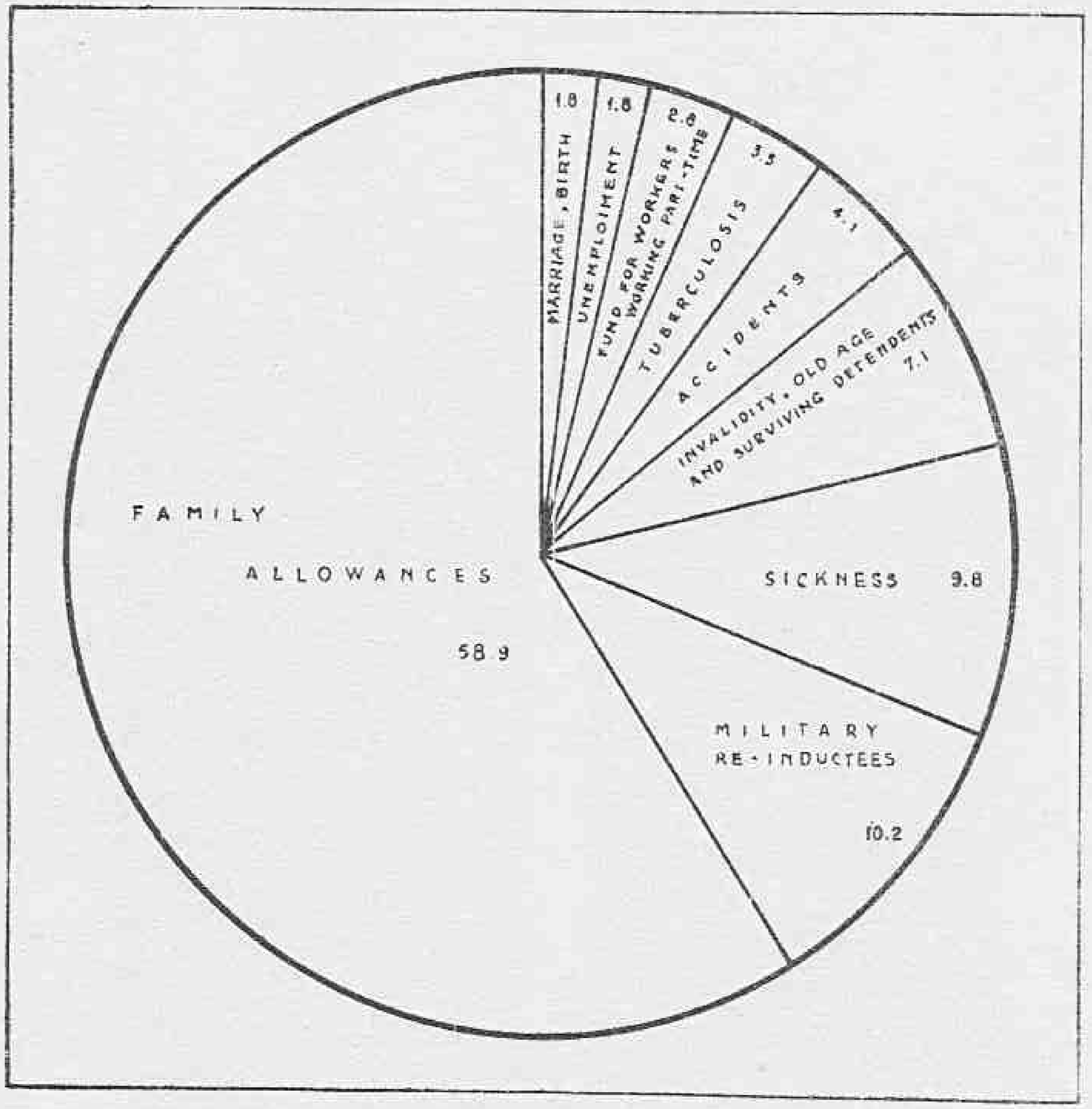
BENEFITS FROM SOCIAL INSURANCE



Declassified E.O. 12356 Section 3.3/NND No. 759021

TABLE 16

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



Declassified E.O. 12356 Sec. 3.3/NND No. 785001

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

Paid by Employer and Worker from (1)	1945		1945 (Second half)	
	Contrib.	% of av. wage	Contrib.	% of av. wage
Weekly wages of a manual worker	Lire 118.45	14.87	Lire 183.10	22.94
Monthly salary of a clerical worker	808.80	10.53	1,733.90	22.56

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

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

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

b) for clerical workers, on an average monthly net salary of 1,500 lire.

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

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

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

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

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

SOCIAL INSURANCES IN THE STRICT SENSE

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

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

compulsory insurance against unforeseen unemployment, tuberculosis, marriage and births, and sickness, were paid entirely by the employer.

Disability (or Invalidity), Old Age and Surviving Dependents

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

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

101. Benefits are increased to meet the increased cost of living. For this reason contributions were also increased (from June 1, 1945). The sums raised from these increased contributions were set aside in a special fund called "Integration Fund for social insurance" established in March 1945. The increased contributions, described as "integrative" contributions, are equal to 7.50 % of the wages (for invalidity, old age and surviving dependents), 4 % (for unemployment), 3 % (for tuberculosis). The contributions are calculated on the wages as well as on all additional elements in the wages, but up to a certain aggregate amount only, i.e., on 3,600 lire per month (for clerical workers as well as for manual workers), or on 900 lire per week, or on 144 lire per day. The maximum wages (on which contributions are calculated) was increased in June 1946 from 3,600 to 6,250 lire per month (or 1,562 lire per week).

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

(1) The National Institute of Social Security provides insurance, old age and surviving dependents, insurance for sailors and other maritime workers under a separate scheme. This compulsory insurance dates back to 1861 and was the first form of social security in Italy. There were five separate Funds, which in 1914, were merged under one organization. This organization was a branch of the Fund for Social Insurance, which, later on, was transformed into the National Institute for Social Security. The organization pays pensions to maritime workers, to administrative workers of shipping companies, and to their families. As from 10 April 1946, certain

Declassified E.O. 12356 Section 3.3/NND No. 785021

Paid by Employer and Worker from (1)	1942		1945 (Second half)	
	Contrib.	% of av. wage	Contrib.	% of av. wage
	Lire		Lire	
Weekly wages of a manual worker	118.45	11.87	183.10	22.21
Monthly salary of a clerical worker	608.00	10.53	1,783.00	22.30

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

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

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

b) for clerical workers, on an average monthly net salary of 1,500 lire.

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

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

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

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

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

SOCIAL INSURANCES IN THE STRICT SENSE

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

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

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

Disability (or Invalidity), Old Age and Surviving Dependents

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

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

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

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

(1) The National Institute of Social Security provides invalidity, old age and surviving dependents, insurance for sailors and other maritime workers under a separate scheme. This compulsory insurance dates back to 1861 and was the first form of social security in Italy. There were five separate Funds, which in 1911, were merged under one organization. This organization was a branch of the Fund for Social Insurance, which, later on, was transformed into the National Institute for Social Security. The organization pays pensions to maritime workers, to administrative workers of shipping companies, and to their families. As from 10 April 1946, contributions are entirely charged to the shipowners. The contributions amount to 15 % of the wages of the maritime workers and to 11 % of the salaries of the administrative workers.

Total benefits to be paid in 1946 (mainly for old age and surviving dependents) are estimated to amount to 31.8 million lire. The possibility of increasing the total amount of benefits from 31.8 million lire to 161.8 million lire is under consideration as part of the general plan for bringing insurance benefits more in line with the cost of living.

Declassified E.O. 12356 Section 3.3/NND No. 785001

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

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

Contributions.

(i) *Industry and Other Trades.*

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

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

(ii) *Agriculture.*

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

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

107. On the basis of the information received for temporary and permanent agricultural labour, the Commission [illegible] the crops. The amounts assessed for each farm owner are added to taxes to be paid by the farm owner. The method of payment of contributions is similar to that described in para. 152 for accident insurance.

108. The basic contributions in agriculture are:

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

Insurance Benefits.

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

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

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

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

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

112.

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

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

Declassified E.O. 12356 Section 3.3/NND No. 759021

to 450 lire.

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

Contributions.

(i) *Industry and Other Trades.*

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

(a) manual workers	111.30 lire	per week
(b) office ,,	649.50 ,,	,, month

(ii) *Agriculture.*

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

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

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

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

Insurance Benefits.

109. Insurance benefits are the same for all categories of workers. The amount of the pension varies according to the contribution card. In the period 1936 to 1943 the disability and old age pensions were from 500 (or less) to 5,000 lire a year with an average of 790 lire in 1936 and 880 lire in 1942. The number of persons in 1942 entitled to these pensions was about 770,000 (including 100,000 entitled to old age pension).

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

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

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

112.

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

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

Unclassified E.O. 12356 Section 3.3/NND No. 785021

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

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

Unemployment

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

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

(a) *Contributions.*

115. Contributions in this case also have reference to salary categories (10 categories for manual workers and 9 for office workers). The wages on which contributions were made amounted to a maximum of 156 lire per week for a manual worker and 1,400 lire per month added to the above, was fixed at 4 % of the salary (for a maximum salary of 3,600 lire per month). This 3,600 lire was in June 1946 increased to 6,250 lire per month (i.e. 1,562 lire per week) both for the manual worker and for the office worker.

116. The present contributions are:

(i) manual workers 64.28 lire per week;

(ii) office workers 259.30 lire per month.

(b) *Benefits.*

117. Insurance benefits are as follow:

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

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

118. Persons receiving unemployment benefits are entitled to a supplementary daily allowance for each child not over 16 or a disabled child (in the case of a manual worker) or, in the case of an office worker, not over 18. This allowance is from 3.50 to 9.20 lire per day.

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

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

1938 monthly average	163,000
1945	
October	139,000
November	136,000
December	142,000
1946	
January	150,000
February	171,000
March	186,000

These figures do not actually include all unemployed

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

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

Unemployment

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

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

(a) *Contributions.*

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

116. The present contributions are:

(i) manual workers 61.23 lire per week;

(ii) office workers 259.30 lire per month.

(b) *Benefits.*

117. Insurance benefits are as follow:

(i) manual workers from 32.50 lire to 57.00 lire per day;

(ii) office workers from 51.00 lire to 62.00 lire per day.

118. Persons receiving unemployment benefits are entitled to a supplementary daily allowance for each child not over 16 or a disabled child (in the case of a manual worker) or, in the case of an office worker, not over 18. This allowance is from 6.50 to 9.20 lire per day.

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

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1945	
October	136,000
November	136,000
December	142,000
1946	
January	150,000
February	171,000
March	186,000

These figures do not actually include all unemployed workers, as only a proportion of the unemployed are registered (see para. 22). The period during which workers are entitled to benefits may not exceed 180 days in a year. In fact the average number of days during which the benefits were granted were 61 in 1942

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

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

Tuberculosis Insurance

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

123. The minimum period of insurance before entitlement to insurance benefit is two years. One year's contribution must have been paid in the five years' period preceding the application in order to obtain the insurance benefit. Daily workers in agriculture are entitled to benefit for 156 days for men and 101 days for women. This type of insurance benefit for tuberculosis covers all occupations, including agriculture.

(a) *Contributions.*

(i) *Industry, Commerce, etc.*

124. Contributions vary according to wage or salary (10 categories for manual workers and 9 categories for [illegible] workers). The integrative contribution of 3 %

(ii) *Agriculture.*

125. Contributions for agriculture are as follow:

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

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

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

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

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

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

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

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

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

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

Marriage and Birth Grants

131. A maternity insurance has existed in Italy since 1910. This insurance applied only to women employed in industry. By a law-decree of April 1939 marriage and

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

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

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

(a) *Contributions.*

(i) *Industry, Commerce, etc.*

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

(i) manual workers 18.66 lire per week
(ii) office workers 194.70 lire per month.

man: 1.81 lire per day - 300 days per year
woman, boy: 1.508 lire per day - 300 days per year

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

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

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

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

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

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

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

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

Marriage and Birth Grants

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

Declassified E.O. 12356 Section 3.3/NND No. 759021

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

(a) *Contributions.*

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

(i) office workers (including agriculture) from 2.30 lire to 5.70 lire per month

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

134. The contributions for agricultural workers are:

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

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

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

(b) *Benefits.*

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

(i) office workers:
men, lire 1.000
women, lire 700

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

(iii) agricultural workers (excluding métayers and

Birth grants are as follows (1):

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

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

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

138. The number of grants for birth or abortion amounted to 163,761 in 1938 and to 451,906 in 1942 (the average allowance amounted to 185 to 284 lire). The number of marriage bonuses granted in 1942 was more than 100,000 (the average allowance was 566 lire).

Loans Available to Persons not Nationally Insured.

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

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

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

OTHER FORMS OF INSURANCE

Insurance against Sickness

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

(a) *Contributions.*

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

(i) office workers (including agriculture) from 2.30 lire to 5.70 lire per month

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

134. The contributions for agricultural workers are:

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

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

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

(b) *Benefits.*

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

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

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

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

4th and following, 100 lire each.

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

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

138. The number of grants for birth or abortion amounted to 163,761 in 1938 and to 151,906 in 1942 (the average allowance amounted to 185 to 234 lire). The number of marriage bonuses granted in 1942 was more than 100,000 (the average allowance was 566 lire).

Loans Available to Persons not Nationally Insured.

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

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

141. For Civil Servants, as from 1931 birth and marriage grants were paid for a total of 39,612,000 lire (average grant 2,200 lire), 65,792 birth grants for a total of 72,109,000 lire (average grant 1,096 lire). On 1 July 1946 these benefits were discontinued pending a review of the administration and finance of grants.

OTHER FORMS OF INSURANCE

Insurance against Sickness

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

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

(2) Contributions for commerce are 1% of salaries up to a maximum salary of 3,000 lire per month. For banking and insurance contributions are 2.50% of basic salaries. Benefits are being reviewed.

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

(a) *Contributions.*

(i) *Industry.*

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

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

(ii) *Agriculture.*

144. Contributions in agriculture are as follows:

(i) daily paid workers:
man, 6.10 lire per day
woman, boy, 4.10 lire per day
(ii) permanent workers:
man 1.50 lire per day for 300 days per year;
woman, boy 3.04 lire per day for 300 days per year
(iii) husbandmen, métayers:
man, woman, boy 1.04 lire per day for 240 days per year.

(b) *Benefits.*

(i) *Industry.*

145. Benefits for workers and family dependents are:

(i) manual workers:
50 % of the daily average total wages
1,000 lire bonus for each newly-born child (1)
2,000 lire allowance for burial expenses
(ii) office workers:
2,500 lire as a maximum refund for hospital or sanatorium expenses, plus 50 % of any exceeding expense;
3,000 lire for any surgical operation performed at the home of the worker.

(ii) *Agriculture.*

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

Insurance against Accidents

147. Accident insurance, good only for workers in industry, was established as a compulsory insurance in 1883, and is regulated by the laws of 1933 and 1904; it is administered by a special organization (Cassa Nazionale Infortuni - National Accident Fund). In 1919 accident insurance was extended to cover accidents in agriculture and was placed under the administration of regional organizations (Mutual Accident Insurance Fund). The forms of insurance against industrial accidents include also occupational diseases (2).

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

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

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

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

(a) *Contributions.*

150. Contributions have always been made by employers only.

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

Declassified E.O. 12356 Section 3.3/NND No. 745021

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

(a) *Contributions.*

(i) *Industry.*

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

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

(ii) *Agriculture.*

144. Contributions in agriculture are as follows:

(i) daily paid workers:
man, 6.10 lire per day
woman, boy, 4.10 lire per day
(ii) permanent workers:
man 4.50 lire per day for 300 days per year;
woman, boy 3.04 lire per day for 300 days per year
(iii) husbandmen, métayers:
man, woman, boy 1.04 lire per day for 240 days per year.

(b) *Benefits.*

(i) *Industry.*

145. Benefits for workers and family dependents are:

(i) manual workers:
50 % of the daily average total wages
1,000 lire bonus for each newly-born child (1)
2,000 lire allowance for burial expenses
(ii) office workers:
2,500 lire as a maximum refund for hospital or sanatorium expenses, plus 50 % of any exceeding expense;
3,000 lire for any surgical operation performed at the home of the worker.

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

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

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

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

(c) *Contributions.*

150. Contributions have always been made by employers only.

(2) The Italian law regarding the prevention of accidents included, for occupational diseases, the following poisonings: (1) lead, (2) mercury, (3) phosphorus, (4) carbon sulphide, 5) benzol, (6) ancylostomiasis (industrial). By a law of 12 April 1943 (7) silicosis and (8) asbestosis were also included in the diseases for which insurance is compulsory. The insurance is limited in scope to poisoning caused by certain processes (and not therefore from all processes for which insurance against accidents is compulsory), and only if it reaches a particular and severe stage of morbidity (excluding therefore all other stages). This explains why the number of claims presented is small and why of the 879 claims made in 1945, only 553 were accepted. The largest number of claims is for lead poisoning.

Declassified E.O. 12356 Section 3.3/NND No. 785011

(i) *Industry.*

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

(ii) *Agriculture.*

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

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

(b) *Benefits.*

(i) *Industry.*

154. The benefits are:

(a) *Temporary disability.*

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

(b) *Permanent disability.*

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

155. Over and above these benefits there are:

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

an additional allowance varying also according to the degree of disability. This bonus is:

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

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

(c) *Fatal Accident.*

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

158. A "cost of living bonus" equal to 3,600 lire a year is also granted. To this the "war allowance" must be added; it varies according to the number of surviving dependents. Its maximum amount is 450 lire for the widow and 120 lire for each child.

(ii) *Agriculture.*

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

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

(c) *Prevention of Accidents.*

161. The "Ente Nazionale di Propaganda per la Pre-

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

wages. As from 8 May 1946 this contribution is calculated on gross wages, i.e. including the various allowances and bonuses granted during recent years.

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(i) *Industry.*

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

155. Over and above these benefits there are:

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

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

from 60 % to 79 % disability, 250 lire per month;

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

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

(c) *Fatal Accident.*

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

158. A "cost of living bonus" equal to 3,600 lire a year is also granted. To this the "war allowance" must be added; it varies according to the number of surviving dependents. Its maximum amount is 150 lire for the widow and 100 lire for each child.

(ii) *Agriculture.*

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

(c) *Prevention of Accidents.*

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

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

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

OTHER FORMS OF SOCIAL SECURITY IN FAVOR OF WORKERS

Family Allowances

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

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

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

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

(a) *Contributions.*

166. At present contributions are as follows: for *industry* (manual and office workers) 20 % of wages or salaries; for *agriculture* (permanent and daily paid manual workers) 1.50 lire for each working day, (office workers) 20 % of salary; for *commerce* (manual and office workers) 14.30 % of salary; for *banking and insurance* (manual and office workers) from 20.40 % to 38.50 % of wages or salaries.

(b) *Benefits.*

167. Allowances are as follows:

TABLE 17

Family Allowances: Benefits by Occupational Category: 1946

	Industry (lire per week)	Agriculture (lire per day)	Commerce (lire per month)	Banking and Insurance (lire per month)
a) Manual workers				
For each child	78	1.00	311	from 329 to 351
For wife	84	1.45	323	353
For each parent	60	0.80	275	303
	Industry and Agriculture (lire per month)			
b) Office workers				
For each child	390		359	from 388 to 524

Declassified E.O. 12356 Section 3.3/NND No. 785021

for the prevention of accidents.

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

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

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	Industry (lire per week)	Agriculture (lire per day)	Commerce (lire per month)	Banking and Insurance (lire per month)
a) Manual workers				
For each child . .	78	1.00	344	from 329 to 351
For wife . . .	84	1.45	323	355
For each parent . .	69	0.80	276	303
	Industry and Agriculture (lire per month)			
b) Office workers				
For each child . .	390		359	from 383 to 524
For wife . . .	416		371	„ 407 „ 537
For each parent . .	338		299	„ 332 „ 407

Source: I.N.P.S.

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

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

Fund for Workers Working Part Time

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

(a) *Contributions.*

171. The provisions regarding contributions are:

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

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

(b) *Benefits.*

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

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

(ii) both manual and clerical workers are entitled

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

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

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

TABLE 18

Fund for Workers Working Part-Time

Wages Integration Fund, 1946

Date	Benefits	Contributions	Deficit
	in thousands of lire		
1946 January	459,675	158,338	301,337
February	755,389	137,321	618,069
March	683,942	172,436	511,506
Total 1st quarter	1,899,007	468,095	1,430,912
1946 April	830,867	241,240	589,627
May	716,352	312,753	403,599

Source: I.N.P.S.

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

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

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

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

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

(b) *Benefits.*

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

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

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

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

Italy may be extended to other provinces.

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

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Wages Integration Fund: 1946

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

Clerical Workers Recalled to Armed Services.

(a) *Contributions.*

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

(b) *Benefits.*

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

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

Manual Workers in Industry Recalled to Armed Services.

(a) *Contributions.*

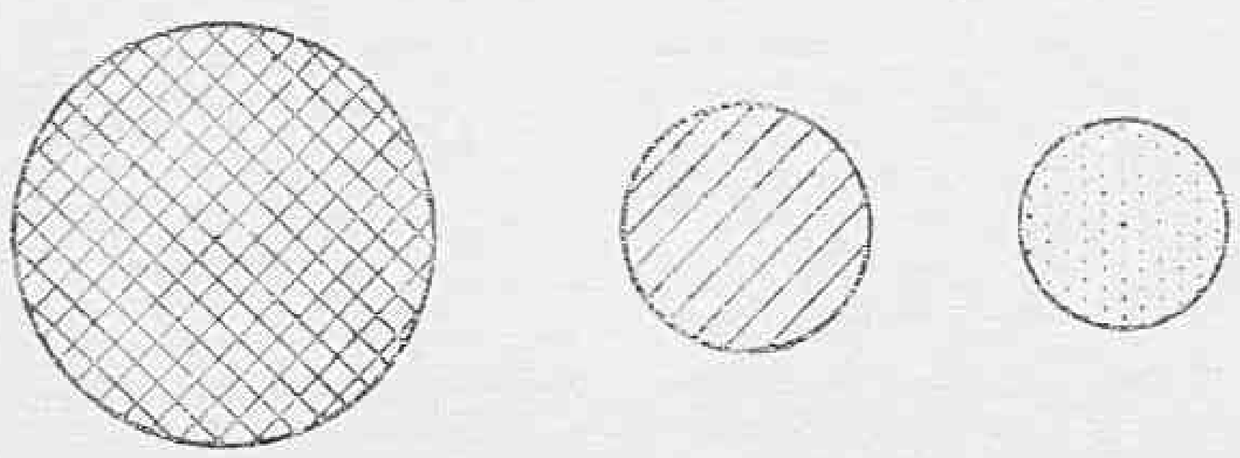
179. In accordance with the collective contract of July 1942, the contributions paid are equal to 1 % of the gross wages (the maximum individual gross wage is 3,600 lire a month). By a law-decree of June 1946 the contribution was reduced to 0.50 % and the maximum individual gross wage increased to 6.250 lire per month (the same figure as for clerical workers). In all cases the contributions are paid by the employer.

(b) *Benefits.*

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

TABLE 19

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



Declassified E.O. 12356 Section 3.3/NND No. 785031

(maximum individual gross salary 3,600 lire per month). By a lawdecree of June 1946 the contributions were reduced to 2.50 % and the maximum gross salary was raised to 6,250 lire.

(b) *Benefits.*

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

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

(a) *Contributions.*

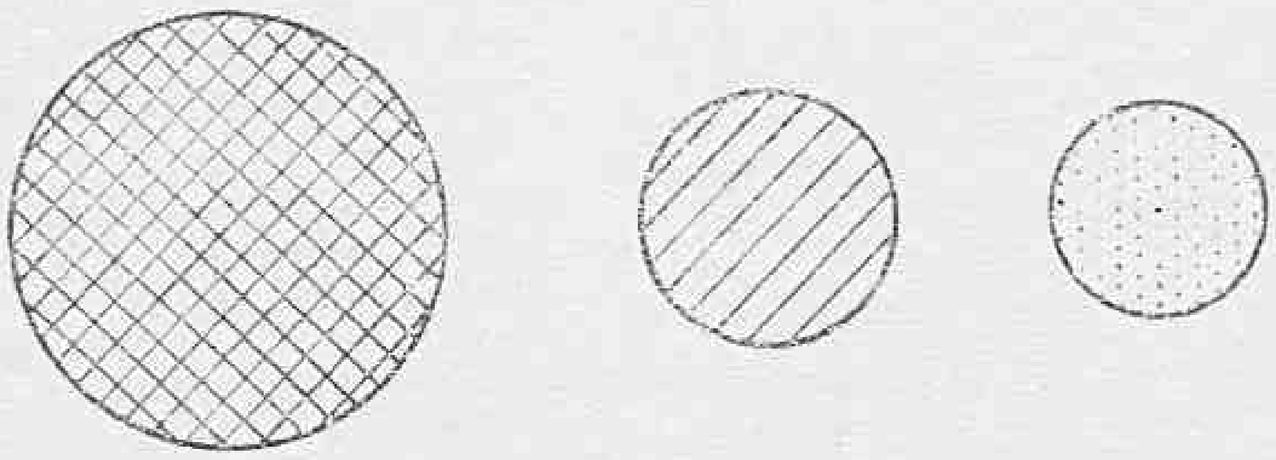
179. In accordance with the collective contract of July 1942 the contributions paid are equal to 1 % of the gross wages (the maximum individual gross wage is 3,600 lire a month). By a law-decree of June 1946 the contribution was reduced to 0.50 % and the maximum individual gross wage increased to 6,250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

(b) *Benefits.*

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

TABLE 19

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



Million lire	38,558	13,441	10,572

Declassified E.O. 12356 Section 3.3/NND No. 759021

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

General.

182. In 1942 out of a total 365 million lire of contributions in respect of recalled Reservists (see Table 14), 280 million were paid by industry. Benefits, amounting to 1,082.6 million, were granted in the following manner: 675.9 million lire to industrial workers; 226.4 million to workers in commerce; 165.4 million to employees in banking and insurance; 7.9 million to agricultural workers and 7.0 million to employed professional and cultural workers.

SUMMARY

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

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

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

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

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

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

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

190. Another type of insurance in Italy is provided by various professional groups. For example—the Association for the provision of pensions to local government employees (La Cassa Previdenza per le pensioni agli impiegati e salariati di Enti locali) had

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Declassified E.O. 12356 Section 3.3/NND No. 785041

expenses.

General.

182. In 1942 out of a total 365 million lire of contributions in respect of recalled Reservists (see Table 14), 280 million were paid by industry. Benefits, amounting to 1,082.6 million, were granted in the following manner: 675.9 million lire to industrial workers; 226.4 million to workers in commerce; 165.4 million to employees in banking and insurance; 7.9 million to agricultural workers and 7.0 million to employed professional and cultural workers.

SUMMARY

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

184. As in other advanced countries the major function which must be exercised by Government in dealing with social security problems, some of which are outside the control of the employer and the worker has long been recognized in Italy. The wide field of insurance and welfare has been covered, in the main gradually, over a period of more than thirty years with legislation and the creation from time to time of special institutions (Maternity Institutes, National Institute for Accidents, National Institute of Social Providence, etc.) This evolutionary development explains on the one hand the complexity of the legislation which has been modified and improved during the course of time under the influence of modern social principles and of various changes in the Italian economy; and on the other hand it explains the lack of co-ordination among the different insurance systems each of which has been developed almost independently.

benefits and contributions to the altered purchasing power of the lire proceeded by purely empirical methods, and with different results in the different types of insurances. An important change was made on 1 June 1946 in the system of deduction of contributions when all the social charges, formerly met in part by the employees, were transferred to the employers.

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

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

association (la Cassa di Previdenza per le pensioni dei sanitari) had 14,000 members in 1940.

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

192. In considering the value of the benefits shown for Italy, it should be noted that the average monthly expenses of a normal Italian worker's family (2 adults 3 children) on food alone (1,700 calories per diem per person) were, in June 1946, approximately 13,000 to 15,000 lire ($66.40 at the exchange rate of 225 lire).

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

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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

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

TYPE OF INSURANCE	ITALY	U.S. (4)	U.K. (5)
Invalidity (1), old age and surviving dependants.	From 1 June 1946 all contributions in all schemes are paid by employers. *Contributions:* Industry: annual workers 114.40 lire per week (0.51 dollars) (2); office workers 449.50 lire per month (2.89 dollars) Agricultural workers 21.24 lire per week (0.09 dollars). *Benefits:* Disability: 5,040 lire (men) (38.40 dollars) a year 6,180 .. (women) 128.80 dollars) a year Old age: 10,800 lire (men over 65) (48.00 dollars) a year 8,640 .. (women over 60) (38.40 dollars) a year Dependants of insured persons who die are entitled to continued enjoyment of the pension. The insurance applies to all trades. *National benefit* (3): 40 dollars (9,000 lire) per year.	*Contributions:* 1 % of wages paid by worker 1 % .. .. employer To be increased gradually to 3 % by worker and 3 % by employer. *Benefits:* 10 % of first 50 dollars of monthly wage; 10 % of remainder of wage, plus small percentage increases for each year of work. Compulsory insurance for industrial worker only. It applies to all establishments of 8 or more employers and covers over half the working population; 75 % to 80 % are completely or partly covered. *National benefit* (3): 296 dollars per year.	*Contributions:* See Table 20A. *Benefits:* 26 shillings per week (5.20 dollars) (2) for retirement (or at age of 65 for a man and 6 woman). Plus 16 shillings (3.20 dollars) wife. Lower rates will in general be paid to marr women. Death grant of £20 (80 dollars). Widow's Allowance (first 13 weeks) 36 shill (7.20 dollars) a week. Widowed mother's Allowance 31.5 shillings dollars) a week. Widow's Pension 26 shillings (5.20 dollars week. Guardian's allowance 12 shillings (2.40) dol a week. *National benefit* (3): 270.40 dollars per year (26 shillings per we

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

0208

Declassified E.O. 12356 Section 3.3/NND No. 785021

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

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

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

include invalidity insurance.
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– this is an approximate figure taken to give a rough indication of the differences between the various rates of benefit in the three countries.
R A. LESTER - Economics of Labor (MACMILLAN 1941).
nce Bill 1946 - H.M. Stationery Office, Cmd 6729 and other Sources.

0209

Declassified E.O. 12356 Section 3.3/NND No. 785021

TYPE OF INSURANCE	ITALY	U.S.	U.K.
Unemployment	*Contributions:* Manual workers 61.24 lire (0.29 dollars) per week. Office workers 259.80 lire (1.15 dollars) per month *Benefits:* Daily: Manual workers 32.50-37.00 lire (0.22-0.25 dollars). Office workers 54.00-62.00 lire (0.24-0.28 dollars). Plus 8.50-9.20 lire (0.038-0.04 dollars) per day for each child under 16 or (for insured office workers) under 18. Period of benefit not to exceed 180 days each year. Seasonal workers not entitled to these benefits. This insurance does not apply to agriculture *National benefit* (3): (man with 3 children) 1.68 dollars (378 lire) per week.	*Contributions:* (generally only by employer) 2.7% tax on payroll (for first 3000 dollars of each employees annual salary). *Benefits:* Approximately 50 % of wages. Minimum 5 dollars weekly Maximum 15 dollars weekly } in most States Period of benefit not to exceed 14-16 weeks per year. Regulations differ between States but in general unemployment insurance applies to establishments having more than 8 employees. The insurance is mainly for industrial workers and covers a large proportion of the total working population. *National benefit:* 9 dollars per week.	*Contributions:* See Table 20A. *Benefits:* 26 shillings per week (5.20 dollars). Plus 16 shillings (3.20 dollars) a week for wife or other adult dependent and 7 shillings (1.50 dollars) a week for first child. Lower rates will in general be paid to women. Period of benefit not defined but no Scheme will be reviewed in 1951. *National benefit:* (man with 3 children) 9.90 dollars (49 shillings 6 pence) a

(3) See note on previous page.

0210

Declassified E.O. 12356 Section 3.3/NND No. 785021

RANCE	ITALY	U.S.	U.K.
	Contributions: Manual workers 64.24 lire (0.29 dollars) per week. Office workers 220.80 lire (1.15 dollars) per month	*Contributions:* (generally only by employer) 3 % tax on payroll (for first 3000 dollars of each employees annual salary).	*Contributions:* See Table 20A.
	Benefits: Daily: Manual workers 52.50-57.00 lire (0.25-0.25 dollars). Office workers 54.00-62.00 lire (0.24-0.28 dollars) Plus 8.50-9.20 lire (0.038-0.04 dollars) per day for each child under 16 or (for insured office workers) under 18. Period of benefit not to exceed 180 days each year. Seasonal workers not entitled to these benefits. This insurance does not apply to agriculture	*Benefits:* Approximately 50 % of wages. Minimum 5 dollars weekly Maximum 15 dollars weekly } in most States Period of benefit not to exceed 11-16 weeks per year. Regulations differ between States but in general unemployment insurance applies to establishments having more than 8 employees. The insurance is mainly for industrial workers and covers a large proportion of the total working population.	*Benefits:* 26 shillings per week (5.20 dollars). Plus 16 shillings (3.20 dollars) a week for wife or other adult dependent and 7 shillings 6 pence (1.50 dollars) a week for first child. Lower rates will in general be paid to married women. Period of benefit not defined but not limited. Scheme will be reviewed in 1931.
	Notional benefit (3): (man with 3 children) 1.05 dollars (378 lire) per week.	*Notional benefit:* 9 dollars per week.	*Notional benefit:* (man with 3 children) 9.90 dollars (49 shillings 6 pence) a week.

m previous page.

0211

Declassified E.O. 12356 Section 3.3/NND No. 7850021

TYPE OF INSURANCE	ITALY	U.S.	U.K.
Marriage and Birth	*Contributions:* 5.30 lire (0.03 dollars) per month *Benefits:* On marriage 400-1,000 lire (2.78-1.44 dollars). Births 150-400 lire per child (0.67-1.58 dollars). *National benefit:* (marriage and birth of child) 5.91 dollars (1,140 lire).	No National Insurance Scheme. See Addendums, para. (d)	*Contributions:* See Table 20A. *Benefits:* Maternity grant £4 (16 dollars). Maternity allowance (for 13 weeks) 36 s (7.20 dollars) a week. Attendance allowance (for 4 weeks) 20 s (4 dollars). *National benefit:* Paid in instalments as above (£81.9) dollars.
Sickness	*Contributions:* Manual workers 5 % of gross total wages Office " 5 % " " " " Agricultural workers from 1.4 lire (0.006 dollars) to 6.10 lire (0.03 dollar) per day. *Benefits:* Free medical attention is given to all categories of insured workers and their families. Financial assistance is as follows: Manual workers 50 % of daily average total wages, 1,000 lire (1.44 dollars) bonus for medical expenses of childbirth, 2,000 lire (5.88 dollars) allowance for death. Office workers, 2,500 lire (11.11 dollars) as maximum refund for hospital or sanatorium expenses plus 50 % of any excess expenses. 3,480 lire (15.33 dollars) for any surgical operation performed at the home of the worker. Agricultural workers receive an allowance from 16 lire (0.07 dollars) to 60 lire (0.27 dollars) per day.	No National Insurance Scheme. See Addendums, para. (b)	*Contributions:* See Table 20A. *Benefits:* 5.20 dollars (26 shillings) per week. Low will in general be paid to married wo Wife or other adult dependent receive lings and 7 shillings and 6 pence child.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

ANCE	ITALY	U.S.	U.K.
irth	*Contributions:* 5.70 lire (0.03 dollars) per month. *Benefits:* On marriage 400-1,000 lire (1.78-4.44 dollars). Births 150-400 lire per child (0.67-1.78 dollars). *National benefit:* (marriage and birth of child) 5.67 dollars (1,349 lire).	No National Insurance Scheme. See Addendum, para. (d)	*Contributions:* See Table 20A. *Benefits:* Maternity grant £4 (16 dollars). Maternity allowance (for 13 weeks) 26 shillings (7.20 dollars) a week. Attendance allowance (for 4 weeks) 20 shillings (4 dollars). *National benefit:* Paid in instalments as above (£31.8) 125.60 dollars.
	Contributions: Manual workers 5 % of gross total wages Office " 3 % " " " " Agricultural workers from 1.3 lire (0.006 dollars) to 6.40 lire (0.03 dollars) per day. *Benefits:* Free medical attention is given to all categories of insured workers and their families. Financial assistance is as follows: Manual workers 50 % of daily average total wages. 1,000 lire (4.44 dollars) bonus for medical expenses of childbirth. 2,000 lire (8.88 dollars) allowance for death. Office workers, 2,333 lire (11.11 dollars) as maximum refund for hospital or sanatorium expenses plus 50 % of any excess expenses. 3,000 lire (13.33 dollars) for any surgical operation performed at the home of the worker. Agricultural workers receive an allowance from 16 lire (0.07 dollars) to 60 lire (0.27 dollars) per day.	No National Insurance Scheme. See Addendum, para. (b)	*Contributions:* See Table 20A. *Benefits:* 5.20 dollars (26 shillings) per week. Lower rates will in general be paid to married women. Wife or other adult dependent receive 16 shillings and 7 shillings and 6 pence for first child.

012 | 31

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 29 (

TYPE OF INSURANCE	ITALY	U.S.	U.K.
Accidents	*Contributions:* Industry: average contribution about 3.5 % of wages. Agriculture: average contribution of 87.50 lire per year (0.69 dollars). *Benefits:* (a) *Industry.* Temporary—2/3 of wage. Permanent—2/3 of salary up to maximum salary of 12,000 lire (53.33 dollars) per year i.e. maximum of 8,000 lire (35.56 dollars) per year for 100 % disability. Additional benefits (war allowances, etc.) may bring maximum up to 19,260 lire (85.60 dollars) per year for permanent injury. Fatal accident 15,600 lire (69.33 dollars) per year to surviving dependant plus 450 lire (2.00 dollars) per annum for widow and 180 lire (0.80 dollars) for each child. (b) *Agriculture.* Temporary—10-30 lire daily (0.04-1.33 dollars). Fatal accident or permanent total disability 19-52,000 lire grant (84.44-275.56 dollars). *National benefit:* (Permanent 100 % disability) 50 dollars (11,250 lire) per year.	No National Insurance Scheme. See Addendum, para. (c).	(National Insurance Industrial Injuries Bill *Contributions:* By all insured workmen and their employ 4d per week by employer } adult men 3d " " " worker } 3d " " " employer } adult women 2d " " " worker } *Benefits:* Single man or woman 60 shillings per w Single man or woman with adult depen shillings per week. Married man 76 shillings per week. Married man with child 83.5 shillings pe *National benefit:* (Permanent 100 % disability) 624 dollars (£156) per year.

0214

Declassified E.O. 12356 Section 3.3/NND No. 785021

ITALY	U.S.	U.K.
Contributions: Industry: average contribution about 3.5 % of wages. Agriculture: average contribution of 87.50 lire per year 10.39 dollars).	No National Insurance Scheme. See Addendum, para. (c).	(National Insurance Industrial Injuries Bill 1946). *Contributions:* By all insured workmen and their employers. 1d per week by employer } adult men 2d " " " worker } 3d " " " employer } adult women 2d " " " worker }
Benefits: (a) *Industry.* Temporary—2/3 of wage. Permanent—2/3 of salary up to maximum salary of 12,000 lire (53.33 dollars) per year i.e. maximum of 8,000 lire (35.56 dollars) per year for 100 % disability. Additional benefits (war allowances, etc.) may bring maximum up to 19,260 lire (85.60 dollars) per year for permanent injury. Fatal accident 15,600 lire (69.33 dollars) per year to surviving dependant plus 450 lire (2.00 dollars) per annum for widow and 180 lire (0.80 dollars) for each child. (b) *Agriculture.* Temporary—10-30 lire daily (0.04-1.33 dollars). Fatal accident or permanent total disability 19-62,000 lire grant (84.11-275.56 dollars).		*Benefits:* Single man or woman 60 shillings per week. Single man or woman with adult dependant 76 shillings per week. Married man 76 shillings per week. Married man with child 86.5 shillings per week.
National benefit: (Permanent 100 % disability) 50 dollars (11,250 lire) per year.		*National benefit:* (Permanent 100 % disability) 621 dollars (£156) per year.

0215

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 2

TYPE OF INSURANCE	ITALY	U.S.	U.K.
Family Allowances	*Contributions:* Industrial workers—20 % of wages. Agricultural workers—1.30 lire (0.08 dollars) each working day. Agricultural office workers—20 % of wages. Commerce 11.80 % of wages. Banking and insurance workers 20.30 to 28.50 % of wages.	No National Insurance Scheme. See Addendum, para. 10.	Fam. Allowances Bill, 1946. *Contributions:* Paid by Exchequer.
	Benefits: Industry Agriculture *manual workers* (lire per week) (lire per day) for each child 78 ($0.39) 1.00 ($0.004) for a wife 84 ($0.35) 1.15 ($0.006) for each parent 69 ($0.34) 0.80 ($0.0025) Commercial & Professional Banking & Insurance *manual workers* lire per month) (lire per month) for each child 311 ($1.58) 329-351 ($1.46-1.56) for a wife 323 ($1.41) 335 ($1.50) for each parent 275 ($1.22) 293 ($1.35) *office workers* (lire per month) (lire per month) for each child 390 ($1.73) 390 ($1.73) for a wife 116 ($1.85) 116 ($1.85) for each parent 338 ($1.50) 338 ($1.50) *office workers* (lire per month) (lire per month) for each child 350 ($1.60) 385-521 ($1.70-2.33) for a wife 374 ($1.65) 407-543 ($1.81-2.39) for each parent 299 ($1.33) 312-407 ($1.52-1.81) *National benefit:* (office worker with wife and 2 children) 7,05 dollars (4,586 lire).		*Benefits:* 2 shillings a week for every child in excess the first. (Additional family allowances are pa dependents to persons receiving incapa sickness or old age (retirement) bene *National benefit:* (man with wife and 2 children) 8 dollars (£2.5.9) per month.

0216

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 9 (Contd.)

FRANCE	ITALY	U.S.	U.K.
	Contributions: Industrial workers—20 % of wages. Agricultural workers—1.20 lire (0.001 dollars) each working day. Agricultural office workers—20 % of wages. Commerce 11.80 % of wages. Banking and insurance workers 20.40 to 28.50 % of wages.	No National Insurance Scheme. See Addendum item (6).	Family Allowances Bill, 1946. *Contributions:* Paid by Exchequer.
	Benefits: Industry (lire per week) / Agriculture (lire per day) *manual workers* for each child 78 ($0.35) / 1.00 ($0.004) for a wife 84 ($0.37) / 1.45 ($0.006) for each parent 69 ($0.31) / 0.80 ($0.0035) Commercial & Professional (lire per month) / Banking & Insurance (lire per month) *manual workers* for each child 341 ($1.38) / 320-351 ($1.40-1.56) for a wife 332 ($1.34) / 353 ($1.50) for each parent 275 ($1.22) / 303 ($1.35) *office workers* (lire per month) / (lire per month) for each child 396 ($1.73) / 396 ($1.73) for a wife 416 ($1.85) / 416 ($1.85) for each parent 328 ($1.50) / 328 ($1.50) *office workers* (lire per month) / (lire per month) for each child 559 ($1.60) / 585-721 ($1.70-2.33) for a wife 571 ($1.65) / 607-537 ($1.81-2.39) for each parent 298 ($1.33) / 342-407 ($1.52-1.81)		*Benefits:* 5 shillings a week for every child under 16 except the first. (Additional family allowances are given for dependents to persons receiving unemployment sickness or old age (retirement) benefits).
	National benefit: (office worker with wife and 3 children) 7.93 dollars (1,586 lire).		*National benefit:* (man with wife and 3 children) 8 dollars (£2.0.0) per month.

Contributions Payable under British National Insurance Scheme

TABLE 20 A

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

	Employed Person	Employer of Employed Person	Self-employed Person	Non-employed Person
	s. d.	s. d.	s. d.	s. d.
Men over 18 . . .	4 7 ($0.92)	3 10 ($0.77)	5 9 ($1.15)	4 8 ($0.95)
Women over 18 . .	3 7 ($0.72)	3 0 ($0.60)	4 10 ($0.97)	3 8 ($0.73)
Boys under 18 . . .	2 8 ($0.53)	2 3 ($0.45)	3 4 ($0.67)	2 9 ($0.55)
Girls under 18 . . .	2 2 ($0.43)	1 9 ($0.35)	2 11 ($0.58)	2 3 ($0.45)

NOTE ON INSURANCE NOT MENTIONED IN TABLE 20

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

TUBERCULOSIS.

Contributions:

Industry { manual workers 18.66 lire per week (0.22 dollars)
office workers 194.70 lire per month (0.87 dollars).

Agriculture { daily paid workers 3.017 lire per day (0.013 dollars)
permanent .. (men) 1.81 lire per day (0.008 dollars) (300 days per year)
.. .. (women, children) 1.508 lire per day (0.0067 dollars) (300 days per year)
fondiglioni and métayers 0.3227 lire per day (0.0011 dollars) (240 days per year).

Benefits:

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

FUND FOR WORKERS WORKING PART TIME.

Contributions:

(a) Employer pays 3.3 % of total gross wages paid to workers.
(b) Government contributes amount equal to (a).

Benefits:

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

FUND FOR MILITARY RE-INDUCTEES.

CLERICAL WORKERS

Contributions:

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

Benefits:

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

MANUAL WORKERS

Contributions:

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

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

NOTE ON INSURANCE NOT MENTIONED IN TABLE 20

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

TUBERCULOSIS.

Contributions:

Industry { manual workers 18.66 lire per week (0.22 dollars)
office workers 194.70 lire per month (0.87 dollars).

Agriculture { daily paid workers 3.017 lire per day (0.013 dollars)
permanent .. (men) 1.81 lire per day (0.008 dollars) (300 days per year)
.. .. (women, children) 1.308 lire per day (0.0067 dollars) (300 days per year)
husbandmen and métayers 0.9227 lire per day (0.0011 dollars) (230 days per year)

Benefits:

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

Cash benefits are for 2 years.

FUND FOR WORKERS WORKING PART TIME.

Contributions:

(a) Employer pays 3.3 % of total gross wages paid to workers.
(b) Government contributes amount equal to (a).

Benefits:

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

FUND FOR MILITARY RE-INDUCTEES.

CLERICAL WORKERS

Contributions:

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

Benefits:

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

MANUAL WORKERS

Contributions:

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

Benefits:

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

Declassified E.O. 12356 Sec. 3.3/NND No. 785031

NATIONAL MATERNITY ETC. ASSISTANCE.

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

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

The extent of charitable aid given may be seen from the fact that for the 1954 financial year the State was requested to contribute 1,200 million lire towards the organisation's funds which are further augmented by private contributions.

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

(a) As may be seen from the comparisons in Table 20, the benefits derived from Italian insurance schemes are considerably smaller than similar benefits in the U.S. and the U.K. In some cases the relief is most inadequate. The British system covers all types of insurance and all members of the population. The Italian system covers a wider field than does the U.S. national insurance, but it should be borne in mind that private insurance schemes are widely in use in the U.S. and that many firms there take care of their own workers insurance.

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

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

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

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

NOTE REGARDING CONTINUATION OF ABOVE ARTICLE

Declassified E.O. 12356 Section 3.3/NND No. 765021

The extent of charitable aid given may be seen from the fact that for the 1954 financial year the State was requested to contribute 1,280 million lire towards the organisation's funds which are further augmented by private contributions.

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

(a) As may be seen from the comparisons in Table 20, the benefits derived from Italian insurance schemes are considerably smaller than similar benefits in the U.S. and the U.K. In some cases the relief is most inadequate. The British system covers all types of insurance and all members of the population. The Italian system covers a wider field than does the U.S. national insurance, but it should be borne in mind that private insurance schemes are widely in use in the U.S. and that many firms there take care of their own workers insurance.

(b) In the United States, hospitalization insurance is not compulsory, and is not covered by the Government. It is however customary for a large part of the population, except in rural areas, to be insured against sickness.
Hospitals normally insure companies rather than individuals and in the U.S. individual contributions vary by hospital but are usually about 6 dollars per year.
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NOTE REGARDING CONTINUATION OF ABOVE ARTICLE

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

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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

HALF-A-MILLION TONS OF COAL

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

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

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

Heavy Cost of Delay

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

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

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

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

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

Not Enough Wagons

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

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

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

"ECONOMIC SURVEY„ SUPPLEMENT

The Supplement published with this week's issue of Economic Notes *is the first of two on*

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Heavy Cost of Delay

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

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

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

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

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

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"ECONOMIC SURVEY" SUPPLEMENT

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(SEPTEMBER 17 - 22 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Exhibitor	Genoa	17 Sept.	UNRRA	General	38
George Dewey	Naples	» »	»	»	4,276
Sfinge	Venice	» »	It. Program	Phosphates	7,109
Fortunata	Genoa	18 »	» »	»	4,825
Bowdoin Victory	»	19 »	UNRRA	General	1,102
Paul David Jones	Castellammare	20 »	»	Cereals	8,484
Kedoe	Genoa	21 »	»	Minerals	1,500
Cape Romano	Venice	22 »	Commercial	General	1,200

LATEST COAL SHIPMENTS

(SEPTEMBER 16 - 22 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Nathaniel Silsbee	Savona	16 September	United States	UNRRA	8,885
Hopecrest	Venice	» »	South Africa	Brit. Army	9,104
Maristella	Savona	17 »	Germany	UNRRA	4,400
Laurence J. Gallagher	»	» »	United States	Swiss	9,230
Johan Printz	Genoa	» »	»	UNRRA	8,680
	Piombino	21 »			
Hawkins Fudake	Genoa	17 »	»	»	8,481
	Leghorn	21 »			
Armathia	Genoa	17 »	Germany	»	7,017
Empire Tern	Civitavecchia	» »	»	»	3,187
Rudolph Kauffmann	»	» »	United States	»	9,066
Robert Watchorn	Palermo	» »	»	»	9,030
Lorado Taft (1)	Piombino	» »	»	»	4,490
Zuijderburgh	Naples	18 »	Germany	»	2,000
Alexander W. Doniphan	La Spezia	» »	United States	»	8,573
Samuel Nelson	Catania	» »	»	»	9,000
Llandaff	Bari	19 »	South Africa	»	8,414
Francis Drake	Savona	20 »	United States	»	9,331
Joseph Leidy	Venice	» »	»	»	8,042
Suerte	Savona	21 »	United Kingdom	»	5,006
Henry B. Brown	»	» »	United States	»	8,538
San Anthony	»	» »	Germany	»	7,560
Kelbergen	Genoa	» »	»	»	7,388
John Sharp Williams	»	» »	United States	»	8,653
					8,556

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Exhibitor	Genoa	17 Sept	UNRRA	General	38
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Hawkins Fudske	Genoa	17 »	»	»	8,481
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Armathia	Genoa	17 »	Germany	»	7,017
Empire Tern	Civitavecchia	» »	»	»	3,187
Rudolph Kauffmann	»	» »	United States	»	9,066
Robert Watchorn	Palermo	» »	»	»	9,050
Lorado Taft (1)	Piombino	» »	»	»	4,490
Zuijderburgh	Naples	18 »	Germany	»	2,000
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Henry B. Brown	»	» »	United States	»	8,538
San Anthony	»	» »	Germany	»	7,560
Kelbergen	Genoa	» »	»	»	7,388
John Sharp Williams	»	» »	United States	»	8,653
Seaman A. Knapp	Bagnoli	» »	»	»	8,556
Thomas W. Murray	Savona	22 »	»	»	8,465
Stad Haarlem	Bagnoli	» »	Germany	»	7,571
Lou Gehrig	Civitavecchia	» »	United States	»	8,786

NOTE: (1) Also discharged at Civitavecchia

Declassified E.O. 12356 Section 3.3/NND No. 785021

September 20, 1946 Vol. I, No. 36

ECONOMIC NOTES

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

CONTENTS

1. Lower Canning Costs
2. Seed Wheat for Dollars
3. Welfare Conferences in the North
4. Commodity Prices
5. Movements of Ships

LOWER CANNING COSTS

Increased output of canned food products at prices substantially lower than at present is expected to result from plans now under review for the rehabilitation of Italy's tinplate industry. In conjunction with the Italian Government and manufacturing representatives, UNRRA has completed a survey of the food processing industry. Italy's requirements of industrial raw materials have been examined, and recommendations have been put forward with the object of lowering the costs of tinplate production in relation to the price of tinned food.

The processing of fruit, vegetables and fish used to form an important part of Italy's food industry, in respect both of the home and export markets. With the stoppage of tinplate and fuel imports, not only did the canning industry suffer, but also the producers, who lost a valuable market for a large proportion of their output.

Pre-war Tinplate Production

In the period 1936-1940 inclusive, Italian production of tinplate had reached a yearly average of 142,000 tons of thin sheet, and 48,000 tons of tinplate. Pre-war, prices of cans (in lire values adjusted to 1946 levels—i.e. 225 lire to one dollar) ranged from approximately 2.782 lire for a 500 gram container to 22.05 lire for a 5,000 gram container. The retail price of the canned product was 61.8 economically unsatisfactory. Small quantities of tinplate are being manufactured at prices ranging from 130 to 160 lire per kilogram—at which level, canning costs are so high in relation to the commodity itself as to put prices beyond the average consumer's reach.

Comparative Price Figures

Comparative cost percentages show how the situation has worsened as a result of shortages of raw material. Before the war, the tinplate cost factor used to represent about 10 per cent. of the sale price of a kilogram (2 ¼ lbs.) tin of tomato paste; at present, it represents 25 per cent (calculating the cost of tinplate at 150 lire per kilogram). Similar percentages were: for a half-kilogram (about 1 lb.) tin of jam, 1.5 per cent., as against the present 15 per cent.; for a 1.2 kilogram tin of fruit syrup 6.5 per cent. as against 19 per cent.

Several factors are responsible. Many of them reflect the difficulties besetting industrial resumption throughout the steel industry. With the virtual disappearance of normal supply sources, tinplate producers have been forced to buy on the "free" or "black" market. Owing to the demand for tinplate, even at present prices, the tinplate production department in many plants has been put into operation more quickly than others. This has meant that a single department has had to carry a disproportionate rate of overhead expenses, due to the large amount of redundant labour

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

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Sporadic attempts to restart the canning industry since the end of the war have been economically unsatisfactory. Small quantities of tinplate are being manufactured at prices ranging from 120 to 160 lire per kilogram—at which level, canning costs are so high in relation to the commodity itself as to put prices beyond the average consumer's reach.

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Several factors are responsible. Many of them reflect the difficulties besetting industrial resumption throughout the steel industry. With the virtual disappearance of normal supply sources, tinplate producers have been forced to buy on the "free" or "black" market. Owing to the demand for tinplate, even at present prices, the tinplate production department in many plants has been put into operation more quickly than others. This has meant that a single department has had to carry a disproportionate rate of overhead expenses, due to the large amount of redundant labour still carried on the pay-roll.

Dependent on irregular and un-coordinated deliveries of raw material, plants producing

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tinplate have been working intermittently, and production costs have risen abnormally in consequence.

The UNRRA Italy Mission has assessed Italy's 1946 requirements of tinplate for domestic consumption at 21,100 tons, the greater part of which is required in the last quarter of the current year. This quantity should provide containers for approximately 325,000 tons of food products, to be allocated as follows:—

Commodity	Tons of Tinplate	Per cent.
Vegetables and Fruit	14,770	70.300
Fish Canning	3,693	17.500
Milk	1,055	5.000
Meat	633	3.000
Olive Oil	396	1.875
Processing on account of merchants	527	2.500
Reserve	26	125
	21,100	100.000

UNRRA's contribution towards this total of 21,000 tons of tinplate is estimated at 1,000 tons, of which about 500 tons have arrived and a further 240 are on their way. The Italian Government has arranged for further tinplate imports through normal commercial channels. These direct Government imports will be allocated to plants canning food for export, and thus will not affect the tonnage required for domestic consumption.

UNRRA Allocations

Under the terms of a production plan, which has been drawn up for the last months of 1946, the UNRRA Italy Mission has recommended specific allocations of UNRRA-imported raw materials, to be made by the Italian authorities, to yield an estimated 12,600 tons of tinplate and 5,000 tons of black-sheet.

This plan will require the following quantities of UNRRA-imported supplies: 6,700 tons of pig-iron; 252 tons of tin; 6,475 tons of Ruhr coal, or 22,000 tons of soft coal; and 126 tons of palm-oil. If palm-oil is not available and substitutes are necessary, quantities may have to be doubled. Coal may be saved where plants have been converted to lignite

made available, basic production costs, exclusive of any profit, should average not much more than 70 lire per kilogram. On the basis of these surveys, prices (f.o.b. sellers' warehouse) of UNRRA-imported tinplate have been fixed by the Joint-Price Committee at 100 lire per kilogram. It is hoped local manufacturers will also be able to produce on an economic basis within a price nearly equal to 100 lire.

Rehabilitation of the Italian tinplate industry will not only increase supplies of food available in Italy, and give work to unemployed, but—once Italy is able to procure her own raw material imports—will also help towards the revival of export trade.

SEED WHEAT FOR DOLLARS

Negotiations are now being completed between the Italian Government and the UNRRA Italy Mission (Local Resources Division) for the sale by Italy of surplus seed wheat to Greece and Yugoslavia. The estimated target figure is 10,000 tons, of which it is expected about 8,750 tons will be sent to Greece. The wheat will be shipped not later than the first week in October.

Under the terms of the sale, Italy will receive a bonus of 36 dollars (£9 sterling) for every ton of seed wheat delivered for shipment to Greece and Yugoslavia. Italy will thus acquire much needed foreign exchange. All the seed wheat exported will be replaced ton for ton by milling wheat—and replacement stocks are, in fact, already in the country. Furthermore, by a decision reached this week, internal handling and transport charges (as well as the price differential in excess of the 36 dollar per ton bonus) are to be met by a contribution from the Lire Fund, the special fund derived from the sale in Italy of UNRRA-imported goods delivered free of charge to the Italian Government.

Surplus only to be Exported

The wheat to be exported is surplus to Italy's own requirements for seed. It consists of selected varieties (with a guaranteed

Declassified E.O. 12356 Section 3.3/NND No. 760021

allocation of 21,100 tons, the greater part of which is required in the last quarter of the current year. This quantity should provide containers for approximately 325,000 tons of food products, to be allocated as follows:—

Commodity	Tons of Tinplate	Per cent.
Vegetables and Fruit	14,770	70.000
Fish Canning	3,693	17.500
Milk	1,055	5.000
Meat	633	3.000
Olive Oil	396	1.875
Processing on account of merchants	527	2.500
Reserve	26	.125
	21,100	100.000

UNRRA's contribution towards this total of 21,000 tons of tinplate is estimated at 1,000 tons, of which about 500 tons have arrived and a further 240 are on their way. The Italian Government has arranged for further tinplate imports through normal commercial channels. These direct Government imports will be allocated to plants canning food for export, and thus will not affect the tonnage required for domestic consumption.

UNRRA Allocations

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This plan will require the following quantities of UNRRA-imported supplies: 6,700 tons of pig-iron; 252 tons of tin; 6,475 tons of Ruhr coal, or 22,000 tons of soft coal; and 126 tons of palm-oil. If palm-oil is not available and substitutes are necessary, quantities may have to be doubled. Coal may be saved where plants have been converted to lignite.

Extensive field surveys carried out by the UNRRA Italy Mission suggest that, provided the raw material requirements are met by allocations at fixed prices now prevailing, and that relatively small quantities of Ruhr coal are

been fixed by the Joint-Price Committee at 100 lire per kilogram. It is hoped local manufacturers will also be able to produce on an economic basis within a price nearly equal to 100 lire.

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Surplus only to be Exported

The wheat to be exported is surplus to Italy's own requirements for seed. It consists of selected varieties (with a guaranteed minimum purity of 95 per cent. and a minimum germination of 85 per cent.) for which growers are entitled to receive prices 20 per cent. higher than those paid for ordinary milling wheat delivered to the ammassi.

Declassified E.O. 12356 Section 3.3/NND No. 785021

Originally, it was hoped that Italy might have had substantially larger quantities of seed wheat available for export, but the Italian Government has stated that 10,000 tons is the maximum surplus.

The milling wheat to be delivered to the ammassi, in exchange for the seed wheat which is to be exported, will be treated purely as replacement stock. The UNRRA Italy Mission has given assurances to the Italian Government that exports of surplus seed grain will not result in any reduction of Italy's stocks of milling wheat, and that replacement stocks will not affect the general allocations of wheat for milling purposes imported into the country.

WELFARE CONFERENCES IN THE NORTH

A three-weeks' Convention of Social Workers, jointly sponsored by the Ministry of Post-War Assistance, the Italian Government Delegation for Relations with UNRRA and the UNRRA Lombardy Regional Office (Welfare Branch), is now being held at Tremezzo (Lake Como). The Convention opened on 15 September and will continue until 6 October.

The Convention has been organized by two committees, executive and academic, representing all the main Italian welfare agencies, as well as the Pontifical Relief Commission, the Italian Red Cross, both the Catholic and the State Universities of Milan, the Milan Camera del Lavoro, the Labour Accident Institute and the Industrial Association.

With "Social Welfare in a Changing World" as its theme, the Convention is devoting one week's discussion to each of the following: Social Service, Social Insurance and Labour Legislation; Child Welfare; and Post-War Problems. The lectures will be delivered by Italian social service workers and members of the UNRRA Italy Mission, both from Headquarters in Rome and from the Regions.

Nutrition Experts Meet in Milan

A four-days' Nutrition Conference in Milan this week was attended by 350 Public Health for Relations with UNRRA and the UNRRA Italy Mission. A further conference on similar lines is to be held in Turin from 29 September to 3 October.

Members of the Universities of Milan and Pavia, Ministry representatives, health officers, directors of hospitals and welfare organizations discussed a wide program of subjects, ranging from domestic science and child feeding to "Good Nutrition at a Minimum Cost." At the end of each day's session there were practical demonstrations on the handling of dairy and vegetable products. The last day of the conference was devoted to nutritional problems directly affecting industrial workers—and, therefore, of vital importance to factory workers in Northern Italy.

A two-days' food demonstration for the general public has been arranged to follow the conference. This experiment, the first to be sponsored by the UNRRA Welfare Division since the beginning of its activities in Italy, has been planned in conjunction with the Italian authorities. The care and use of dried milk, dried eggs and dried soup is being practically demonstrated in three or four large kitchens put at the disposal of the conference by the Milan municipal authorities.

COMMODITY PRICES

The following is a classified list of commodity prices already fixed by the Joint Price Committee (as notified in previous issues of *Economic Notes*). This list does *not* include those commodities (mostly farm machinery and other agricultural supplies) the prices of which were fixed by the Committee for a limited period of time, which has now expired.

AGRICULTURAL

Ammonium nitrate base 31/35 %:

2,400 lire per quintal ex Consorzio warehouse. (Original weight including packing.)

Cotton seed cakes:

1,000 lire per quintal, f.o.b. feed-mixing plants.

Flax seed:

5,500 lire per quintal to farmers.

Declassified E.O. 12356 Sec. 3.3/NND No. 759001

maximum surplus.

The milling wheat to be delivered to the ammassi, in exchange for the seed wheat which is to be exported, will be treated purely as replacement stocks. The UNRRA Italy Mission has given assurances to the Italian Government that exports of surplus seed grain will not result in any reduction of Italy's stocks of milling wheat, and that replacement stocks will not affect the general allocations of wheat for milling purposes imported into the country.

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A four-days' Nutrition Conference in Milan this week was attended by 350 Public Health nurses from many parts of Northern Italy, and a number of leading Italian experts. The conference was held under the auspices of High Commissariat for Hygiene and Public Health, the Italian Government Delegation Members of the Universities of Milan and Pavia, Ministry representatives, health officers, directors of hospitals and welfare organizations discussed a wide program of subjects, ranging from domestic science and child feeding to "Good Nutrition at a Minimum Cost." At the end of each day's session there were practical demonstrations on the handling of dairy and vegetable products. The last day of the conference was devoted to nutritional problems directly affecting industrial workers—and, therefore, of vital importance to factory workers in Northern Italy.

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Cotton seed cakes:

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Flax seed:

3.500 lire per quintal to farmers.

Forage pea seed:

Present price of 25.000 lire per metric ton confirmed and extended to 15 September, 1946. To be re-examined by the Joint Price Committee this week.

Declassified E.O. 12356 Section 3.3/NND No. 785021

Forage seed corn:

25,000 lire per ton f.o.b. Provincial Consorzi Agrari warehouses. (Sales limited to *bona fide* farmers.)

Seed potatoes:

2,050 lire per quintal c.i.f. to Federazione Consorzi Agrari (excluding handling costs).
3,250 lire per quintal to farmers. (This price includes all handling and distribution charges.)

Sudan grass:

4,000 lire per quintal ex Consorzio warehouse. (Original weight including packing.)

Three-bottom ploughs:

80,000 lire each, ex consignee's warehouse.

Two-bottom ploughs:

Present price of 55,000 lire each f.o.b. Consorzio Agrario warehouse, fixed in Price Decision No. 8, is confirmed and extended indefinitely.

Vetch seed:

45,000 lire per ton f.o.b. Provincial Consorzi Agrari warehouses. (Sales limited to *bona fide* farmers.)

Industrial

Anthracite for electrodes:

5,250 lire per ton at port. (Price fixed on 22 July, to be re-examined in three months' time.)

Benzol:

Benzol Industrial - 55 lire per kg. f.o.b. tanks.
Benzol Nitration - 60 lire per kg. f.o.b. tanks, in bulk.

Coal:

2,300 lire per ton c.i.f. to public utilities (excluding handling costs).
3,500 lire per ton c.i.f. to manufacturers (excluding handling costs).

Opencast Coal:

2,450 lire per ton at port.

Colophony:

100 lire per kg. ex consignee's warehouse. (Net weight including packing.)

Corn Syrup:

For industrial purposes: 50 lire per kg. ex consignee's warehouse.
For direct food consumption with controlled distribution: 35 lire per kg.
Prices valid to 30 November, 1946.

Cotton goods (made for hospitals—imported on 1945

Denaturated alcohol:

200 lire per litre ex consignee's warehouse (drums free).

Petroleum coke:

4,375 lire per ton at port. (Price fixed on 2 August, to be re-examined in three months.)

Rubber:

MS/1 Standard quality (crude) 290 lire per kg. ex consignee's warehouse.

Tinplate:

(a) 100 lire per kg. f.o.b. seller's warehouse.
(b) 45 lire per kg. to canning manufacturers. (This price is limited to the 300 tons being imported for the preservation of fish.)

Toluol:

75 lire per kg. f.o.b. tanks, in bulk.

Petroleum Products

Gasoline: House Brand (Motor vehicle use)	27	lire per litre
Kerosene	28.50	lire per kg.
Diesel oil	24	lire per litre
Fuel oil	8	lire per kg.

} Retail price

Medical

Insulin:

vials of 100 units	5cc	12	lire each
" " 100 "	10	18	" "
" " 200 "	5	18	" "
" " 200 "	10	29	" "
" " 400 "	5	29	" "
" " 400 "	10	35	" "
" " 800 "	12	58	" "

} Retail price to consumers

Penicillin:

235 lire per 100,000 unit vial
150 " " 250,000 " "

} Price to consumers

General

Trailers:

One ton cargo, two wheels with tyres, 55,000 lire each ex Distribution Centres.

"ECONOMIC SURVEY" SUPPLEMENT

No supplement is published with this week's Economic Notes. *The supplement to be*

Declassified E.O. 12356 Section 3.3/NND No. 760021

Sudan grass:

4,000 lire per quintal ex Consorzio warehouse. (Original weight including packing.)

Three-bottom ploughs:

80,000 lire each, ex consignee's warehouse.

Two-bottom ploughs:

Present price of 55,000 lire each f.o.b. Consorzio Agrario warehouse, fixed in Price Decision No. 8, is confirmed and extended indefinitely.

Vetch seed:

45,000 lire per ton f.o.b. Provincial Consorzi Agrari warehouses. (Sales limited to *bona fide* farmers.)

Industrial

Anthracite for electrodes:

5,250 lire per ton at port. (Price fixed on 22 July, to be re-examined in three months' time.)

Benzol:

Benzol Industrial - 55 lire per kg. f.o.b. tanks.
Benzol Nitration - 60 lire per kg. f.o.b. tanks, in bulk.

Coal:

2,600 lire per ton c.i.f. to public utilities (excluding handling costs).
3,500 lire per ton c.i.f. to manufacturers (excluding handling costs).

Opencast Coal:

2,450 lire per ton at port.

Colophony:

100 lire per kg. ex consignee's warehouse. (Net weight including packing.)

Corn Syrup:

For industrial purposes: 50 lire per kg. ex consignee's warehouse.
For direct food consumption with controlled distribution: 35 lire per kg.
Prices valid to 30 November, 1946.

Cotton goods (made for hospitals—imported on 1945 program):

Sheeting for sheets and pillow-cases: 70 lire per sq. metre. (Retail price to consumer.)
Towelling: 75 lire per sq. metre. (Retail price to consumer.)
Material for diapers and napkins: 60 lire per sq. metre. (Retail price to consumer.)

MS/1 Standard (quality (erude) 200 lire per kg. ex consignee's warehouse.

Tinplate:

(a) 100 lire per kg. f.o.b. seller's warehouse.
(b) 45 lire per kg. to canning manufacturers. (This price is limited to the 300 tons being imported for the preservation of fish.)

Toluol:

75 lire per kg. f.o.b. tanks, in bulk.

Petroleum Products

Gasoline: House Brand (Motor vehicle use)	27	lire per litre
Kerosene	28.50	lire per kg.
Diesel oil	24	lire per litre
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Insulin:

vials of 100 units	5cc	12	lire	each
,, ,, 100 ,,	10 ,,	18	,,	,,
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,, ,, 400 ,,	5 ,,	29	,,	,,
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,, ,, 800 ,,	12 ,,	58	,,	,,

} Retail price to consumers

Penicillin:

295 lire per	100,000 unit	vial
150 ,, ,,	200,000 ,,	,,

} Price to consumers

General

Tractors:

One-ton cargo, two wheels with tyres, 55,000 lire each ex Distribution Centres.

"ECONOMIC SURVEY,, SUPPLEMENT

No supplement is published with this week's Economic Notes. *The supplement to be published with next week's* Economic Notes *(No. 37, 27 September) will deal with Labour and the Standard of Living in Italy. A supplement will be included in Issue No. 38 (4 October) on the subject of Italy's Foreign Trade.*

Declassified E.O. 12356 Section 3.3/NND No. 759021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(SEPTEMBER 9 - 15 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Arlie Clark (1)	Genoa	6 September	UNRRA	General	77
Empire Eden	»	9 »	»	Textiles	1,100
Apollo	La Spezia	» »	It. Program	Phospates	5,500
Empire Falcon	Catania	» »	UNRRA	Barley	4,627
Cape Lookout	Genoa	11 »	»	General	559
Fernebo	Naples	» »	Commercial	Textiles	876
Explorer	Genoa	» »	UNRRA	General	1,884
Taygetos	»	12 »	Commercial	Copra	5,100
St. Gotthard	»	13 »	Swiss	Cereals	7,500
Eugene Field	»	» »	Commercial	General	6,200
Bothnia	»	» »	UNRRA	»	1,200
Fort Island	Naples	» »	»	»	1,039
John Laurance	Venice	» »	Commercial	»	5,831
Itu	Piombino	15 »	It. Program.	Minerals	2,000

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

LATEST COAL SHIPMENTS

(SEPTEMBER 9 - 15 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Anna Marcou (1)	Savona	6 September	Turkey	Swiss	3,393
Tynemouth (1)	Genoa	7 »	Holland	UNRRA	4,220
Ivan Topic	Savona	9 »	Yugoslavia	Commercial	7,280
William T. Barry	Venice	» »	United States	UNRRA	8,210
	Ancona	13 »			
Beaconsfield	Bari	9 »	South Africa	»	8,031
	Taranto	12 »			
Agios Vlasios	Savona	10 »	Turkey	Swiss	4,121
Philippa	Genoa	» »	United States	UNRRA	8,457
Hartbridge	»	» »	Germany	»	7,800
Stanborn	Civitavecchia	» »	»	»	3,320
Edera	Venice	» »	»	»	7,653
Flagstaff Victory	»	» »	United States	»	8,287
Israel Putnam	Catania	» »	»	»	8,287
	Reggio Calabria	13 »			
Collis P. Huntington	Genoa	11 »	»	»	8,739
Adelphi Victory	»	» »	»	»	9,176
	Leghorn	13 »			
Niels Poulson	Genoa	11 »	»	»	8,741
	Leghorn	14 »			
Lorato Taft	Civitavecchia	11 »	»	»	8,849
Francis C. Harrington	La Spezia	» »	»	»	8,433
Elijah White	Savona	13 »	Bahrein	It. Program	9,026
Alexander S. Clay	»	» »	United States	UNRRA	8,469
F. T. Frelinghuysen	Genoa	» »	»	»	8,633
Nailsea Moor	Bari	» »	South Africa	»	8,196
Webb Miller (2)	Ancona	» »	United States	»	4,500

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Declassified E.O. 12356 Section 3.3/NND No. 745021

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SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
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St. Gotthard	»	13 »	Swiss	Cereals	7,500
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Bothnia	»	» »	UNRRA	»	1,200
Fort Island	Naples	» »	»	»	1,039
John Laurance	Venice	» »	Commercial	»	5,831
Itu	Piombino	15 »	It. Program.	Minerals	2,000

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Webb Miller (2)	Ancona	» »	United States	»	4,500
Robert Ellis Lewis	Genoa	14 »	»	»	8,592
George H. Dern	Brindisi	» »	»	»	8,474
George Matthews	Civitavecchia	15 »	»	»	8,581
Walker D. Hines	Bagnoli	» »	»	»	9,167

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

Declassified E.O. 12356 Section 3.3/NND No. 785021

September 13, 1946 Vol. I, No. 35

ECONOMIC NOTES

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

CONTENTS

1. UNRRA Helps Italian Agriculture
2. UNRRA Textile Committee at Work
3. Commodity Prices
4. UNRRA Imports in August
5. Movements of Ships

UNRRA HELPS ITALIAN AGRICULTURE

A revised budget for UNRRA agricultural aid to Italy has now been agreed between the Italian Government and the UNRRA Italy Missjon. The sum of 29,500,000 dollars (£7,375,000 sterling), originally allocated to Italy's agricultural needs has, in the light of subsequent developments, been reduced to 22,500,000 dollars (£5,625,000 sterling). If the alterations planned can all be put into effect, an estimated 7,000,000 dollars (£1,750,000 sterling) will be released for other requirements of the Italian program.

Some of the items budgeted for agricultural rehabilitation have already been imported; others have been procured and await shipment, and the balance still to be acquired depends on world availability. Should items prove to be unobtainable, the funds so released will be used for the purchase of other commodities required for the Italian economy. In any case, therefore, the total funds definitely allocated to Italy will be unaffected.

Fertilizers, Seeds and Pesticides

Fertilizers, seeds and pesticides are the main items on the new budget, where they account for 8,000,000 dollars, 4,000,000 dollars and 3,000,000 dollars respectively. Italy's soil fertility has suffered heavy deterioration through six years of enforced neglect. The havoc caused in the battle areas, during months of fighting, with farmers driven off or deported, livestock plundered, and farmsteads destroyed,

arrived), plus an additional 20,000 metric tons (in terms of nitrogen) of nitrogenous fertilizer and 5,000 metric tons of potash. Originally, it included also 10,000 metric tons of superphosphate, but as this was not immediately available, it has been replaced by basic slag, 5,400 tons of which have already arrived.

New and Better Crops

A two-fold policy has been adopted in regard to seed requirements. In the first place, deterioration of the local seed has reacted on both the quality and quantity of the yield—with potatoes, for instance. Hence has arisen the need for renewing normal imports of selected and vigorous seed. Secondly, improved varieties and newer crops have been planned, to permit of more effective use of crop land, and to secure greater total production of food and animal fodder.

The seeds, which the UNRRA Italy Mission is now endeavouring to procure, comprise grains, field seeds, grasses and vegetable seeds. The grains include 4,000 tons of barley, corn, oats and rye. Italy used normally to import oat and barley seed from Denmark, because of their early maturity and high productive qualities, as compared with local varieties. Rye seed used to be purchased from Germany and Austria.

Pasture Improvement

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Declassified E.O. 12356 Section 3.3/NND No. 785091

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A revised budget for UNRRA agricultural aid to Italy has now been agreed between the Italian Government and the UNRRA Italy Mission. The sum of 29,500,000 dollars (£7,375,000 sterling), originally allocated to Italy's agricultural needs has, in the light of subsequent developments, been reduced to 22,500,000 dollars (£5,625,000 sterling). If the alterations planned can all be put into effect, an estimated 7,000,000 dollars (£1,750,000 sterling) will be released for other requirements of the Italian program.

Some of the items budgeted for agricultural rehabilitation have already been imported; others have been procured and await shipment, and the balance still to be acquired depends on world availability. Should items prove to be unobtainable, the funds so released will be used for the purchase of other commodities required for the Italian economy. In any case, therefore, the total funds definitely allocated to Italy will be unaffected.

Fertilizers, Seeds and Pesticides

Fertilizers, seeds and pesticides are the main items on the new budget, where they account for 8,000,000 dollars, 4,000,000 dollars and 3,000,000 dollars respectively. Italy's soil fertility has suffered heavy deterioration through six years of enforced neglect. The havoc caused in the battle areas, during months of fighting, with farmers driven off or deported, livestock plundered, and farmsteads destroyed, will require some time to remedy.

The fertilizer program calls for 21,700 metric tons of ammonium nitrate (which have already arrived), plus an additional 20,000 metric tons (in terms of nitrogen) of nitrogenous fertilizer and 5,000 metric tons of potash. Originally, it included also 10,000 metric tons of superphosphate, but as this was not immediately available, it has been replaced by basic slag, 5,400 tons of which have already arrived.

New and Better Crops

A two-fold policy has been adopted in regard to seed requirements. In the first place, deterioration of the local seed has reacted on both the quality and quantity of the yield—with potatoes, for instance. Hence has arisen the need for renewing normal imports of selected and vigorous seed. Secondly, improved varieties and newer crops have been planned, to permit of more effective use of crop land, and to secure greater total production of food and animal fodder.

The seeds, which the UNRRA Italy Mission is now endeavouring to procure, comprise grains, field seeds, grasses and vegetable seeds. The grains include 4,000 tons of barley, corn, oats and rye. Italy used normally to import oat and barley seed from Denmark, because of their early maturity and high productive qualities, as compared with local varieties. Rye seed used to be purchased from Germany and Austria.

Pasture Improvement

The total requirements of field seeds and grass seed amount to over 3,600 tons. They are essential for the improvement of Italian

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pastures, which in many cases have been injured by drought and over-grazing. If supplies are procurable, use will be made of lespedeza, a legume hitherto unknown in Italy. Planted especially on poor soil, it is suitable as a soil-builder and to prevent erosion (and, therefore, may be of great importance in many parts of Italy). It is suitable also as a pasture mixture. Lespedeza has already proved of value in the United States.

The program includes 28,000 tons of potatoes, 10,000 tons of which were imported for last spring's seeding. The balance of the UNRRA program calls for 15,000 tons from the United Kingdom and 3,000 tons of suitable German varieties to be procured in Czechoslovakia, if available. Italy has in past years imported as much as 80,000 to 90,000 tons of seed potatoes to renew domestic seed.

Stoppage of flax-seed imports (which Italy used to procure from Holland because of the Dutch variety's high-quality fibre production) has lowered the standard of domestically produced fibre. In view of the industrial and agricultural importance of this crop, UNRRA plans to import a total of 300 tons of flax seed.

To Combat Vine Diseases

Under pesticides come 10,000 tons of copper sulphate, a vital factor in combating vine plant diseases, 4,000 tons of blister copper, to produce copper sulphate, and also 500 tons of crude white oil, which is needed for the manufacture of appropriate oil sprays for use in the autumn and winter against exceptionally severe infestations, particularly in connection with the citrus crop in Campania, Liguria, Apulia, Calabria and Sicily.

Included in the pesticides are 300 tons of pyrethrum flowers, a substitute for nicotine products, which is used against fruit crop pests, and also as a livestock spray against flies.

A further item in the pesticide program is 25 tons of the new product, gammexane, which was the most successful of the sprays used in the campaign against the Sardinia grasshopper plague—a campaign which saved more than 90 per cent. of the island's wheat crop.

The food value of Italy's agricultural production is affected by the availability of im-

UNRRA TEXTILE COMMITTEE AT WORK

Policy in regard to the manufacture in Italy of UNRRA-imported raw textiles and the disposal of the finished products to the Italian people has now been officially agreed by the Government, with the signature of the decree setting up the UNRRA-Tessili (UNNRA-Textile) Committee. The Committee has already begun work.

After referring to the agreements between the Italian Government and UNRRA signed in March, 1945, and January, 1946, the decree states that a Committee is to formed "to carry into effect the relief and rehabilitation program agreed to between the Italian Government and UNRRA . . . as regards the processing and distribution of textile fibres supplied by UNRRA to the Italian Government."

Committee Members

The Under-Secretary of State for Industry and Commerce will be the chairman of the Committee, and its other members will represent the State Council, the Court of Accounts, the Treasury, the Ministry of Post-War Assistance, the Ministry of Industry and Commerce, the Italian Government Delegation for Relations with UNRRA and the UNRRA Italy Mission.

The new decree constitutes Government recognition of the plan put forward by UNRRA to establish an official agency which will carry out the UNRRA textile program—even after the UNRRA Italy Mission has ceased its activities. It marks the successful conclusion of efforts which have involved important economic and social issues in Italy. The UNRRA-Tessili Committee, in co-operation with the UNRRA Italy Mission, will be responsible not only for the processing and distribution of cotton and wool supplies, but will also control UNRRA-imported hides.

Price Policy

The underlying object of this new approach to one of Italy's most complex economic problems is to ensure that the wool and cot-

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The food value of Italy's agricultural production is affected by the availability of imported raw materials required for industrial processing. Included in the budget are 1,000

Continued on page 6

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Price Policy

The underlying object of this new approach to one of Italy's most complex economic problems is to ensure that the wool and cotton goods, manufactured from raw material imported into Italy by UNRRA in accordance with the 1946 relief and rehabilitation program, are available to consumers *in Italy* at prices within their reach.

Declassified E.O. 12356 Section 3.3/NND No. 785021

In this, the Italian Government and UNRRA are strictly complying with UNRRA Basic Resolution No. 7, which requires that "distribution [of relief and rehabilitation supplies] should be so conducted that all classes of the population, *irrespective of their purchasing power*, shall receive their equitable shares of essential commodities," and that "when supplies are sold to consumers, prices should be set at such levels as to facilitate the flow of supplies into the proper hands."

The "go-ahead" signal was given as long ago as May last, when the UNRRA Italy Mission formally recommended to the Government that:—

(a) UNRRA-imported cotton should be spun and woven on the Government's account—i.e. it should not be sold to cotton manufacturers.

(b) This processing operation was to be financed through a loan from the UNRRA Lire Fund.

(c) Finished goods should be distributed free to the destitute, and at subsidized prices to the low-income classes of the Italian population.

Cotton Agreement

After long and difficult negotiations, of necessity delayed during the election period, the North Italy Sub-Commission was able, at the end of July, to secure an agreement with the cotton manufacturers for the spinning and weaving of 31,000 tons of UNRRA cotton, at an average production cost of about 245 lire per kilogram. [Details of this agreement were published in *Economic Notes* No. 30, of 9 August.]

Similar discussions are now proceeding with the woollen industry, with which it is expected to secure an agreement on the lines of that reached with the cotton industry. As with cotton goods, the broad plan is to distribute about one-third of the finished woollen goods free to the neediest sections of the community, and to sell the remainder at reasonable prices to the low-income groups.

UNRRA's program in Italy calls for the delivery of some 41,000 tons of greasy wool, valued at 22,500,000 dollars (£5,625,000 delivered approximately 34,000 tons of the 35,000 tons of the raw cotton in its program. Cotton deliveries are thus virtually complete.

The amounts of textile raw material included in the UNRRA program were fixed after a very thorough examination of the actual needs of the Italian population at the close of five years of war and German occupation. At the same time it was intended to put the Italian textile industry (almost unaffected by the war in its main centres of Northern Italy) in a position to obtain reasonable returns from the production of finished goods for the domestic market.

Export Trade

In the absence of any control over distribution, there is evidence that a considerable part of the 44,000 tons of cotton and the 6,000 tons of wool imported into Italy under the military and F.E.A. (Foreign Economic Administration) plans, were used for the export trade rather than for the home market. Since the liberation of the North in May last year, the cotton textile industry has concentrated upon export to such an extent that, while the cotton spinning mills have been in full production for the export trade, orders for the home market have been accepted only at the highest prices.

At least 70 per cent. of the output of the cotton spinning mills is being sold abroad—either directly, or through foreign wholesalers or weavers (often on the so-called "lavorazioni per conto" system, under which mills receive further supplies of raw cotton in payment for work done).

On the other hand, the weavers are working at a reduced rate for the foreign trade: and a substantial margin of the industry's capacity is still available to produce for the home market.

Margin for Domestic Needs

It is fully recognized that the textile export trade may be one of the largest sources of free currency available to Italy, to meet essential foreign exchange requirements. UNRRA's [illegible] the manufacture and distribution

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of essential commodities, and that when supplies are sold to consumers, prices should be set at such levels as to facilitate the flow of supplies into the proper hands."

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Similar discussions are now proceeding with the woollen industry, with which it is expected to secure an agreement on the lines of that reached with the cotton industry. As with cotton goods, the broad plan is to distribute about one-third of the finished woollen goods free to the neediest sections of the community, and to sell the remainder at reasonable prices to the low-income groups.

UNRRA's program in Italy calls for the delivery of some 11,000 tons of greasy wool, valued at 22,500,000 dollars (£5,625,000 sterling) and 11,000 tons of wool rags, valued at 5,000,000 dollars (£1,250,000 sterling). Of these amounts approximately 11,500 tons have already been delivered, or are due to arrive shortly. Up to 15 August, UNRRA had

same time it was intended to put the Italian textile industry (almost unaffected by the war in its main centres of Northern Italy) in a position to obtain reasonable returns from the production of finished goods for the domestic market.

Export Trade

In the absence of any control over distribution, there is evidence that a considerable part of the 41,000 tons of cotton and the 6,000 tons of wool imported into Italy under the military and F.E.A. (Foreign Economic Administration) plans, were used for the export trade rather than for the home market. Since the liberation of the North in May last year, the cotton textile industry has concentrated upon export to such an extent that, while the cotton spinning mills have been in full production for the export trade, orders for the home market have been accepted only at the highest prices.

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On the other hand, the weavers are working at a reduced rate for the foreign trade; and a substantial margin of the industry's capacity is still available to produce for the home market.

Margin for Domestic Needs

It is fully recognized that the textile export trade may be one of the largest sources of free currency available to Italy, to meet essential foreign exchange requirements. UNRRA's program for the manufacture, and distribution to the Italian people, of UNRRA-imported wool and cotton is, therefore, expressly designed to avoid interference with this export trade.

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At no point in the course of the Government's negotiations with the Italian textile manufacturers was the question raised that prospective exports might be lost. Even on the most optimistic estimates of export possibilities, it is evident that a very comfortable margin of the industry's total productive capacity is still available to meet urgent domestic needs: and it is with this in mind that UNRRA and the Italian Government, through months of negotiation, have sought to reconcile the interests of exporters with the pressing needs of the Italian people.

COMMODITY PRICES

Gasoline is among the UNRRA-imported commodities for which prices have been fixed by the Joint Price Committee.

In accordance with Article III (d) (iii) of the Supplementary Agreement of 19 January, 1946, the Italian Government and the UNRRA Italy Mission have agreed to the following recommendations of the Joint Price Committee:—

Gasoline: House Brand (Motor vehicle use) . . .	27 lire per litre	Retail price
Kerosene	28.50 lire per kg.	
Diesel oil	24 lire per litre	
Fuel oil	8 lire per kg.	

All the above prices are effective as from 1 September, 1946.

Benzol:
Benzol Industrial - 55 lire per kg. f.o.b. tanks.
Benzol Nitration - 60 lire per kg. f.o.b tanks, in bulk.

Toluol:
75 lire per kg. f.o.b. tanks, in bulk.

Tinplate:
100 lire per kg. f.o.b. seller's warehouse.

Opencast Coal:
2,450 lire per ton at port.

Three-bottom ploughs:
80,000 lire each, ex consignee's warehouse.

Two-bottom ploughs:
Present price of 55,000 lire each f.o.b. Consorzio Agrario warehouse, fixed in Price Decision No. 3, is confirmed and extended indefinitely.

UNRRA IMPORTS IN AUGUST

UNRRA imports for the rehabilitation of Italian industry and agriculture reached their peak during the month of August, states Mr. S. M. Keeny, Chief of the UNRRA Italy Mission. A total of 1,100,000 tons of supplies reached Italian ports in August, an average of five ships per day.

For the first time this year food imports formed a comparatively small percentage of UNRRA supplies, indicating increasing stress on rehabilitation aspects of UNRRA aid to Italy. Peak UNRRA arrivals were recorded in coal and in other industrial and agricultural rehabilitation supplies. Almost 900,000 tons of coal reached Italy, the highest monthly total since April arrivals of 670,000 tons. These increased coal shipments have made it possible to raise the level of coal allocations to factories, railroads and other essential consumers from 540,000 tons for August to 600,000 tons for September.

Stimulus for Italian Industry

"The revival of Italian industrial activity should receive a pronounced stimulus from the increasing arrivals of these vital supplies," Mr. Keeny said. "At the same time, crop conditions for cereals and sugar beet have been favourable and, if properly husbanded, these crops will ease the food situation somewhat. Although Italy's economic future is still unsettled, pending decisions now being made at Paris and the possibility of obtaining foreign loans—on the basis of present imports and crops, a sound reconstruction foundation is being laid."

Imports in August continued to demonstrate the international character of UNRRA assistance. Supplies arriving in Italy included coal and fertilizer from the United States, wool and industrial chemicals from the United Kingdom, copra from the Philippines, dried beans from Brazil, grain from Argentina, and coal from South Africa.

August tonnages in the major relief and rehabilitation categories included:—

	tons
Industrial Rehabilitation	1,018,921

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"ECONOMIC SURVEY" SUPPLEMENT

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August tonnages in the major relief and rehabilitation categories included:—

	tons
Industrial Rehabilitation	1,018,921
Agricultural Rehabilitation	3,769
Food, Feed, and Soap	60,946
Materials for Textiles, Clothing and Footwear	7,720
Medical Supplies	233

Declassified E.O. 12356 Section 3.3/NND No. 785021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(SEPTEMBER 1 - 7 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Gerarchia	Genoa	1 September	UNRRA	Cereals	7,959
Newberry Victory	»	2 »	UNRRA & Comm'l.	General	3,400
Capo Mele	»	» »	UNRRA	Cereals	4,700
Thomas Paine	»	» »	»	General	7,775
A. Th. Jonasson	»	» »	»	»	745
Mont Alta	Naples	» »	UNRRA (Greece-Italy)	»	3,095
Samuel H. Walker (1)	Brindisi	3 »	UNRRA	Wool	93
Exbrook	Naples	4 »	»	General	2,228
Merkland	Genoa	5 »	»	»	423
Ocean Glory	»	» »	»	Manganese	2,000
Kyklades	Venice	» »	UNRRA (Italy-Austria)	Cereals	8,500
Flora Nomicou	»	» »	It. Program	Phospates	3,200
Celestial	»	» »	UNRRA	General	677
William Tyler	»	» »	»	Petroleum coke	8,283
Joseph Lykes (1)	Bari	7 »	»	General	5,900
Andrea Contarini	Brindisi	» »	It. Program.	Phospates	2,000

NOTE: (1) Also discharged at Trieste

LATEST COAL SHIPMENTS

(SEPTEMBER 1 - 8 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Fort Buffalo	Savona	1 September	South Africa	UNRRA	8,500
James Duncan	»	» »	U. S. A.	»	8,858
David Lubin (1)	Leghorn	» »	»	»	4,500
Robert T. Paine (1)	Piombino	» »	»	»	4,600
William Carson	Venice	» »	»	»	8,113
Kerma	Savona	2 »	United Kingdom	»	5,500
Catawba Victory	»	3 »	U. S. A.	»	8,276
Panagiotis	»	» »	Turkey	Swiss	5,803
Themistocles	»	» »	U. S. A.	UNRRA	8,663
Winona	»	» »	United Kingdom	»	2,701
John Bartram	Bagnoli	» »	U. S. A.	»	8,604
Pierre Laclede	Torre Annunziata	5 »	»	»	
William Leavitt	Bari	3 »	»	»	8,463
Franklin K. Lane	Ancona	8 »	»	»	9,169
William K. Kamaka (2)	Messina	3 »	»	»	8,347
Nathan Clifford	Catania	» »	»	»	
Miguel de Larrinaga	Reggio Calabria	7 »	»	»	5,000
Henry Ward Beecher	Ancona	3 »	»	»	8,863
Jared Ingersoll	Genoa	4 »	»	»	
Cherea	Leghorn	7 »	»	»	7,003
Casimir Pulaski (2)	Genoa	5 »	Germany	»	8,221
	»	» »	U. S. A.	»	8,853
	La Spezia	» »	»	»	7,313
	Venice	» »	Germany	»	4,500
	Ancona	» »	U. S. A.	»	5,510
		6 »	Turkey	Swiss	

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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William Carson	Venice	» »	»	»	8,413
Kerma	Savona	2 »	United Kingdom	»	5,500
Catawba Victory	»	3 »	U. S. A.	»	8,276
Panagiotis	»	» »	Turkey	Swiss	5,803
Themistocles	»	» »	U. S. A.	UNRRA	8,663
Winona	»	» »	United Kingdom	»	2,201
John Bartram	Bagnoli	» »	U. S. A.	»	8,604
	Torre Annunziata	5 »	»	»	
Pierre Laclede	Bari	3 »	»	»	8,463
	Ancona	8 »	»	»	9,169
William Leavitt	Messina	3 »	»	»	8,347
	Catania	» »	»	»	
Franklin K. Lane	Reggio Calabria	7 »	»	»	5,000
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	Leghorn	7 »	»	»	7,003
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Cherca	Venice	» »	Germany	»	7,313
Casimir Pulaski (2)	Ancona	» »	U. S. A.	»	4,500
Bosanka	Savona	6 »	Turkey	Swiss	5,510
Beograd	»	» »	U. S. A.	UNRRA	8,557
Charles N. Cole	Palermo	» »	»	»	9,011
John L. Elliott	Savona	7 »	»	»	9,215
Marshall Elliott	Civitavecchia	» »	»	»	8,278
Netherlands Victory	Bagnoli	8 »	»	»	8,534
Webb Miller	Venice	» »	»	»	8,693

NOTE: (1) Also discharged at Genoa (2) Also discharged at Venice

Declassified E.O. 12356 Section 3.3/NND No. 785001

Continued from page 2

UNRRA HELPS ITALIAN AGRICULTURE

tons of tinplate, 2,700 tons of coir yarn and 150 tons of sealing compound. The actual minimum requirements of tinplate—needed to produce tins for preserving fresh fruit and vegetables—are estimated at a much higher figure. The budget program has had, however, to be cut down to 4,000 tons because of world shortages. Coir yarn is used in the manufacture of oil press pads for olive presses.

For the Italian fishing industry, which used to provide a considerable proportion of the country's food, UNRRA is attempting to supply 500 tons of coir yarn for making tuna traps and fish cord and 300 tons of linseed oil for the manufacture of paint for fishing craft.

Sacks for grain and other agricultural purposes are scheduled to be manufactured in Italy from 10,000 tons of raw jute to be imported by UNRRA from India.

A breeding stock program has been planned in view of the depletion of government breeding stations and failure to renew breeding stock during the war (see *Economic Notes* No. 30, of 9 August). The program envisages the import of 90 breeding bulls, 230 heifers, 120 boars, 70 sows, 74 mares and 61 stallions. Livestock food concentrates are represented by 9,000 tons of cotton seed cake, of which 5,000 tons have already been imported.

Farm Machinery Program

Farm machinery and veterinary supplies complete the program. Machinery contemplated in the original program could not be procured so quickly as had been expected. Meanwhile, the gradual improvement of Italy's own manufacturing possibilities caused a readjustment of policy in the direction of reducing imports of finished products. The machinery so far imported consists of mowers, combines, binders, reaper attachments, ploughs and considerable quantities of spare parts.

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ECONOMIC NOTES

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1. Oil Refineries Will Reopen
2. Price Controls Will Stay
3. Italy - as Britain sees her
4. Movements of Ships

OIL REFINERIES WILL REOPEN

The reopening of Italian oil refineries at Naples, Bari, La Spezia and Porto Marghera will enable UNRRA, with the funds at present available, to purchase sufficient additional supplies of crude oil to ensure deliveries until about April, 1947. The refineries at Naples and Bari are expected to start again within the next eight weeks, and will give employment to some hundreds of Italian workers.

Although this does not involve larger monthly supplies of petroleum products, it does substantially extend the period of UNRRA assistance to the Italian petroleum industry, as a result of increasing the money available for dollar purchases of petroleum products.

Storage Tanks Released

The Allied military authorities have agreed to release sufficient storage tanks at Naples and Bari to permit operation of the refineries. Agreements have also been reached between the Italian Government and the various companies operating in Italy on costs connected with the re-starting of the refineries, and on future policy.

The crude oil required for the first six months' operation of the refineries will be imported, and paid for, by UNRRA. The products refined in Italy will replace an [illegible] of corresponding refined

emphasized—permitting of any increase whatever in the current supplies of refined petroleum products available to consumers now—or in the immediate future.

Production Estimates

It is estimated that the Bari and Naples refineries—which will be started first—will produce monthly 50 per cent. of the gasoline, all of the kerosene and approximately 10 per cent. of the diesel and fuel-oil requirements of the UNRRA monthly program for Italy. The two refineries will operate at the full capacity of their existing equipment: Bari will handle 25,000 tons of crude oil per month, and Naples approximately 20,000 tons per month. Repairs scheduled for La Spezia and Porto Marghera plant should enable these units to receive their first allocations of crude oil for refining within three or four months.

No lubricating oils will be produced in Italy for the present, since the necessary equipment was badly damaged during the war and has not as yet been repaired.

C.I.P. (Comitato Italiano Petroli) will continue to act as agents for the Italian Government, according to present plans. They will take delivery of the crude oil landed in Italy and will be responsible for the distribution of refined products through the existing channels.

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The crude oil required for the first six months' operation of the refineries will be imported, and paid for, by UNRRA. The products refined in Italy will replace an equivalent quantity of corresponding refined petroleum products originally scheduled for procurement in the Italian program. Owing to the lower price of crude oil, UNRRA will be able to import petroleum products in greater quantity, thus assisting the Italian import program next year, but not—it must be emphasized—permitting of any increase whatever in the current supplies of refined petroleum products available to consumers now — or in the immediate future.

Production Estimates

It is estimated that the Bari and Naples refineries—which will be started first—will produce monthly 50 per cent. of the gasoline, all of the kerosene and approximately 10 per cent. of the diesel and fuel-oil requirements of the UNRRA monthly program for Italy. The two refineries will operate at the full capacity of their existing equipment: Bari will handle 25,000 tons of crude oil per month, and Naples approximately 20,000 tons per month. Repairs scheduled for La Spezia and Porto Marghera plant should enable these units to receive their first allocations of crude oil for refining within three or four months.

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C.I.P. (Comitato Italiano Petroli) will continue to act as agents for the Italian Government, according to present plans. They will take delivery of the crude oil landed in Italy and will be responsible for the distribution of refined products through the existing channels.

New Shipping Policy

UNRRA will shortly assume responsibility for the shipping of all petroleum products imported on the Italian program. The procedure

Declassified E.O. 12356 Section 3.3/NND No. 763031

for handling petroleum supplies before they become the property of the Italian authorities is thus brought into line with the system operating for all other commodities imported for Italian relief and rehabilitation.

At the beginning of operations, all petroleum products, both packed and bulk, were shipped by the Army and Navy Petroleum Board to the Commanding General, Peninsular Base Section, in Italy. On arrival in Italy, the bulk petroleum was stored in tanks, the packed petroleum in warehouses, and the Allied military authorities released quantities, as available, to C.I.P. on UNRRA account. UNRRA paid for them, as for other supplies included in the Italy program. The costs for freight and insurance were calculated proportionately to UNRRA's share of the petroleum imported.

UNRRA Will Charter Tankers

As a step forward, approximately four months ago, UNRRA assumed responsibility for the shipment of packed petroleum products; and now, under the new procedure, tankers will be chartered by UNRRA for bulk shipments and every effort will be made by the purchasing authorities in Washington to ship supplies for UNRRA, and those (of which there are comparatively few) bought by the Italian Government, separately from supplies intended for the Allied military forces.

As with other UNRRA imports, the "Sorveglianza" Company is now checking, under a new contract, ships' cargoes on behalf of the UNRRA Italy Mission.

Fewer Delays

The UNRRA Italy Mission is now able to request port nominations and control more adequately the movement of UNRRA-chartered tankers, and minimize delays and other possible irregularities involving extra shipping charges. Demurrage alone, the penalty for discharge at a rate under that stated in the contract with the vessel, may run into several thousand dollars for every solution—to be achieved as often as possible under present circumstances—would be one tanker to each port.

To avoid demurrage, it is hoped that a plan will be worked out to ship all POL in tankers not exceeding 10,000 tons and a draft of 27 feet, which will enable these ships to discharge their cargoes in secondary ports, without the necessity of having a portion of the cargo removed in a large port first, to lighten the tanker.

PRICE CONTROLS WILL STAY

In view of renewed criticism by manufacturers and others of the Government policy of fixing prices for UNRRA-imported commodities, and unfounded reports regarding the imminent termination of those supplies, the UNRRA Italy Mission issues the following statement in regard to the functions of the Joint Price Committee, and the period during which UNRRA supplies will continue to arrive in Italy:—

The Joint Price Committee, which has already fixed the prices of a wide range of UNRRA-imported commodities, is representative both of the Italian Government and of the UNRRA Italy Mission. It operates in accordance with Article III, (d), (iii) and (iv) of the Supplementary Agreement, jointly signed by the Italian Government and the UNRRA Italy Mission in Rome on 19 January, 1946.

By the terms of Article III (d), (iii) and (iv) of the Agreement, the Government will consult with UNRRA concerning:—

> "Price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically";
>
> and
>
> "Rationing and price controls by commodity, by region and by classes of consumers for each of the commodities supplied by UNRRA."

Committee's Task

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Declassified E.O. 12356 Sec. 3.3/NND No. 785011

for Italian relief and rehabilitation.

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Fewer Delays

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In pursuing its policy of maximum economy, the Mission will endeavour as far as possible to reduce the number of ports at which a tanker unloads. The fewer the ports, the lower the shipping charges; and the ideal will be worked out to ship all POL in tankers not exceeding 19,000 tons and a draft of 27 feet, which will enable these ships to discharge their cargoes in secondary ports, without the necessity of having a portion of the cargo removed in a large port first, to lighten the tanker.

PRICE CONTROLS WILL STAY

In view of renewed criticism by manufacturers and others of the Government policy of fixing prices for UNRRA-imported commodities, and unfounded reports regarding the imminent termination of those supplies, the UNRRA Italy Mission issues the following statement in regard to the functions of the Joint Price Committee, and the period during which UNRRA supplies will continue to arrive in Italy:—

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> "Price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically";
>
> and
>
> "Rationing and price controls by commodity, by region and by classes of consumers for each of the commodities supplied by UNRRA."

Committee's Task

The Joint Price Committee has fixed prices for only a part of the commodities so far imported by UNRRA. The Committee will continue to function until prices are fixed for all UNRRA commodities.

Declassified E.O. 12356 Section 3.3/NND No. 759021

HEALTH AND WELFARE

PART ONE - HEALTH

(INCLUDING POPULATION AND VITAL STATISTICS)

THE ITALIAN POPULATION

(a) *Pre-War.*

1. The increase of the Italian population from 1870 to 1936 as compared with France, United Kingdom and Germany (2) is shown in Table 1.

TABLE 1

Year	Italy	France	Gt. Britain and N. Ireland	Germany
a) POPULATION (in millions)				
1870	28.0	37.7	26.4	36.2
1900	33.9	40.7	38.2	50.6
1910	36.8	41.5	42.1	58.5
1920	37.9	39.2	44.0	59.9
1930	41.2	41.1	46.1	65.3
1936	42.9	41.9	47.1	67.2
b) INDEX NUMBERS (1870 = 100)				
1870	100	100	100	100
1900	121	108	145	140
1910	130	110	159	162
1920	135	104	167	165
1930	147	111	175	180
1936	153	111	178	186

Italy, like some other European countries, has contributed, through emigration, to the increase of population on the American continent. As a result of emigration Italy's present population is less than would result from natural population surplus (births minus deaths).

From 1871 to 1936 the Italian population has increased by 14.5 million. Natural surplus would have given a population increase by 20.5 million. The net population loss by emigration amounted therefore to 6 million. (The population of the United Kingdom, Eire included, increased, from 1871 to 1931, by 18.3 million as compared with 23.2 million for natural surplus: the net loss for emigration amounted therefore to 4.9 million).

2. Births and deaths in Italy in the average of each five year period from 1881 to 1935 have been:

TABLE 2

Average Yearly live Births and Deaths 1881 to 1935

Five-Year Period	Figures in thousands			Rates per 1000 inhabitants		
	Live-births	Deaths	Births over deaths	Births	Deaths	Births over deaths
1881-1885	1,094	787	307	38.0	27.3	10.7
1886-1890	1,118	811	307	37.5	27.2	10.3
1891-1895	1,113	787	326	36.0	25.5	10.5
1896-1900	1,085	732	353	34.0	22.9	11.1
1901-1905	1,073	722	351	32.7	22.0	10.7
1906-1910	1,106	717	389	32.7	21.2	11.5
1911-1915	1,115	699	416	31.5	19.7	11.8
1916-1920	836	886	-50	23.0	24.4	-1.4
1921-1925 *	1,145	669	476	29.8	17.4	12.4
1926-1930 *	1,078	642	436	26.8	16.0	10.8
1931-1935 *	1,000	590	410	23.8	14.1	9.7

* Post-war territory.

The rapid decrease of the birth rate after the first world war was not balanced by a similar decrease in the death rate: the result was a decrease of the population surplus.

The table below shows a comparison with some European countries in the decade 1921-1930 (all rates per 1,000 inhabitants):

TABLE 3

Countries	Live-birth rates		Death rates		Surplus rates	
	1921-25	1926-30	1921-25	1926-30	1921-25	1926-30
Italy	29.8	26.8	17.4	16.0	12.4	10.8
France	19.4	18.2	17.2	16.8	2.2	1.4
Germany	22.1	18.4	13.9	11.8	8.8	6.6
United Kingdom	20.4	17.2	12.4	12.3	8.0	4.9

Declassified E.O. 12356 Section 3.3/NND No. 785061

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

(2) Frontiers as in 1936.

Declassified E.O. 12356 Section 3.3/NND No. 785021

Infant Mortality.

3. The infant mortality rate (deaths under one year of age per 1,000 live births), in Italy has shown a substantial reduction in the period 1881 to 1935, as the following figures indicate:

Infant mortality in Italy: 1881-1910

1881–1885	195.1	1911–1915	141.2
1886–1890	195.2	1916–1920	152.1
1891–1895	184.7	1921–1925	127.0
1896–1900	168.5	1926–1930	119.1
1901–1905	167.7	1931–1935	104.7
1906–1910	152.0		

As compared with some other European countries, the infant mortality rate in Italy is high. The figures are:

Infant mortality pre-war in four European countries

Years	Italy	France	Germany	United Kingdom
	Deaths under 1 year per 1,000 live births			
1871–75	219 (1)	177 (2)	244 (3)	153 (4)
1901–1905	168	149	199	138 (4)
1926–1930	119	89	91	70
1938	106	65	80	55

(1) 1872–75 – (2) 1886–1875 – (3) 1896–1905 – (4) England & Wales.

The Netherlands had the lowest infant mortality rate in Europe (36 deaths under one year of age per 1,000 live births in 1938). In 1938, the infant mortality rate in the United States was 51.

4. The sex ratio (males per 1,000 females) has gradually decreased in Italy, as well as in the largest European countries, due largely to male emigration and to war deaths.

TABLE 4

Males per 1000 females in Italy as compared with some other countries: 1871 to 1931

				United	U.S.A.

5. The classification (1) of the Italian population in three main age groups (pre-reproductive age, 0-14 years; reproductive age, 15-49 years; post-reproductive age, 50 years and over) is as follows:

Age groups	Censuses of:		
	1871	1911	1936
	Percentages		
0 — 14	32.5	33.8	30.6
15 — 49	50.4	46.9	49.6
50 and more	17.1	19.3	19.8
	100.0	100.0	100.0

The percentages for some other countries are as follows:

Year		Age groups:		
		0–14	15–49	50 years
Italy	1931	29.7	50.9	19.4
France	1931	22.9	51.4	25.7
Germany	1933	24.2	54.0	21.8
Gt. Britain	1931	24.2	53.2	22.6
U. S. A.	1930	29.4	53.3	17.3
U. S. S. R.	1926	37.2	49.7	13.1

6. The collection in Italy of data on population was discontinued after July 1943 and it has not yet been possible to resume it completely for the whole national territory. For the post-war years, it is necessary to resort to approximate estimates and to data and coefficients for a part only of the population.

(1) This can be estimated roughly (as proposed by Sundbärg) whether the population is «progressive», «stagnant» or «regressive». The progressive type had, by Sundbärg's definition, 40 per cent or more in the pre-reproductive (0–14 years) phase; 50 per cent in the reproductive-worker phase (between 15 and 50 years of age) and 10 per cent or fewer in the post-reproductive phase (50 years and over). For the stagnant type the corresponding percentages were 33–50–17, and for the regressive type 26 (or fewer) – 50–30 (or more).

According to this classification, Italy's population is of the stagnant type; it is still far from the regressive type, even if it shows a certain trend to becoming old (decrease of the pre-reproductive population and increase of the senile population).

If the Raymond Pearl «generation index» (1000 multiplied

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

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TABLE 4

Males per 1000 females in Italy as compared with some other countries: 1871 to 1931

Year	Italy	France	Germany	United Kingdom	U.S.A.
1871	1,011	992	962	944	1,022
1911	964	986	974	937	1,060
1931	957	934	937	920	1,025

Age groups	1871	1911	1936
	Percentages		
0 — 14	32.5	33.8	30.6
15 — 49	50.4	46.9	49.6
50 and more	17.1	19.3	19.8
	100.0	100.0	100.0

The percentages for some other countries are as follows:

Year		Age groups:		
		0–14	15–49	50 years
Italy	1931	29.7	50.9	19.4
France	1931	22.9	51.4	25.7
Germany	1933	24.2	54.0	21.8
Gt. Britain	1931	24.2	53.2	22.6
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According to this classification, Italy's population is of the stagnant type: it is still far from the regressive type, even if it shows a certain trend to becoming old (decrease of the pre-reproductive population and increase of the senile population).

If the Raymond Pearl «generation index» (1000 multiplied by the quotient between the number of persons in the pre-reproductive population – *generate* of the population – and the number of persons in the reproductive population - *generant* of the population) is taken into account, that index for Italy increased from 614 in 1871 to 718 in 1911, falling afterwards rapidly to 617 in 1936.

Declassified E.O. 12356 Section 3.3/NND No. 1 0 2 5 4 7

Population Estimates.

(b) *After the War.*

7. It is estimated that the Italian population amounted to about 46 million on 1 July 1946. This figure was calculated from the last census (1936) by adding immigrants and the number of people born each year, and subtracting emigrants and the number of people who died each year. Allowance was also made for the number of civilian and military personnel who were killed during the war and consideration was given to Italian prisoners of war not repatriated and the number of foreign displaced persons in Italy.

8. A calculation of the civilian population may also be made from the ration cards which have been issued. The following figures are for sugar ration cards, to which all civilians are entitled.

Number of sugar ration cards issued in Italy: 1941-46
(Venezia Giulia excluded)

February	1941	41,429,882
January	1942	41,636,030
January	1943	42,125,024
March	1946	45,427,040
July	1946	45,603,972

9. On 1 July 1946 Armed Forces and Carabinieri amounted to about 200,000 and prisoners of war not yet repatriated to about 170,000. Total population as from ration cards was, therefore, on that date about 46 million without Venezia Giulia. Allowing approximately 1 million for Venezia Giulia (997,257 in census of 21 April 1936), this calculation gives a slightly higher figure than the census estimate above. The difference may be accounted for partly by the currency of false ration cards, and partly by the normal delay in cancellations of cards following deaths. The figure in para. 7 is therefore considered to be a reasonable estimate.

Demographic Rates.

10. It is not possible to calculate the rates of marriages, births and deaths per 1,000 inhabitants by years over the whole of Italy since exact population figures by areas are not available. The changes which obviously took place in the central age groups (soldiers, prisoners of war and war dead) will affect any comparison made with pre-war figures.

11. Considering small areas such as regions, provinces The number of ration cards issued in large cities is not really indicative, because many holders of these cards are authorized to use them in cities other than the one in which they were issued. From the few figures available the approximate trends can however be shown.

Marriages, Births and Deaths.

12. Vital statistics bureaux are not as yet working satisfactorily, because there are many towns in which these bureaux were completely destroyed. Data on number of deaths in the Armed Services during the war years are also missing. It is estimated that there were about 300,000 deaths, although the actual number in each year is not known.

13. Official statistics give complete data for towns of more than 50,000 inhabitants. The figures in Table 5 relate to 69 towns having an aggregate population equal to 25 % of the total population in the country.

TABLE 5

Births and Deaths in Italian Towns of more than 50,000 Inhabitants

Years	Marriages	Born Alive	Deaths	Excess of Births Over Deaths (1)
1935-39	81,483	225,518	153,741	+ 71,777
1940	88,111	250,946	161,217	+ 89,729
1941	82,815	245,311	170,017	+ 65,294
1942	83,406	231,810	186,022	+ 45,288
1943 (2)	60,339	173,538	181,242	— 7,704
1944 (2)	59,523	173,110	186,502	— 13,392
1945 (2)	79,034	195,716	169,248	+ 26,468
First quarter 1945 (2)	13,606	50,850	52,111	— 1,261
First quarter 1946 (2)	19,227	66,503	43,095	+ 23,408

(1) Deaths in the Armed Services in war are not included in the figures for the years from 1940 on.

(2) Provisional the first quarter figures are given for the purpose of comparison.

14. There was a fall in the demographic situation up to 1944 in the towns under consideration (decrease in marriage and born alive figures, increase in death figures). In 1945 there was a recovery though the pre-war level was still much above these figures. The population deficits appearing for 1943 and 1944 are smaller than the real ones since the above figures do not include deaths in the Armed Services in war.

Declassified E.O. 12356 Section 3.3/NND No. 785021

migrants and the number of people born each year, and subtracting emigrants and the number of people who died each year. Allowance was also made for the number of civilian and military personnel who were killed during the war and consideration was given to Italian prisoners of war not repatriated and the number of foreign displaced persons in Italy.

8. A calculation of the civilian population may also be made from the ration cards which have been issued. The following figures are for sugar ration cards, to which all civilians are entitled.

Number of sugar ration cards issued in Italy: 1941-46
(Venezia Giulia excluded)

February	1941	41,429,862
January	1942	41,636,090
January	1943	42,125,024
March	1946	45,427,040
July	1946	45,602,972

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11. Considering small areas such as regions, provinces and large cities, the difficulty of assessing variations in population is increased owing to the entrance of unregistered emigrants during the war period, and the exodus of old people and children from large cities.

Marriages, Births and Deaths.

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15. The figures for the whole country shown in Table 6 (data available only up to March 1945), confirm that 1944 was the year of lowest increase in population.

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Declassified E.O. 12356 Section 3.3/NND No. 763031

While in the years 1943, 1944, and 1945 (first quarter) deaths exceeded births in towns (having more than 50,000 inhabitants each), births exceeded deaths in the whole country.

TABLE 6

Births and deaths in Italy: 1935-1944

Years		Marriages	Born Alive	Deaths (1)	Excess of Births over Deaths
1935-39		325,749	1,005,730	602,572	403,158
1940		314,167	1,046,479	606,907	439,572
1941		273,695	937,546	621,735	315,811
1942		287,360	926,096	643,517	282,579
1943	(2)	223,000	910,000	696,000	214,000
1944	(2)	231,000	882,000	723,000	159,000
First quarter 1944	(2)	49,700	254,800	216,500	38,300
First quarter 1945	(2)	55,900	235,700	196,900	38,800

(1) Deaths in the Armed Services in war are not included in the figures for the years from 1940 on.
(2) Provisional.

PUBLIC HEALTH

Health Conditions Before the War.

16. Health conditions in Italy before the war were characterized by the following:—

(a) Large natural increase of population due to a high birth rate. Mortality and infant mortality rates were continuously falling although they were still high as compared with rates in other parts of Europe. (See para. 3 and diagram of child mortality - Table 7 overpage.) The graph (Table 8) illustrates the trend of births and deaths from 1872 to 1944. The diagram (Table 9) and Table 3 give a comparison between Italy and other European countries for marriages, births and deaths.

(b) Absence of "convention" (1) diseases after the last cases of smallpox registered in 1927.

(c) Among "social diseases" (2) tuberculosis reached its lowest incidence in 1939-40 after fifty years of slow but continuous fall. As compared with some other countries the rate before the war per 10,000 inhabitants was as follows:

Malaria, endemic in 50 of the 93 Italian provinces, also showed a continuous tendency to decrease and to become localized, particularly as a result of land drainage.

TABLE 10

Tuberculosis rates in Italy pre-war as compared with some other countries

		Rate per 10,000
Italy	1937	8.5
Belgium	1936	7.2
Czechoslovakia	1937	12.4
France	1935	12.3
Germany	1936	7.3
Greece	1936	12.9
United Kingdom	1937	7.0
Rumania	1935	17.3
Spain	1933	11.7
Hungary	1936	15.2
United States	1936	5.6

(d) Of other infectious diseases the more important were typhoid fever, paratyphoid and undulant fever, of which a total of 40,000 cases per year were reported. In addition, 1,000 cases of meningitis and 2,000 of infantile paralysis per year were reported.

17. Table 11 gives an indication of the general improvement in health standards which took place in the 10 years to 1934.

Past and Present Organization of the Italian Public Health Service.

18. The organization of the Public Health Services in Italy under the fascist regime was based upon the "Nuo-

TABLE 11

Deaths from Infectious Diseases Classified by Age Groups

Comparison between 1889-91 period and the 1932-34 period

Age Groups	Absolute Figures (yearly averages)		Deaths from infectious diseases per 100 total deaths in each age group (yearly average)	
	1889-91	1932-34	1889-91	1932-34
Up to 5 years	87,410	19,582	24.2	12.6
From 5 to 10 years	15,751	4,201	58.9	38.1
» 10 » 20 »	15,259	8,166	56.0	16.2
» 20 » 40 »	30,671	24,871	44.8	13.9
» 40 » 60 »	16,161	13,292	10.9	17.2
» over 60	11,616	14,587	5.9	4.4

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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» 20 » 40 »	30,671	24,871	44.8	43.9
» 40 » 60 »	16,161	13,292	19.9	17.2
» over 60	11,616	11,587	5.9	4.4
All ages	176,868	81,700	23.1	14.0

Source: Pubblicazione periodica della Direzione Generale della Sanità Pubblica 1938.

(1) Diseases notifiable under International Sanitary Convention of 1926 - typhus, smallpox, plague, cholera and yellow fever.

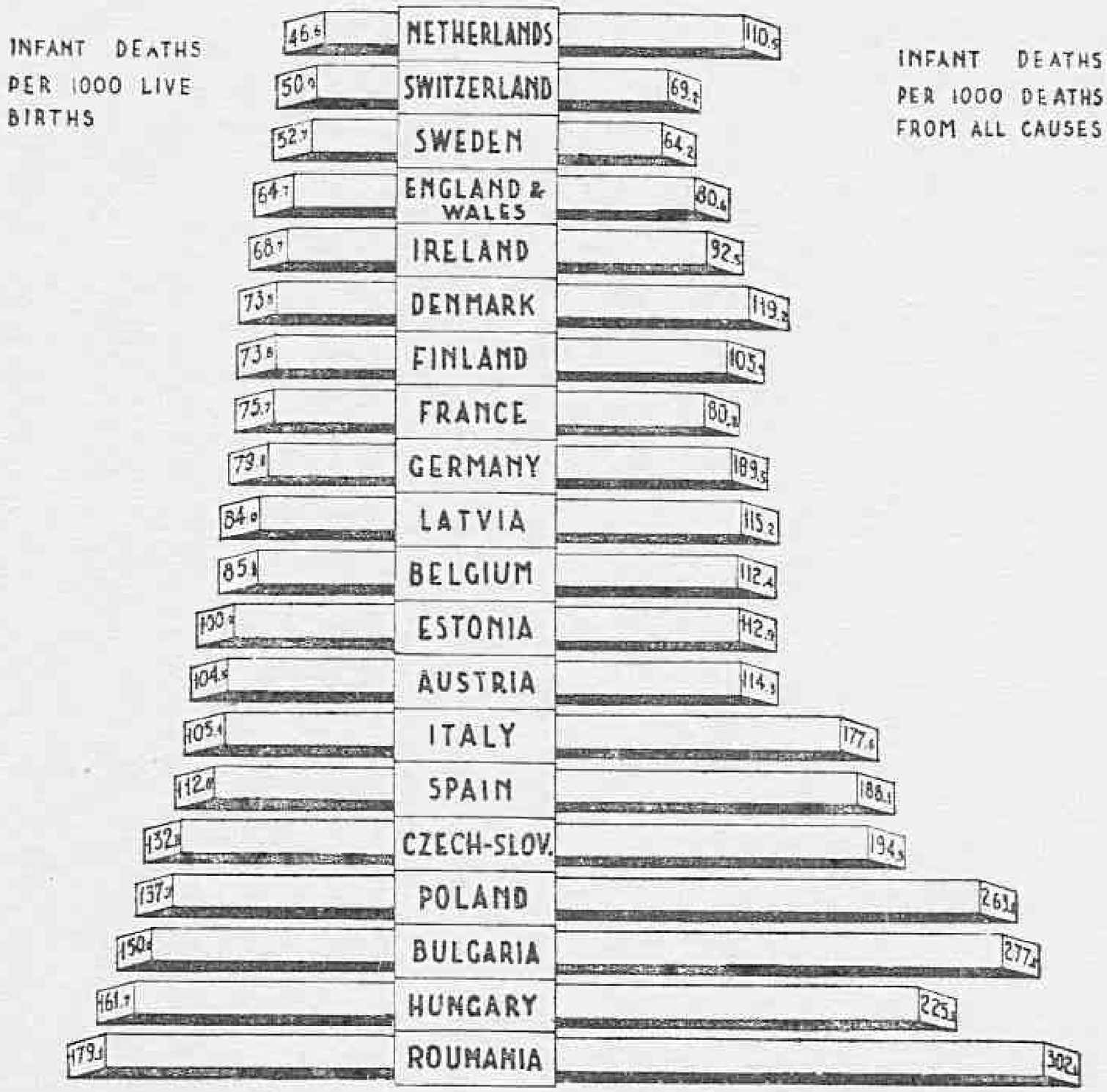
(2) Diseases which increase as social circumstances deteriorate.

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 7

INFANT MORTALITY IN THE MAIN EUROPEAN COUNTRIES
(ANNUAL AVERAGE 1931 - 1933)

CHILD MORTALITY UNDER 1 YEAR OF AGE



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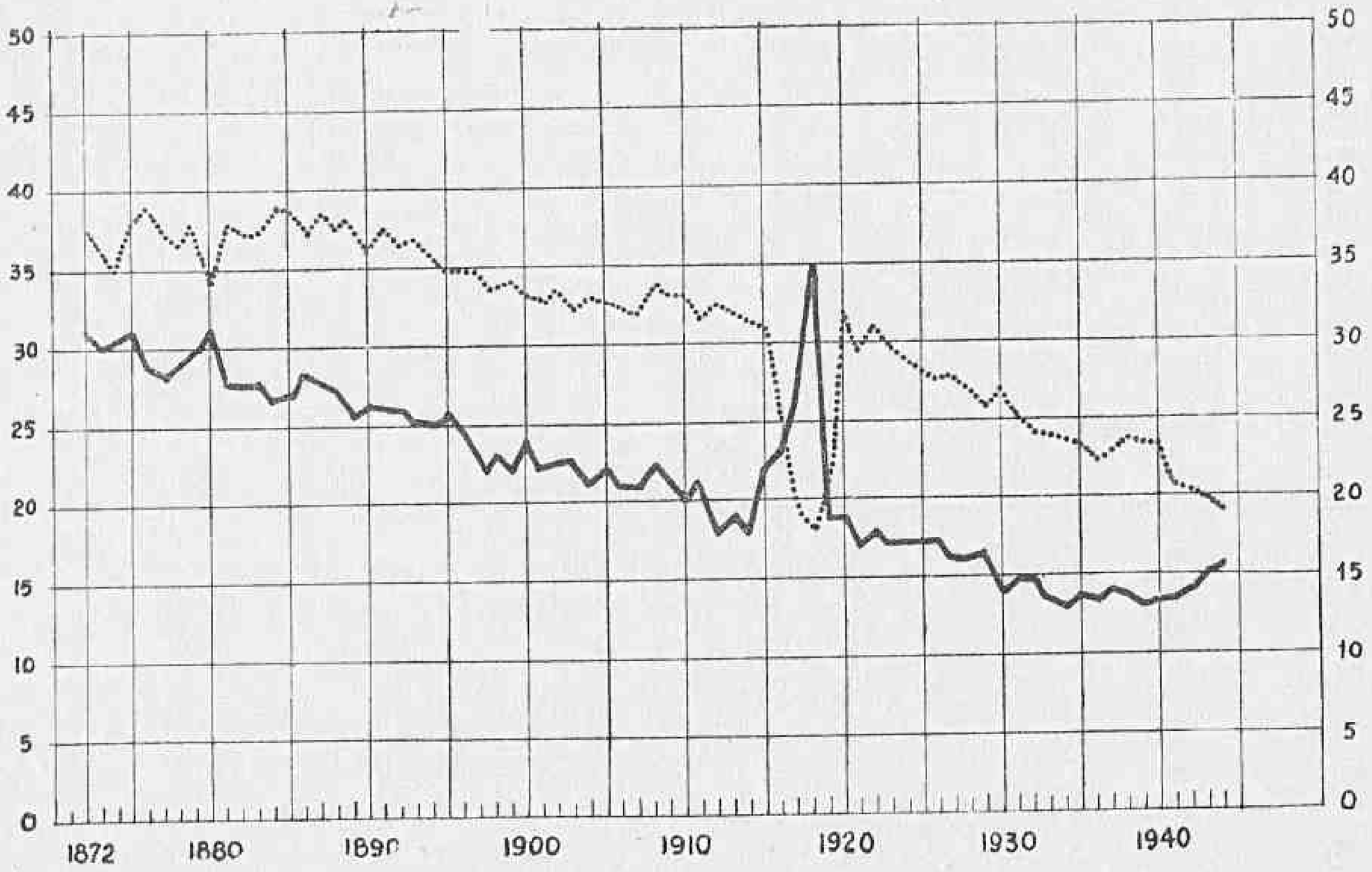
BIRTHS AND DEATHS PER 1000 INHABITANTS IN ITALY FROM 1872 TO 1944



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DEMOGRAPHIC MOVEMENT IN THE PRINCIPAL COUNTRIES OF EUROPE

AVERAGE FOR THE YEARS 1931 - 1933

(NUMBERS PER 1000 INHABITANTS)

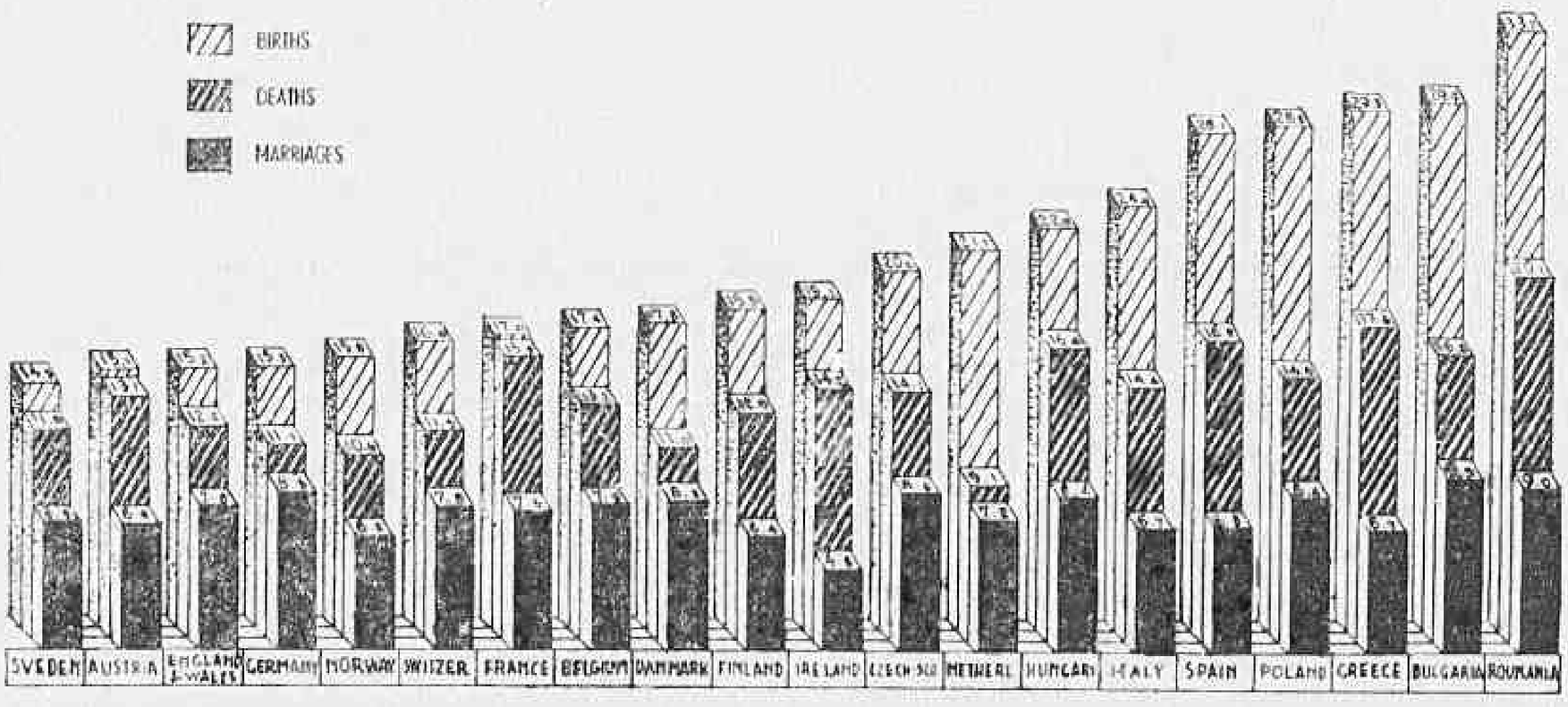

TABLE 9

0262

Declassified E.O. 12356 Section 3.3/NND No. 785021

APHIC MOVEMENT IN THE PRINCIPAL COUNTRIES OF EUROPE

AVERAGE FOR THE YEARS 1931 - 1933

(NUMBERS PER 1000 INHABITANTS)

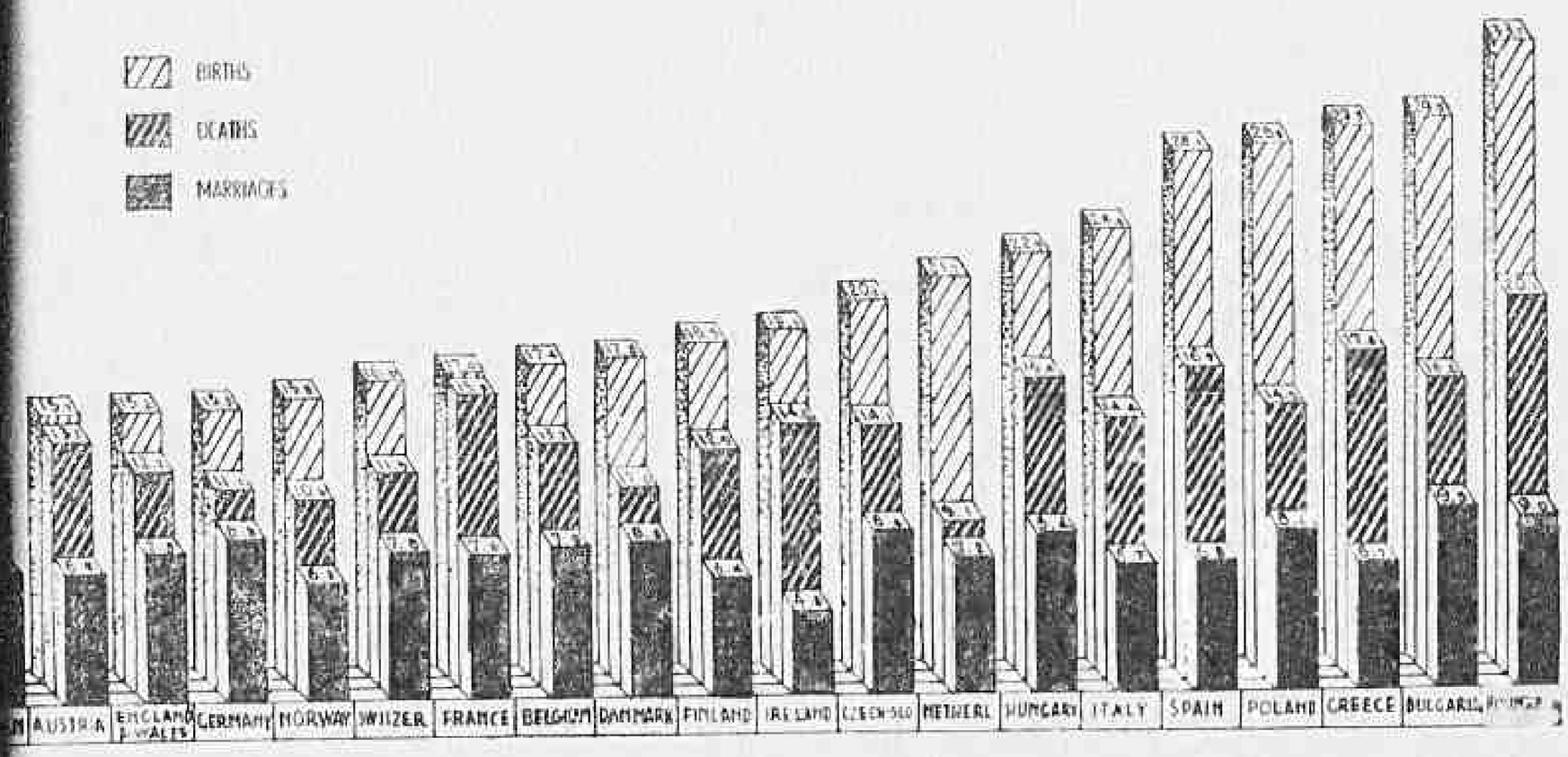

TABLE 9

vo Testo Unico delle Leggi Sanitarie" (New text of Health Laws) of 27 July 1934. The Public Health Service was one of six branches or divisions of the Ministry of Interior, the other five being respectively Personnel, Civil Affairs, Public Safety, the Fire Department and Air Raid Precautions, each under a Director General with the exception of the last, which was an inspectorate. Public Health was therefore not dealt with in a separate ministry but as one of the several responsibilities of the Ministry of the Interior.

19. The central administrative controlling agency was the Directorate-General of Public Health, comprising the Director-General, a Vice-Director and a Chief Inspector General. The Directorate-General administered 10 divisions: (1) General Administration and personnel; (2) Supervision of special institutions and vital statistics; (3) General Sanitation and Hygiene; (4) Infectious diseases and tuberculosis control; (5) Malaria and venereal diseases control; (6) Communal and Provincial Health Bureaux; (7) Administration of medical assistance in the Communes; (8) Control of pharmaceutical production; (9) Narcotic control; (10) Veterinary administration.

20. In addition to the Directorate-General, two other central bodies came under the direction of the Ministry, one being the "Istituto Superiore di Sanità" (High Institute of Health) in Rome, while the second was the "Consiglio Superiore di Sanità" (High Council of Health), a council of specialists selected to act as advisers to the General-Directorate. The Consiglio ceased to have any corporate existence in 1943. On 19 April 1945, it was replaced by the "Commissione Consultiva Centrale di Sanità" (Central Consultative Commission of Health), a body of similar composition and identical powers and functions as those of the Consiglio.

21. The Ministry of the Interior exercized control of Public Health services in the provinces through the Prefects. Thus, while each province had a provincial medical officer, a Medico Provinciale, who exercised professional and technical control over the provincial health services, it was not he, but the Prefect, who was ultimately responsible to the Ministry for the health of his particular province. Just as the General-Directorate came under and was responsible to the Ministry of Interior, so the Medico Provinciale came under and was responsible to the Prefect.

22. Similarly, in the Communes, which are subdivisions of the provinces, the Mayor or Sindaco, was the administrative head, responsible to the Prefect for all that occurred in his Commune and he had as his medical advisor the Ufficiale Sanitario or Commune level the same functions as the Consiglio Superiore performed at Governmental level.

24. By Legislative Decree No. 446 of 31 July 1945 the General Direction of Public Health of the Ministry of Interior was abolished and the Office of a High Commissioner was established. This Office was given the power of exercising all the functions exercised by the Ministry of Interior regarding hygiene and public health and was made directly responsible to the Council of Ministers without any intermediary.

25. This step has been welcomed by the Italian medical profession but the High Commission has acted only centrally, for the Medico Provinciale is still under the jurisdiction of and responsible to the Prefect, and the Ufficiale Sanitario responsible to the Sindaco. None the less, it is indicative of a change of thought regarding the Italian health services and is believed by many to be only a first step towards a complete reorganization of public health administration.

Effects of the War on Public Health.

26. The war, as it advanced through Italy, left its imprint upon every aspect of Public Health activities. This imprint was easily recognizable in the damaged cities of Sicily, Southern and Central Italy in areas where the fighting was fiercest and most prolonged. From Bologna to Syracuse the bombed cities and towns tell their own mute tale of the destruction of hospitals, the disruption of essential hygiene services, and the consequent accumulation of debris and litter, breeding places for flies and other disease carriers. Much has already been done in remedying the outstanding potential threats to public health, but much more remains to be done and many years will elapse before conditions in these towns will even approximate to their pre-war normality.

27. While these conditions strike the eye and are readily comprehended, many other less visible factors attributable to war put a severe strain upon the disorganized Italian health services and the agencies which were operating to help them. One of the most important of these was the disruption of communications, with the result that outbreaks of disease could and did occur in isolated areas, lasting sometimes for a week or more before the central authority could be notified and aid requested. Lack of transport was also a severe handicap to the provincial health authorities as well as to the hospitals. Owing to the confiscation of their

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27. While these conditions strike the eye and are readily comprehended, many other less visible factors attributable to war put a severe strain upon the disorganized Italian health services and the agencies which were operating to help them. One of the most important of these was the disruption of communications, with the result that outbreaks of disease could and did occur in isolated areas, lasting sometimes for a week or more before the central authority could be notified and aid requested. Lack of transport was also a severe handicap to the provincial health authorities as well as to the hospitals. Owing to the confiscation of their cars, medici provinciali were unable to visit their outlying districts and had to remain immobilized in the provincial capital, unaware of what was taking place in the communes, while patients requiring urgent treatment had to be conveyed to hospital by mule or ox

Declassified E.O. 12356 Section 3.3/NND No. 785021

transport. The hospitals themselves were doubly handicapped—first by destruction of their buildings and secondly by the systematic looting of beds, equipment, X-Ray plant and ambulances by the retreating enemy. They thus had to face the almost insuperable problem of having insufficient space, beds and equipment with which to deal with an unprecedented flow of patients. The seizure of hospital equipment by the Germans is estimated at about 20 % of the total pre-war equipment (beds, mattresses, sheets, medicines, surgical instruments, radiological equipment, etc.)

28. The destruction of houses had the effect of causing gross overcrowding in the buildings which remained intact, thus affording an admirable opportunity for the spread of communicable diseases such as typhus and smallpox. This was well exemplified in the Naples typhus epidemic, which spread rapidly once introduced into a community huddled together in buildings, air-raid shelters and caves. Typhus was also introduced into the country on several occasions, subsequent to that epidemic, by returning refugees who had eluded medical inspection at the frontier posts.

29. As a result of the damage to water supplies a number of typhoid epidemics occurred, while at one time plague was introduced into the port of Taranto from a vessel arriving from overseas.

30. Malaria became a serious problem owing to the destruction of the carefully planned bonifica (drainage, road building and land settlement) programs and the flooding of marshy areas following the sabotage of pumping machinery.

31. The population also suffered early from a lack of medical supplies. The Italian pharmaceutical industry is chiefly to be found in the north and, following the invasion, the centre and south were thus cut off from their source of supply. Reserve stocks soon dwindled and, as a result, the price of even the commonest drug soared to such a figure as to make supplies beyond the reach of the average purchaser. When emergency stocks were brought in, lack of transport made it extremely difficult to get such supplies to outlying districts.

32. Such was the picture that confronted the UNRRA Mission when it began operating in Italy in October 1944.

The Health Situation in 1946.

33. There exist at present many temporary factors in the Italian economy which exert a detrimental influence on public health. Among these may be mentioned the overcrowding which exists in some of the large cities and which has been aggravated by the destruction of houses, the shortage of fuel, the lack of transport and the short in fats, animal proteins and calorific value. Evidence of gross malnutrition is not at present apparent, although it is probable that further reduction in the available food supplies would cause malnutrition on an extensive scale.

34. The rise in wages has not kept pace with the rise in the cost of living. This has resulted in inequalities in distribution—in an abundance of supplies to the privileged classes while those in the lower income groups are unable to purchase a sufficiency of the necessities of life. In spite of this, although working efficiency has been reduced, the general health of the people at present is reasonably good, and epidemic diseases give no cause for anxiety.

35. The relatively good standard of health existing in Italy to-day as compared with other European countries is attributable to several factors. Probably one of the reasons is that the war in Italy was fought with the Italian people as co-belligerents. As a result help was received from the Allied Armies and living conditions were less severe than would otherwise have been the case. An advantage that Italy has over other countries is its favorable climate. Winter is less severe than in more northerly lands. Undernourishment, loss of warmth and habitation are less likely to be fatal as a result. Add to this the availability over a large part of the year of fresh fruit and vegetables in almost all parts of the country and the beneficient effects of the sun and some explanation is afforded of how Italy has succeeded in avoiding a large scale deterioration of public health.

Infant Mortality.

36. Data on infant mortality (children who died under one year of age per 1,000 live born) are more precise than those for the general population since the proportion of children who died under one year of age is computed from the number born and registered and not from the number of inhabitants.

37. Infant mortality rates for 69 towns, each with a population of more than 50,000 inhabitants (aggregating 25 % of total population), were as follows:—

TABLE 12

Infant mortality rates in 69 Italian towns

1935-39	84.1
1940	85.2
1941	95.8
1942	100.5
1943	111.2
1944	113.2

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Declassified E.O. 12356 Section 3.3/NND No. 785021

which to deal with an unprecedented flow of patients. The seizure of hospital equipment by the Germans is estimated at about 20 % of the total pre-war equipment (beds, mattresses, sheets, medicines, surgical instruments, radiological equipment, etc.)

28. The destruction of houses had the effect of causing gross overcrowding in the buildings which remained intact, thus affording an admirable opportunity for the spread of communicable diseases such as typhus and smallpox. This was well exemplified in the Naples typhus epidemic, which spread rapidly once introduced into a community huddled together in buildings, air-raid shelters and caves. Typhus was also introduced into the country on several occasions, subsequent to that epidemic, by returning refugees who had eluded medical inspection at the frontier posts.

29. As a result of the damage to water supplies a number of typhoid epidemics occurred, while at one time plague was introduced into the port of Taranto from a vessel arriving from overseas.

30. Malaria became a serious problem owing to the destruction of the carefully planned bonifica (drainage, road building and land settlement) programs and the flooding of marshy areas following the sabotage of pumping machinery.

31. The population also suffered early from a lack of medical supplies. The Italian pharmaceutical industry is chiefly to be found in the north and, following the invasion, the centre and south were thus cut off from their source of supply. Reserve stocks soon dwindled and, as a result, the price of even the commonest drug soared to such a figure as to make supplies beyond the reach of the average purchaser. When emergency stocks were brought in, lack of transport made it extremely difficult to get such supplies to outlying districts.

32. Such was the picture that confronted the UNRRA Mission when it began operating in Italy in October 1944.

The Health Situation in 1946.

33. There exist at present many temporary factors in the Italian economy which exert a detrimental influence on public health. Among these may be mentioned the overcrowding which exists in some of the large cities and which has been aggravated by the destruction of houses and the movements of population resulting from the war. Another major factor is the poor nutritional state of urban populations. These are largely living on a bare subsistence ration and a badly-balanced diet. The rise in wages has not kept pace with the rise in the cost of living. This has resulted in inequalities in distribution—in an abundance of supplies to the privileged classes while those in the lower income groups are unable to purchase a sufficiency of the necessities of life. In spite of this, although working efficiency has been reduced, the general health of the people at present is reasonably good, and epidemic diseases give no cause for anxiety.

35. The relatively good standard of health existing in Italy to-day as compared with other European countries is attributable to several factors. Probably one of the reasons is that the war in Italy was fought with the Italian people as co-belligerents. As a result help was received from the Allied Armies and living conditions were less severe than would otherwise have been the case. An advantage that Italy has over other countries is its favorable climate. Winter is less severe than in more northerly lands. Undernourishment, loss of warmth and habitation are less likely to be fatal as a result. Add to this the availability over a large part of the year of fresh fruit and vegetables in almost all parts of the country and the beneficient effects of the sun and some explanation is afforded of how Italy has succeeded in avoiding a large scale deterioration of public health.

Infant Mortality.

36. Data on infant mortality (children who died under one year of age per 1,000 live born) are more precise than those for the general population since the proportion of children who died under one year of age is computed from the number born and registered and not from the number of inhabitants.

37. Infant mortality rates for 69 towns, each with a population of more than 50,000 inhabitants (aggregating 25 % of total population), were as follows:—

TABLE 12

Infant mortality rates in 69 Italian towns

	1925-29	84.1
	1940	85.2
	1941	95.8
	1942	100.5
	1943	111.2
	1944	113.2
	1945	98.8
First quarter	1945	100.2
	1946	84.1

Source: Istituto Centrale di Statistica.

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Declassified E.O. 12356 Section 3.3/NND No. 758021

TABLE 13

Infant mortality rates in 6 large Italian cities
(children who died under one year of age per 1,000 live births)

Year	Genoa	Turin	Milan	Rome	Florence	Naples
1939	69.9	76.6	77.5	75.0	55.7	83.4
1940	71.8	84.0	79.4	84.7	60.3	112.8
1941	68.6	82.2	83.1	84.6	68.6	147.1
1942	77.7	91.5	79.5	74.8	73.8	136.6
1943	98.3	102.6	105.	104.1	72.6	176.3
1944	127.5	78.8	71.5	137.6	104.8	139.1
1945	97.0	92.1	90.7	84.7	95.5	92.1
1st quarter 1945	117.0	100.8	110.6	115.8	135.4	100.8
1st quarter 1946	59.6	90.3	77.4	75.0	119.9	90.3

Source: Uffici Communali di Statistica.

38. Rates of infant mortality reached the highest point in Naples, Turin and Milan in 1943 and in Rome, Florence and Genoa in 1944. In 1945 infant mortality decreased, though it is still substantially higher than the 1939 level.

Deaths from Tuberculosis.

39. The deaths from tuberculosis—pulmonary and others—for 11 Italian cities with over 100,000 de facto inhabitants, are shown in Table 14.

TABLE 14

Deaths from Tuberculosis in 11 Large Italian Cities: 1938 and 1941 to 1945

Cities	1938	1941	1942	1943	1944	1945
	No. of Deaths					
1. Genoa	791	777	1,010	1,014	1,106	1,116
2. Milan	919	967	1,249	970	1,075	1,408
3. Verona	108	188	274	311	285	283
4. Padua	216	285	377	369	284	316
5. Venice	332	369	539	591	632	573
6. Trieste	454	535	612	661	717	780
7. Rome	1,583	1,879	2,503	2,959	3,579	2,092
8. Naples	1,197	1,559	2,084	1,767	1,690	1,425
9. Taranto	163	81	139	(1) 139	118	91
10. Catania	291	242	412	364	287	297
11. Messina	186	201	245	229	161	182
	5,240	7,082	9,444	9,314	9,934	9,163

40. From Table 14 it appears that in the 11 largest Italian cities mortality from tuberculosis reached a maximum in 1944, showing an increase of 59 % compared with 1938. The improvement in 1945 was slight (showing an increase of 47 % compared with 1938), since housing and feeding conditions are still extremely poor.

UNRRA ASSISTANCE

41. UNRRA's contribution towards relief and rehabilitation in the sphere of public health has been diverse and many-sided. While figures can be given for supplies imported and distributed, for surveys which have been made and for anti-malarial measures which have been taken, no statistics can indicate the close liaison which exists between the office of the UNRRA Italy Health Division and that of the High Commissioner for Public Health. Daily conferences are held, every aspect of Italian health is examined and discussed and each project that is initiated, results from coordinated planning and mutual agreement between the two offices. The following paragraphs (42 to 66) summarize the main features of UNRRA health work in Italy.

UNRRA Medical Supplies.

42. Figures of the medical supply program at end June 1946 are:—

TABLE 15

UNRRA Medical Supply Program, 1945-46

	Tons	Approx. Value $
Supplies received in Italy	5,800	6,500,000
Distributed to date	2,675	2,921,000
For immediate distribution	1,450	1,225,000
Held for Hospital Units and operational purposes	615	307,500
Held in reserve pending allocation, approx.	1,060	2,046,500

43. The medical supplies to be provided by UNRRA to Italy are valued at 16,710,000 dollars out of a total UNRRA program of 425,000,000 dollars. The supplies cover every branch of medical needs and form a vital part of the UNRRA relief plan.

Declassified E.O. 12356 Section 3.3/NND No. 785031

Year	Genoa	Turin	Milan	Rome	Florence	Naples
1939	69.9	70.6	77.5	75.0	55.7	83.4
1940	71.8	84.0	79.4	84.7	60.3	112.8
1941	68.6	82.2	83.1	84.6	68.6	117.1
1942	77.7	91.5	79.5	74.8	73.8	136.6
1943	98.3	102.6	105.	104.1	72.6	176.3
1944	127.5	78.8	71.5	137.6	104.8	139.1
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1st quarter 1946	59.6	90.3	77.4	75.0	119.9	90.3

Source: Uffici Comunali di Statistica.

38. Rates of infant mortality reached the highest point in Naples, Turin and Milan in 1943 and in Rome, Florence and Genoa in 1944. In 1945 infant mortality decreased, though it is still substantially higher than the 1939 level.

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6. Trieste	454	535	612	661	717	780
7. Rome	1,583	1,879	2,503	2,959	3,579	2,692
8. Naples	1,197	1,559	2,084	1,767	1,690	1,425
9. Taranto	163	81	139	(1) 130	118	91
10. Catania	291	242	412	304	287	297
11. Messina	186	201	245	229	161	182
TOTAL	6,240	7,083	9,444	9,311	9,934	9,163
Index Numbers 1938 = 100	100	114	151	149	159	147

(1) Estimate.

since housing and feeding conditions are still extremely poor.

UNRRA ASSISTANCE

41. UNRRA's contribution towards relief and rehabilitation in the sphere of public health has been diverse and many-sided. While figures can be given for supplies imported and distributed, for surveys which have been made and for anti-malarial measures which have been taken, no statistics can indicate the close liaison which exists between the office of the UNRRA Italy Health Division and that of the High Commissioner for Public Health. Daily conferences are held, every aspect of Italian health is examined and discussed and each project that is initiated, results from coordinated planning and mutual agreement between the two offices. The following paragraphs (42 to 66) summarize the main features of UNRRA health work in Italy.

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43. The medical supplies to be provided by UNRRA to Italy are valued at 16,710,000 dollars out of a total UNRRA program of 425,000,000 dollars. The supplies cover every branch of medical needs and form a vital part of the UNRRA relief plan.

44. Table 16 shows an analysis of some of the special distributions made by UNRRA of particular medical supply needs.

Declassified E.O. 12356 Section 3.3/NND No. 763031

TABLE 16

Special Material provided and distributed by UNRRA up to June 1946

	U.S. Dollars
Penicillin - 59,792 phials of 100,000 oxford units each	91,817.60
Insulin - 56,820,000 units	37,804.00
Crystallized Insulin - 169,337,000 units	122,502.00
Narcotics - Tincture of opium, morphia and codine	14,112.70
Cod Liver Oil - Kg. 188,000 approx.	242,228.00
Units for disinfestations - 6 units	25,800.00
Cotton-wool - 2,235,163 lbs (made into 2,500,000 sq. meters of material for sheets, 800,000 sq. m. material for pillow cases, 50,000 sq. m. material for towels)	504,870.58
Laundry and toilet soap - Kg. 160,000	42,100.00
Ambulances - 85	140,935.00
Trucks - 6 for Sardinian anti-malarial program	9,000.00
Tungsten - 100 pounds - for X-Ray tubes	1,106.78
Anti-epidemic vaccines - 8,268 bottles	1,388.80
Radiographic films - 5091 dozen	30,822.12
Microscopes - 30	1,702.64
Medical supplies, surgical materials, surgical instruments, and apparatuses, hospital and laboratory equipment, hospital and laboratory units, radiological units, disinfestation material, articles for new-born children	2,000,268.00
TOTAL	4,361,759.10

Distribution of UNRRA Medical Supplies.

45. Medical supplies arriving in Italy are received at the port by representatives of the Foreign Trade Institute (I.C.E. - Istituto Commercio Estero) and are transferred to Government warehouses. UNRRA then breaks down the supplies into the various programs for which they are intended, e.g.,

(a) General Distribution

(b) Special distribution, i.e., insulin, narcotics, liver injections, penicillin, etc.

(c) Hospital and Laboratory unit requirements

(d) Dental, X-Ray, Layette requirements

(e) Sanitation supplies—epidemic control, etc.

47. The recipients at a provincial level are the Medici Provinciali (Provincial Medical Officers), who have previously been notified by the High Commissioner of the supplies they are to receive. UNRRA Regional Medical Officers are similarly notified by the Director of Health at UNRRA Headquarters.

48. Final distribution between individual hospitals, etc., within the Province is worked out by the UNRRA Regional Medical Officer and the Italian Provincial Medical Officer for the Province concerned.

Pricing of UNRRA Medical Supplies.

49. UNRRA medical supplies are provided free of cost to the Italian Government. For the earlier supplies payment to the Government in local currency was made at the U.S. Catalogue price plus one third. Of the later supplies the price of penicillin has been fixed at the lire equivalent of landed cost plus one third to cover free distribution of 25 per cent. of the total. The net proceeds are credited to the Lira Fund (1).

50. Penicillin is now arriving in increasing quantity and plans are being prepared for the clinical use of the drug on a more extensive scale. It is hoped that a number of diseases in which penicillin is therapeutically active will be added to the approved list of diseases for which the drug may now be used in Italy.

51. Reports indicate that hospitals, sanatoria and other medical institutions throughout Italy, Sicily and Sardinia are now reasonably well supplied with expendable drugs. UNRRA drugs can now be made available to additional medical institutions such as semi-Governmental organizations which deal with the ambulatory sick and other official medical services which perform a public service.

52. The UNRRA 1946 medical supply program aims at the importation of raw materials not produced in Italy. These will be processed and packed in Italian factories, thereby reviving a section of the pharmaceutical industry and finding employment for pharmaceutical workers. The end-products manufactured from imported raw materials cannot reach those in need before the end of 1946 or the beginning of 1947, but the aim of this program is to assist in re-establishing normal conditions in so far as the manufacture and supply of medical necessities is concerned.

53. Recent reports from the Provinces indicate that needs are changing rapidly, i.e., previously the urge was for medical supplies, whereas now Medici Provinciali are becoming more interested in the problems con-

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Declassified E.O. 12356 Section 3.3/NND No. 745001

Penicillin - 39,792 phials of 100,000 oxford units each	91,817.69
Insulin - 53,820,000 units	37,861.00
Crystallized Insulin - 165,337,000 units	122,502.00
Narcotics - Tincture of opium, morphia and codine	11,112.70
Cod Liver Oil - Kg. 188,000 approx.	242,328.00
Units for disinfestations - 6 units	23,800.00
Cotton-wool - 2,235,163 lbs (made into 2,500,800 sq. meters of material for sheets, 800,000 sq. m. material for pillow cases, 50,000 sq. m. material for towels)	561,870.58
Laundry and toilet soap - Kg. 160,000	12,500.00
Ambulances - 85	149,345.00
Trucks - 8 for Sardinian anti-malarial program	9,000.00
Tungsten - 100 pounds - for X-Ray tubes	1,106.79
Anti-epidemic vaccines - 7,068 bottles	1,388.80
Radiographic films - 5991 dozen	30,822.15
Microscopes - 39	1,702.04
Medical supplies, surgical materials, surgical instruments, and apparatuses, hospital and laboratory equipment, hospital and laboratory units, pathological units, disinfestation material, articles for newborn children	2,300,268.36
TOTAL	4,161,759.19

Distribution of UNRRA Medical Supplies.

45. Medical supplies arriving in Italy are received at the port by representatives of the Foreign Trade Institute (I.C.E. - Istituto Commercio Estero) and are transferred to Government warehouses. UNRRA then breaks down the supplies into the various programs for which they are intended, e.g.,

(a) General Distribution

(b) Special distribution, i.e., insulin, narcotics, liver injections, penicillin, etc.

(c) Hospital and Laboratory unit requirements

(d) Dental, X-Ray, Layette requirements

(e) Sanitation supplies—epidemic control, etc.

46. The breakdown is agreed with the High Commissioner for Public Health and then sent to the warehouses. An UNRRA observer checks that the distribution to provinces is correctly carried out as agreed.

48. Final distribution between individual hospitals, etc., within the Province is worked out by the UNRRA Regional Medical Officer and the Italian Provincial Medical Officer for the Province concerned.

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50. Penicillin is now arriving in increasing quantity and plans are being prepared for the clinical use of the drug on a more extensive scale. It is hoped that a number of diseases in which penicillin is therapeutically active will be added to the approved list of diseases for which the drug may now be used in Italy.

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53. Recent reports from the Provinces indicate that needs are changing rapidly, i.e., previously the urge was for medical supplies, whereas now Medici Provinciali are becoming more interested in the problems connected with tuberculosis control, child and maternal hygiene, water supply, and other public health matters.

(1) See Supplement to "Economic Notes" Vol. 4, No. 31, 16 August 1946, pp. 59-61.

Declassified E.O. 12356 Sec. 3.3/NND No. 785001

Italy is passing beyond the emergency period. Her basic medical requirements are being fulfilled with the exception of surgical instruments, dressings, and items such as hormones and radio-opaque substances. Medical officers and hospitals are short of transport. Motor cars, ambulances, and necessary gasoline and tires are needed.

UNRRA Assistance to Hospitals.

54. UNRRA has imported hospital units designed to put damaged and looted hospitals on a working basis. The war damage to hospitals in Italy is estimated by the Italian Government at 12,356 million lire (1946 value). These units contain both beds and equipment and are in two sizes—one for a hospital of 40 beds, the other for one of 200 beds. Table 17 shows the bed-units and mattresses which have already been distributed up to July 1946.

55. During August 1946 the Regina Margherita Hospital at Messina was reopened. The reopening of the hospital, which has been requisitioned many times, was made possible by the allocation of an UNRRA 200-bed hospital unit. UNRRA sheeting material had also arrived and about 140 patients are already hospitalized.

56. Another 200-bed hospital unit was delivered in 1946 to the Civil Hospital, Dolo (Venezia). Five 40-bed hospital units were delivered to the following institutions: Civil Hospital, Fidenza (Parma); Civil Hospital, Palermo; Palazzo Adriano, Palermo; Sanatorium Serraino Vulpitta, Trapani; Agrigento Civil Hospital, Licata (Sicily); Ospedale Isolamento, Trapani (Sicily). The last two divide one 40-bed hospital unit between them.

57. Distribution of the items in the remaining twenty-one 40-bed hospital units plus 350 beds and mattresses and other hospital equipment such as furniture, surgical instruments and kitchenware is being planned and executed during August 1946. In addition, laboratory units were delivered in July 1946 to the Sicilian Provincial Laboratories of Messina, Catania and Caltanissetta (1).

Ambulances.

58. 85 ambulances have already been distributed to Medici Provinciali, hospitals, and institutions, while a further 93 have been allocated and are awaiting delivery. These ambulances will remain the property of the Italian Government, but will be assigned to the Medici Provinciali for use by specified hospitals and medical in-

TABLE 17

Beds distributed by UNRRA to Hospitals in Italy
(To 6 July 1946)

Civilian Hospitals at:	
La Spezia	150 mattresses One 200-bed unit.
Rimini	100 beds, 100 mattresses
Guardiagrele	One 40-bed unit.
Messina	One 200-bed unit. 100 beds
Foggia	One 200-bed unit to be divided with S. Severo 30 beds, 30 matts.
Salerno	One 200-bed unit.
Castelnuovo Garf.	One 40-bed unit.
Nocera Inferiore	One 40-bed unit.
Civitavecchia	One " 60 mattresses
Frosinone	One 40-bed unit
Palestrina	20 collapsible beds 20 mattresses
Cepranо	20 beds 20 mattresses
Brindisi	50 beds, 150 mattresses.
Avellino	50 beds, 50 mattresses
Matera	50 beds, 50 mattresses
Potenza	40 beds, 40 mattresses
Tricarico	One 40-bed unit.
Ribbiena	One 40-bed unit.
Chiusi	One "
Velletri	One 20-bed unit.
Ceprano	20 mattresses
Consorzio Prov. Anti-T.B. at:	
La Spezia	150 beds
Baths at:	
Acqui	200 mattresses, 200 beds 200 mattress covers
Infantile Paralysis Hosp. at:	
Arcola	80 beds 40 mattresses and other materials
Infirmary at:	
Marella	10 mattresses
Sanatoria at:	
	One 40-bed unit.

Declassified E.O. 12356 Section 3.3/NND No. 785021

officers and hospitals are short of transport. Motor cars, ambulances, and necessary gasoline and tires are needed.

UNRRA Assistance to Hospitals.

54. UNRRA has imported hospital units designed to put damaged and looted hospitals on a working basis. The war damage to hospitals in Italy is estimated by the Italian Government at 12,350 million lire (1946 value). These units contain both beds and equipment and are in two sizes—one for a hospital of 40 beds, the other for one of 200 beds. Table 17 shows the bed-units and mattresses which have already been distributed up to July 1946.

55. During August 1946 the Regina Margherita Hospital at Messina was reopened. The reopening of the hospital, which has been requisitioned many times, was made possible by the allocation of an UNRRA 200-bed hospital unit. UNRRA sheeting material had also arrived and about 140 patients are already hospitalized.

56. Another 200-bed hospital unit was delivered in 1946 to the Civil Hospital, Dolo (Venezia). Five 40-bed hospital units were delivered to the following institutions: Civil Hospital, Fidenza (Parma); Civil Hospital, Palermo; Palazzo Adriano, Palermo; Sanatorium Serraino Vulpitta, Trapani; Agrigento Civil Hospital, Licata (Sicily); Ospedale Isolamento, Trapani (Sicily). The last two divide one 40-bed hospital unit between them.

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(1) To end August 1946 UNRRA had supplied to hospitals etc. 3,146 beds and 2,770 mattresses.

Civilian Hospitals at:	
La Spezia	150 mattresses One 200-bed unit.
Rimini	100 beds, 100 mattresses
Guardiagrele	One 40-bed unit.
Messina	One 200-bed unit. 100 beds
Foggia	One 200-bed unit to be divided with S. Severo 30 beds; 30 matts.
Salerno	One 200-bed unit.
Castelnuovo Gart.	One 40-bed unit.
Nocera Inferiore	One 40-bed unit.
Civitavecchia	One " " 60 mattresses
Frosinone	One 40-bed unit
Palestrina	20 collapsible beds 20 mattresses
Ceprano	20 beds 30 mattresses
Brindisi	50 beds, 150 mattresses.
Avellino	30 beds, 30 mattresses
Matera	30 beds, 30 mattresses
Potenza	40 beds, 40 mattresses
Trivento	One 40-bed unit.
Bibbiena	One 40-bed unit.
Chiusi	One "
Velletri	One 20-bed unit.
Ceprano	20 mattresses
Consorzio Prov. Anti-T.B. at:	
La Spezia	150 beds
Baths at:	
Acqui	200 mattresses, 200 beds 200 mattress covers
Infantile Paralysis Hosp. at:	
Alicata	80 beds 40 mattresses and other materials
Infirmary at:	
Marella	16 mattresses
Sanatoria at:	
Matera	one 40-bed unit.
Fossombrone	30 mattresses
Majella	16 beds

Declassified E.O. 12356 Section 3.3/NND No. 785021

Tuberculosis: X-Ray Units.

59. The following X-Ray units were installed by UNRRA technicians during July 1946: Civil Hospital, Bibbiena (Siena). Tuberculosis Sanatorium, Sondalo (Sondrio). Sanatorium Villa Guerrini (Pesaro). With the delivery of a further unit to the Civil Hospital at Minturno in August 1946, the assignment of the fourteen X-Ray units imported into Italy by UNRRA is now complete.

60. Photofluorographic surveys of 29 groups, totalling 13,143 people of the general Italian population, showed an average incidence of 2.5 % tuberculosis requiring observation or treatment. Photofluorographic surveys of camp population (displaced persons) showed an incidence of 2.7 % tuberculosis in 1,032 persons examined. A Government Committee, of which the UNRRA Tuberculosis Consultant is a member, has been formed to consider the tuberculosis problem and to make recommendations for combatting the disease on a national scale. Two National Schermography Centers have been established in Rome and Milan. The Committee has discussed measures to reorganize the T.B. Services and to form a central bureau of statistics on tuberculosis, together with a unified plan for the notification of cases. 14 X-ray units and films were supplied by UNRRA for assignment to hospitals and sanatoria to replace X-ray equipment destroyed by war.

61. The High Commissioner for Hygiene and Public Health has allocated the sum of 250 million lire (1946) for the Sondalo Sanatorium, which is expected to open in August with 1,500 beds for the accommodation of refugees and returning prisoners of war. The sanatorium of the Ospedali Riuniti at Monte Mario, Rome, will be finished and equipped in 1946. The High Commissioner contributed 60 million lire for this project with the provision that 350 beds be reserved for Consorzio patients.

Malaria.

62. Surveys were made and information obtained from the majority of the endemic malarial regions in Italy and Sicily. Malaria control operations have been carried out between February and August 1946 in Sicily and in Southern Italy, within an area extending from south of the Volturno River to north of the Tiber River, the Po Valley region, Provinces of Veneto and Udine, several areas in the Province of Frosinone (including Cassino), and in other areas of lesser importance. During spraying of 325 million square feet of wall space. In these operations 50 tons of DDT, 3,000 gallons of emulsion concentrate and 216,000 gallons of kerosene have been utilized, while the equipment included 21 vehicles, 292 spray guns and 8 power sprayers. Preliminary reports show that work has been generally effective in reducing the incidence of malaria. Not only will many working days be saved, but an increased production of grain and other agricultural products should result by making malarious areas safer for the farm workers in whom the risk of developing malaria will be reduced.

Disinfestation.

63. Plans are being made for a nation-wide program of disinfestation of residential institutions such as hospitals, sanatoria, orphanages, and prisons, and for the disinfestation of inmates when necessary. This program will commence on 1 September 1946, upon completion of the malaria control work.

Use of Lira Fund in Combatting Disease and in Supplying Hospitals.

64. In the employment of the Lira Fund—i.e., the Fund created for relief and rehabilitation work in Italy from sales in local currency of UNRRA-imported goods (sales made by the Government in agreement with UNRRA)—the following sums have already been granted:—

Transport for Medici Provinciali	13,300,000 lire
Sardinia Malaria Eradication	300,000,000 lire
Manufacture of Hospital linen from imported raw cotton	457,000,000 lire

In addition, plans are being prepared for anti-tuberculosis, anti-malaria and anti-trachoma campaigns, together with approximately ten other Public Health projects (see also para. 67). It is estimated provisionally that the total sums required to implement these plans will be in the neighbourhood of 3,000 million lire.

UNRRA Fellowships.

65. An Italian sanitary engineer has left for the United States to take a course in Public Health engineering, while 2 doctors and 2 technicians will go to the U.K. for a course in the technique of mass radiography. These will later form the nucleus of the staffs of the Photofluoroscopic Centers in Rome and Milan. 27 selected nurses have left for the U.S. on nursing fellowship courses.

Declassified E.O. 12356 Section 3.3/NND No. 783021

(Soudrio), Sanatorium Villa Guerrini (Pesaro). With the delivery of a further unit to the Civil Hospital at Minturno in August 1946, the assignment of the fourteen X-Ray units imported into Italy by UNRRA is now complete.

60. Photofluorographic surveys of 29 groups, totalling 15,113 people of the general Italian population, showed an average incidence of 2.3 % tuberculosis requiring observation or treatment. Photofluorographic surveys of camp population (displaced persons) showed an incidence of 2.7 % tuberculosis in 1,032 persons examined. A Government Committee, of which the UNRRA Tuberculosis Consultant is a member, has been formed to consider the tuberculosis problem and to make recommendations for combatting the disease on a national scale. Two National Schermography Centers have been established in Rome and Milan. The Committee has discussed measures to reorganize the T.B. Services and to form a central bureau of statistics on tuberculosis, together with a unified plan for the notification of cases. 14 X-ray units and films were supplied by UNRRA for assignment to hospitals and sanatoria to replace X-ray equipment destroyed by war.

61. The High Commissioner for Hygiene and Public Health has allocated the sum of 250 million lire (1946) for the Sondalo Sanatorium, which is expected to open in August with 1,500 beds for the accommodation of refugees and returning prisoners of war. The sanatorium of the Ospedali Riuniti at Monte Mario, Rome, will be finished and equipped in 1946. The High Commissioner contributed 60 million lire for this project with the provision that 350 beds be reserved for Consorzio patients.

Malaria.

62. Surveys were made and information obtained from the majority of the endemic malarial regions in Italy and Sicily. Malaria control operations have been carried out between February and August 1946 in Sicily and in Southern Italy, within an area extending from south of the Volturno River to north of the Tiber River, the Po Valley region, Provinces of Veneto and Udine, several areas in the Province of Frosinone (including Cassino), and in other areas of lesser importance. During this operation every human habitation and animal house in a total area of 1,890 square miles, containing approximately 600,000 people has been sprayed with DDT. Exclusive of farm buildings and other outhouses, about 523,978 rooms have been treated. This required the

Preliminary reports show that work has been generally effective in reducing the incidence of malaria. Not only will many working days be saved, but an increased production of grain and other agricultural products should result by making malarious areas safer for the farm workers in whom the risk of developing malaria will be reduced.

Disinfestation.

63. Plans are being made for a nation-wide program of disinfestation of residential institutions such as hospitals, sanatoria, orphanages, and prisons, and for the disinfestation of inmates when necessary. This program will commence on 1 September 1946, upon completion of the malaria control work.

Use of Lira Fund in Combatting Disease and in Supplying Hospitals.

64. In the employment of the Lira Fund—i.e., the Fund recruited for relief and rehabilitation work in Italy from sales in local currency of UNRRA-imported goods (sales made by the Government in agreement with UNRRA)—the following sums have already been granted:—

Transport for Medici Provinciali	13,800,000 lire
Sardinia Malaria Eradication	300,000,000 lire
Manufacture of Hospital linen from imported raw cotton	457,000,000 lire

In addition, plans are being prepared for anti-tuberculosis, anti-malaric and anti-trachoma campaigns, together with approximately ten other Public Health projects (see also para. 67). It is estimated provisionally that the total sums required to implement these plans will be in the neighbourhood of 3,000 million lire.

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66. In response to a request by the Italian Government, a penicillin manufacturing plant has been allocated to Italy and two Italian technicians, a biochemist and a chemical engineer, are in Canada for a course

Declassified E.O. 12356 Section 3.3/NND No. 795021

in the technique of large-scale penicillin manufacture. This penicillin plant when in full operation is expected to have a monthly output of 12 to 15,000 million units.

Future Italian Health Situation.

67. The Allied Armies up to end August 1945 had handed over to the Italian Government medical supplies of a value of over 200 million lire, of which the bulk had by end September 1945 been distributed. A further 1,000 million lire worth of medical supplies were handed over by the Allied Commission on behalf of the Allied Armies by the end of 1945, of which considerable supplies remain in Italian Government hands to supply the future needs of the hospitals. The activities of UNRRA Health Division have been outlined above and though many of these will, of necessity, cease at the end of 1946, much of the work already initiated will continue. This work will be carried on by the Italian Health authorities themselves. An important aspect of these activities will be the furtherance of those to be initiated by means of the Lira Fund. The UNRRA Mission in Italy, in conjunction with the office of the High Commission for Hygiene and Public Health, is planning to put forward to the Joint Committee of the Government and UNRRA a number of proposals for the allocation of funds for such diverse purposes as tuberculosis, trachoma, and malaria control programs, for the development of the Institute of Nutrition and for the improvement of conditions in teaching schools and nurses' training centers. If these plans are approved, the supervision and control of funds allotted will require the guidance of the authorities concerned for some years to come.

68. The Italian Health authorities have still a number of problems confronting them. Among these are the reconstitution of their Port Sanitary Services, the rebuilding of many hospitals, the provision of housing space to alleviate over-crowding and the ever-present danger of refugees who may enter the country clandestinely, bringing with them the danger of infectious diseases in overt or covert forms. Apart from these preoccupations, perhaps the difficulties of 1947 and successive years will be much less formidable than those which have already been overcome. It is felt that when the UNRRA Mission leaves the country, it will have provided a substantial legacy of varied contributions in the public health field of which the Italian authorities will make full and ample use.

69. The most important problem which faces the Italian Health authorities, is that of administration. In Italy there is a multiplicity of independent organizations dealing with such varying matters as the care of mothers and infants, malaria and tuberculosis control. Many of these organizations are only indirectly the concern of the High Commissioner for Hygiene and Public Health. The time has come when legislation should be passed to achieve two objects, firstly to create a Ministry of Health and secondly to place all independent organizations which have any bearing upon the health of the Italian people, under the firm supervision of that Ministry.

PART TWO - WELFARE

GENERAL NATURE AND ORGANIZATION OF WELFARE SERVICES

70. Like most of the older countries, Italy has a large number of unevenly-distributed charitable foundations. The range of assistance was extended in the XIX century by the development of communal assistance agencies for the distribution of non-institutional relief.

71. In the XIX century charity was placed within a *legal* framework. This affirmed the principle of assistance as a duty by the State and as a right of the individual. The State was concerned in the regulation of private charity only to give a legal status to voluntary charitable foundations and to supervise and co-ordinate their work (see para. 91). The laws regulating State intervention in Italy for co-ordinating private charity date back to 1862 and to 1890, i.e. for "opere pie" (pious foundations) and for "istituzioni di pubblica beCharity was organized either by the use of State funds or by funds raised compulsorily by towns, provinces or other public bodies.

72. By the law of 1890 a Congregazione di Carità (Congregation of Charity)—transformed afterwards into the Ente Comunale di Assistenza (ECA - Communal Assistance Body)—could be founded in every town (see para. 31).

73. The fundamental principle underlying "legal" charity is represented in the so-called "domicilio di soccorso" (residence for relief), which acknowledges the legal right of the poor to obtain relief and on the basis of which institutions are established. The Italian legislation provides for (a) medical assistance to the poor; (b) free medicines for the poor; (c) the upkeep of poor lunatics; (d) the upkeep of the poor, unable to work; (e) the upkeep of foundlings; (f) assistance

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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72. By the law of 1890 a Congregazione di Carità (Congregation of Charity)—transformed afterwards into the Ente Comunale di Assistenza (ECA - Communal Assistance Body)—could be founded in every town (see para. 81).

73. The fundamental principle underlying "legal" charity is represented in the so-called "domicilio di soccorso" (residence for relief), which acknowledges the legal right of the poor to obtain relief and on the basis of which institutions are established. The Italian legislation provides for (a) medical assistance to the poor; (b) free medicines for the poor; (c) the upkeep of poor lunatics; (d) the upkeep of the poor, unable to work; (e) the upkeep of foundlings; (f) assistance to war-orphans; (g) assistance to disabled war-veterans; (h) assistance to, and care of, abandoned orphans and minors, the poor blind and deaf-mutes; (i) emergency hospitalization; (j) assistance to persons affected by

Declassified E.O. 12356 Section 3.3/NND No. 759021

venereal disease, malaria or pellagra; (k) assistance to persons affected by tuberculosis or rabies; (l) assistance to lepers.

74. Since 1900 "legal" charity has been supplemented in three different ways: (a) by the development of social insurance, including insurance for workmen's compensation (1901-17), maternity (1910), unemployment, invalidity and old age (1919), tuberculosis (1927), family allowances (1934), and health (1943). (b) by the development of special assistance plans for mothers and infants and for the young and (c) by the development of special plans for persons directly affected by the war.

75. Civil servants (State, province and city employees) are entitled to a pension after having been employed a certain number of years. Regulations or labor contracts in industry and commerce call for a "security fund" for many classes of quasi-governmental or private employees; the security fund is recruited from amounts contributed by the employer and the employee and the fund is used for paying a bonus to the employee upon retirement or in case of disability.

76. A predominant characteristic of the Italian welfare structure (see Diagram - Table 18) is the duplication of function and lack of co-ordination and integration and relation one to another of the many charitable foundations and the more newly developed services. This is so, even though many of the welfare decrees or statutes, particularly those creating the communal assistance agencies and the agency for mother and child welfare, speak of co-ordination and integration. Since the war this characteristic has been further emphasized by the creation of semi-autonomous national associations for services to special groups and by the sudden springing up of a number of voluntary committees, the intentions of which are a provision of service to persons in need.

77. A characteristic, which is a corollary of the first, is the lack of existence of any real standards or criteria for the operation of the different charitable foundations, and the lack of any clearly-defined welfare program for which the Government assumes responsibility. From the Statutes however, the provisions of which are often ambiguous, it might be concluded that, aside from the insurances, the Italian welfare program is one which provides for service or assistance to families in financial need, to children, and to groups of persons affected by the war (1). No special programs are defined for the aged, the blind, or the incapacitated, although independent institutions or agencies exist which offer some service to these groups.

78. Except for the responsibility of the Ministero dell'Assistenza Post-Bellica (MAPB - Ministry of Post-War Assistance) to grant assistance or service to certain groups affected by the war, no department of the central government is directly responsible for the administration of any welfare service. The responsibility for general supervision is to be exercized by the Ministry of the Interior and by the Prefects in the cases of social assistance to families and children and of institutional care. Actual administration of welfare services is in the hands of independent operating agencies, some of which are nation-wide bodies (enti parastatali), while others are only provincial or local in range and are incorporated to serve their own communities as well as the nation (enti locali autarchici). The supervision exercized is in practice limited to the provision of funds, and this seems to be done largely on a basis of arbitrary apportionment of funds rather than on a basis of review and analysis of function performed and service offered in relation to need.

79. The Pontificia Commissione di Assistenza (PCA - Pontifical Assistance Committee) has also, since the war, functioned in the field of general assistance by the establishment, in the most devastated sections of the country, of soup kitchens, and, in some instances, by the provision of clothing to persons in need.

80. Another characteristic of the Italian welfare structure, for the relief of hardship and to mitigate the worst effects of poverty, is the bringing together of public and private effort in the same agency. This is done partly to make use of such good will and funds as are available, and partly because of the legal principle that every agency dedicated to public use ought to be subject to public regulation. This intermingling of the Governmental and the voluntary has made the Italian welfare picture extremely patchy, and has added to the confusion of function for different agencies and institutions.

General Assistance.

81. The general assistance agency in Italy is the Ente Communale di Assistenza (ECA - Communal Assistance Body). Under its present name it dates back only to 1937. It is the successor to a body known from 1890 to 1937 as the Congregazione di Carità (Congregation of Charity) whose function was to be the legal represent-

(1) C.F. Policy Resolution (4) of the First Session of the UNRRA Council: "Within the framework of its total program

Declassified E.O. 12356 Section 3.3/NND No. 745021

insurance, including insurance for workmen's compensation (1904-17), maternity (1910), unemployment, invalidity and old age (1919), tuberculosis (1927), family allowances (1934), and health (1943). (b) by the development of special assistance plans for mothers and infants and for the young and (c) by the development of special plans for persons directly affected by the war.

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Assistance) to grant assistance or service to certain groups affected by the war, no department of the central government is directly responsible for the administration of any welfare service. The responsibility for general supervision is to be exercized by the Ministry of the Interior and by the Prefects in the cases of social assistance to families and children and of institutional care. Actual administration of welfare services is in the hands of independent operating agencies, some of which are nation-wide bodies (enti parastatali), while others are only provincial or local in range and are incorporated to serve their own communities as well as the nation (enti locali autarchici). The supervision exercized is in practice limited to the provision of funds, and this seems to be done largely on a basis of arbitrary apportionment of funds rather than on a basis of review and analysis of function performed and service offered in relation to need.

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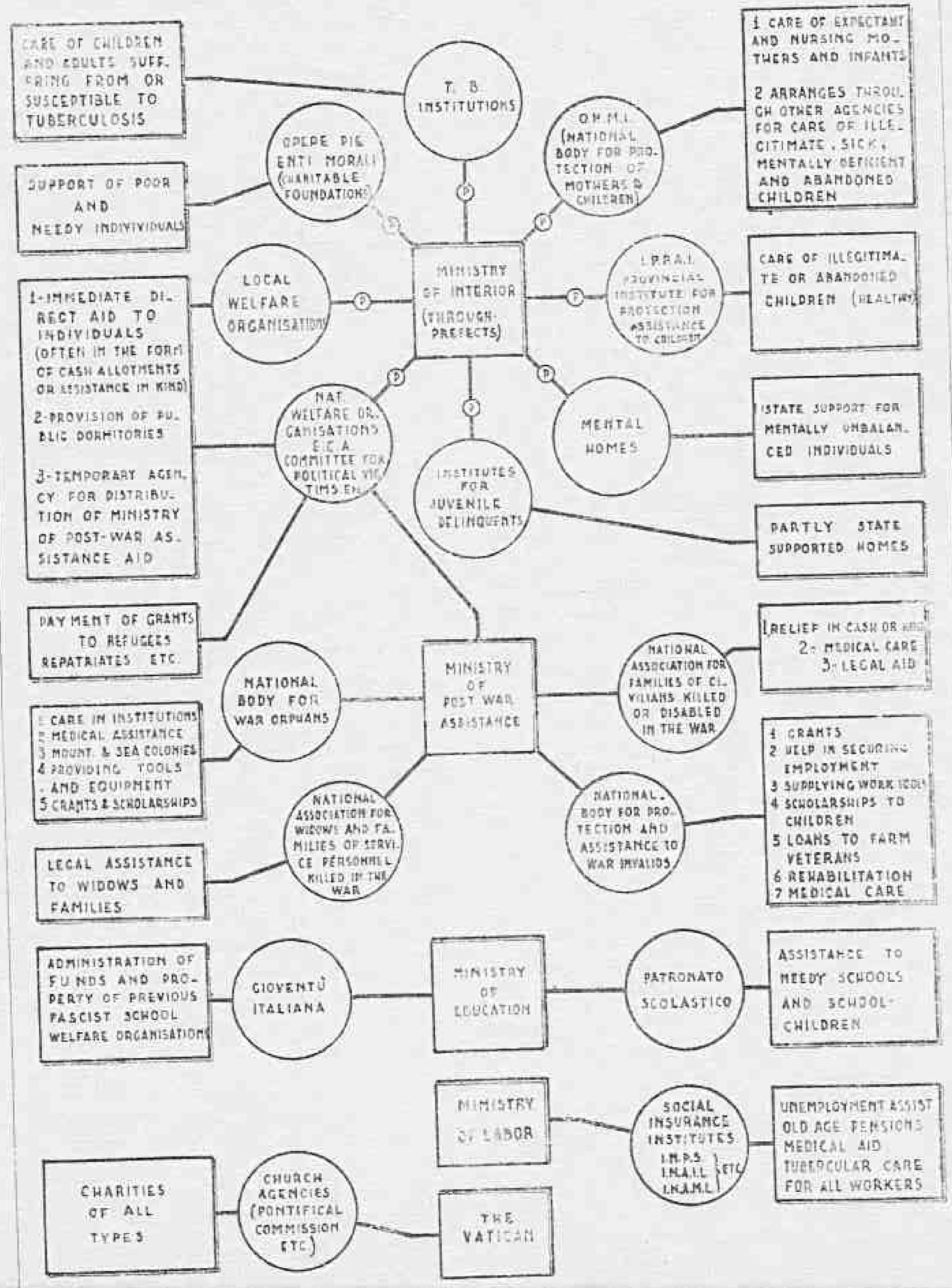
82. The function of ECA is defined by law as direct and temporary general assistance, including aid in money or in kind or in services ("Assistenza generica

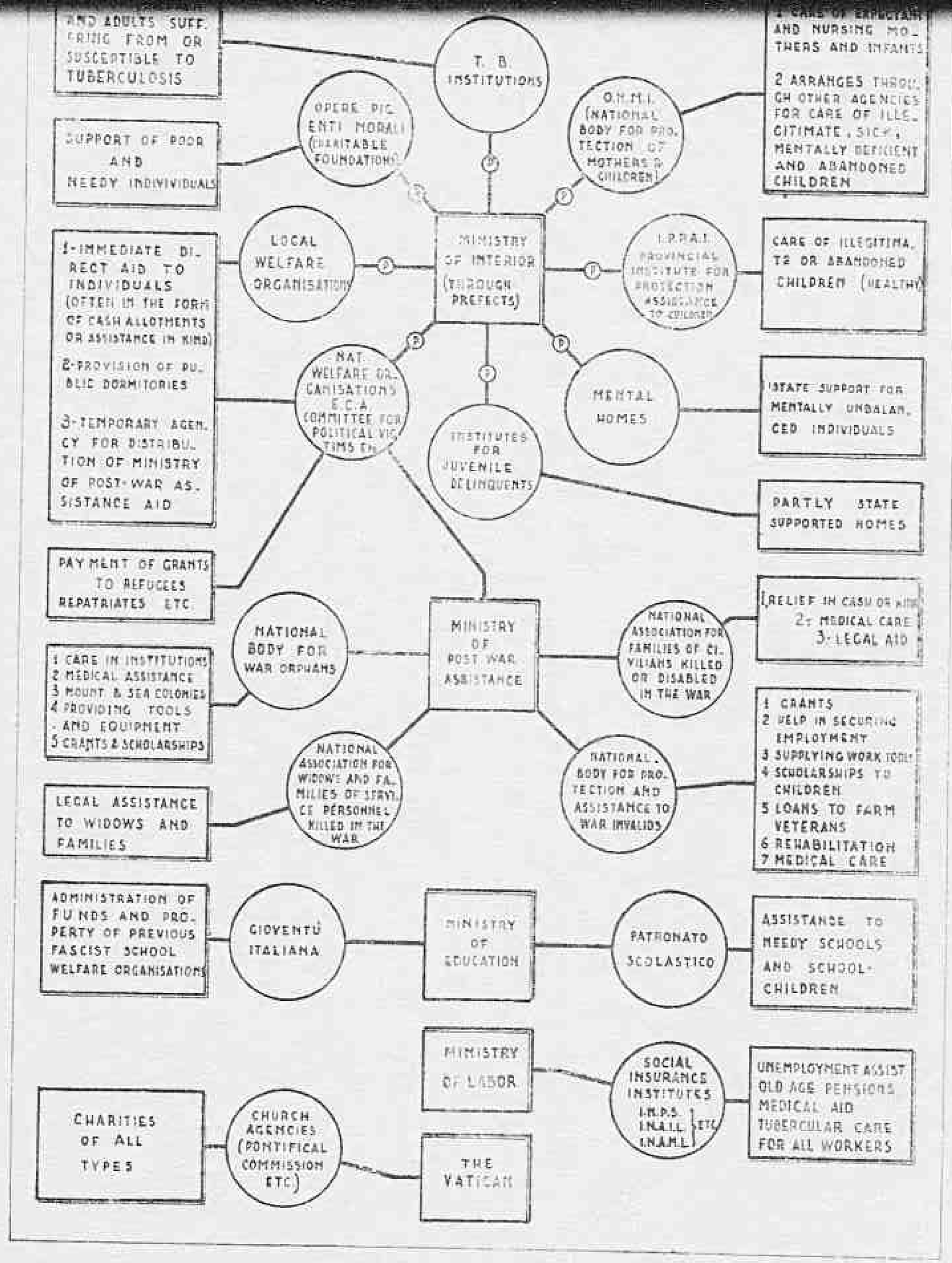
Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 18

ITALIAN WELFARE ORGANISATION



Declassified E.O. 12356 Section 3.3/NND No. 785021



Declassified E.O. 12356 Section 3.3/NND No. 745001

immediata e temporanea, con soccorsi in denaro o in natura o con prestazione"). With the creation of ECA, provision was made for the first time in Italy for relief to be given in cash, so as to pay rent, redeem tools or household essentials from pawn, and meet similar monetary contingencies of urban life; and "prestazione" was vague enough to cover any and all services, from counseling to the making of loans or the arranging of regularly recurring help. Specifically, the functions of ECA mentioned by law are the provision of legal assistance, which consists of caring for the interests of the poor in the commune and of representing them in civil administrations and in court; assistance to the homeless poor by the furnishing of shelter and food relief; assistance to minors and aged sheltered in institutions by the payment of board to various institutions; emergency cash relief to certain classes of people who find themselves in temporary need. To qualify for the latter type of assistance, inability to work must be proven.

83. Under the law creating ECA, general assistance, as defined above, was not to be given by any agency other than the ECA. Any agency that presumed to do so was ipso facto to be fused with the ECA by the authority granted to the Prefettura to accomplish this.

84. The sources of ECA funds are the property and other resources which it took over from the Congregation of Charity; gifts and donations from private benefactors and public and quasi-public bodies such as Provinces, communes and organized employers and employees; and sums assigned to it each year from the revenue of a special 1% tax on other revenues for the purpose of social welfare.

Child Welfare.

85. The Opera Nazionale per la Protezione della Maternità e dell'Infanzia (ONMI - National Body for the Protection of Mothers and Children) is the agency in Italy which has the broadest responsibilities for child welfare activities. This nation-wide agency was organized in 1925 under the impetus of the fascist policy of stimulating an increase in Italy's population.

86. At the national level, ONMI is run by a council and executive committee, appointed by the various Ministries concerned, which are responsible for determining general policy and implementing it by the allocation of a national grant. At the provincial level, the law provides that all agencies which work with mothers and children are to be brought together in a provincial federation, whose power is exercized by a committee to which the Prefect appoints representatives delegated its right to visit and inspect all incorporated bodies that care for mothers and children. Before any new agency of this kind is incorporated, the opinion of this committee is sought. Its functions are in general supervisory. Operating responsibility rests mainly with communal "committees of patrons," who, normally before the war, included a spokesman for the ECA, a district doctor, a parish priest, and other citizens approved by the provincial federation. In practice, since the war, the ONMI provincial organization has limited its functions largely to the supervision of its separate centers known individually as "Casa della Madre e del Bambino."

87. In addition to its general supervisory and fact finding responsibilities for the protection of children and mothers, ONMI is authorized to provide the following types of service:

(a) Consultation for pregnant women, including medical service in ONMI "consultori" or clinics.
(b) Meals for pregnant women and nursing mothers.
(c) Temporary care for mothers and children in maternity institutions.
(d) Assistance to children from pre-school to 18 years of age, including admission to pediatric clinics, provision of extra food and milk, day nurseries and nursery schools.
(e) Institutional care of abandoned, orphaned, illegitimate, neglected and impoverished children.

88. The functions of this agency, as specified by the law, are broad. In actual practice, however, since the war, the main emphasis in its activities has been on the physical care only of a relatively small number of pregnant women, nursing mothers and children up to six years of age, who can be served in the separate ONMI centers (Casa della Madre e del Bambino). Before the war, about 200 of the larger communes had established such centers, and many provinces provided ambulatoria (dispensaries) to enable the provincial committees to supplement the most needy of the poorer communes.

89. Statutory provision for the financing of the ONMI is by (a) endowments, legacies, gifts; (b) one-third of the ECA's income from investments entrusted to it for eleemosynary purposes; (c) dues levied on all member agencies; (d) part of the profit made by public pawnshops and by certain banks; (e) taxes on vacationists and bachelors; and (f) a national grant in aid stabilized at 103 million lire a year.

90. The Patronato Scolastico dating from 1911, organized on a communal basis, is also responsible for some

Declassified E.O. 12356 Section 3.3/NND No. 745001

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90. The Patronato Scolastico dating from 1911, organized on a communal basis, is also responsible for some child welfare activities. The degree to which these responsibilities are discharged however, varies according to the volunteers comprising the local Patronato and the funds which they are able to raise. There is no

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

determined Government contribution for the activities of the Patronato Scolastico. The services which by law, the Patronato is authorized to offer to needy school children are as follows: (a) distribution of hot or cold meals; (b) free distribution of text books, copy books, stationery and needlework materials according to the program for elementary schools; (c) free distribution of shoes and clothing; (d) supplying of eye-glasses, and (e) the provision of after-school programs for children.

91. Institutional care of children is provided by orphanages (orfanotrofi for children four to 18 years of age), and foundling homes (brefotrofi for children one to four years of age) which are under the control of the Prefettura, as well as by private religious and non-religious institutions.

92. Day nursery service for children is provided not only by ONMI, but by a large number of private and semi-private nurseries (asili), as well as by asili attached to the public school system.

93. The Pontifical Assistance Commission since the war has also made provision for day and institutional care of children.

Charitable Foundations.

94. Before the war, Italy had well over 20,000 charitable foundations (opere pie) with property worth well over 2,000 million lire. Ever since 1862 these charitable foundations have been incorporated by the State as "juridical persons." The State, through the Minister of the Interior and the Prefect has the right to inspect them, audit their accounts, and generally to reorganize them, although in practice it has seldom done so and has left them to be managed as they pleased. The coordination of these foundations by Governmental agencies has been envisaged by the law for over 50 years, but has never actually taken place. The number of persons assisted by Italian charitable foundations and the State contribution in 1939 are shown in Table 19.

TABLE 19

Italian Charitable Foundations in 1939

Type of Foundation	No. of persons assisted	Cost of Govt. Assistance (Thousand Lire)
Eleemosynary Foundations	1,113,000	60,000
Day Nurseries	376,000	15,000
Orphanages	83,000	105,000
Hospitals	1,230,000	665,000
Foster-homes	125,000	87,000

Although the Government provides a proportion of the funds for all the above charities, in the case of mental hospitals the necessary expenses are entirely found by the Government.

95. Total expenditure by the State (Ministero degli Interni) for public charity and relief since 1913 has been as follows (in million lire):

Financial Year	Million Lire	Million Lire, 1938 value
1913-14	20	—
1916-17	15	—
1921-22	230	278
1926-27	170	188
1931-32	167	242
1936-37	250	327
1941-42	668	281
1946-47	3,757	194

96. The assistance given by the Pontifical Relief Committee, from January 1945 to June 1946 was as follows:—

Persons assisted		1,929,765
Food distributed	(qls.)	523,013
Clothing	(garments)	420,393

Services for Special Groups.

97. Most of the groups for whom special service provisions have been made are those whose need can be traced directly to war causes, and the greater part of the assistance have been given since the end of the war.

98. Extensive legal provision for persons affected by the war was made by the decree of 31 July 1945 establishing the Ministry of Post-War Assistance. The primary purpose of this Ministry is to "provide, promote, direct and coordinate" the moral and material assistance of partisans, returning soldiers, prisoners of war, war internees and their families, refugees (internally displaced Italians), and other civilian war victims and repatriated Italians. The types of assistance offered to these groups are the provision of care in communal shelters or camps pending return to their own homes, the provision of a determined cash grant, and the provision of clothing.

99. Other national associations offering service to persons affected by the war are (a) the Comitato Nazionale per Vittime Politiche (National Committee for Political Victims); (b) the Associazione Nazionale per

Declassified E.O. 12356 Section 3.3/NND No. 759031

program for elementary schools; (c) free distribution of shoes and clothing; (d) supplying of eye-glasses, and (e) the provision of after-school programs for children.

91. Institutional care of children is provided by orphanages (orfanotrofi for children four to 18 years of age), and foundling homes (brefotrofi for children one to four years of age) which are under the control of the Prefettura, as well as by private religious and non-religious institutions.

92. Day nursery service for children is provided not only by ONMI, but by a large number of private and semi-private nurseries (asili), as well as by asili attached to the public school system.

93. The Pontifical Assistance Commission since the war has also made provision for day and institutional care of children.

Charitable Foundations.

94. Before the war, Italy had well over 20,000 charitable foundations (opere pie) with property worth well over 2,000 million lire. Ever since 1862 these charitable foundations have been incorporated by the State as "juridical persons." The State, through the Minister of the Interior and the Prefect has the right to inspect them, audit their accounts, and generally to reorganize them, although in practice it has seldom done so and has left them to be managed as they pleased. The coordination of these foundations by Governmental agencies has been envisaged by the law for over 50 years, but has never actually taken place. The number of persons assisted by Italian charitable foundations and the State contribution in 1939 are shown in Table 19.

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Day Nurseries	376,500	45,000
Orphanages	83,080	100,000
Hospitals	1,230,000	665,000
Beggar-homes	125,000	87,000
Old Peoples' Homes	35,000	52,000
Mental Hospitals	87,500	313,000

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Financial Year	Million Lire	Million Lire, 1938 value
1913-14	20	—
1916-17	15	—
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1926-27	170	188
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99. Other national associations offering service to persons affected by the war are (a) the Comitato Nazionale per Vittime Politiche (National Committee for Political Victims); (b) the Associazione Nazionale per le Famiglie dei Civili Caduti e Invalidi per Cause di Guerra (National Association for Families of Civilians

0284
Declassified E.O. 12356 Section 3.3/NND No. 785021

Killed or Disabled as a Result of the War); (c) the Ente Nazionale per la Protezione e l'Assistenza agli Invalidi di Guerra (National Body for Protection of and Assistance to Invalids of the War); (d) the Associazione Nazionale per Vedove di Guerra e le Famiglie dei Caduti (National Association for Widows and Families of those who Died in the War); (e) the Associazione Nazionale per Orfani di Guerra (National Body for War Orphans), and (f) the Pontificia Commissione di Assistenza.

100. The National Organization for Protection and Assistance to War Invalids, and the National Association for Families of Persons Killed in the War, work under the general direction of the Ministry of Post-War Assistance.

101. The Organization for Protection and Assistance to War Invalids is authorized to offer the following types of assistance to invalided war veterans: (a) grants (from a minimum of 500 lire to a maximum of 15,000 lire according to the individual case) to needy invalid veterans in exceptional instances; (b) help in securing employment; (c) supplying work tools; (d) placement of sons of invalid veterans in institutions, and granting of scholarships (about 300,000 lire per annum); (e) loans to those veteran farm laborers who, because of their invalidity, are unable to work; (f) re-education and rehabilitation of invalid veterans in 20 institutions; (g) distribution of drugs and orthopaedic appliances; and (h) hospital care. The total number of persons assisted by this organization before the war was 150,000. In 1945, the number increased to 260,000. Plans for assistance during 1946 require 200 million lire. One hundred million lire already have been allocated by the Ministry of Post-War Assistance, which is the normal source of funds.

102. The National Association for Families of Persons Killed in the War is authorized to grant legal and financial assistance to widows and families of those who died in the war. Economic assistance includes grants (from a minimum of 300 to a maximum of 1,000 lire each) and care for orphans in institutions. The Association owns two rest homes where widows in need, because of economic and health conditions, receive care. The total number of persons assisted at the present time is about 400,000, which is approximately the same as the number assisted before the war. Funds are provided through receipts from dues payable to the Association (two lire per member a year) and through contributions from the Ministry of Post-War Assistance.

103. Before the war, the National Body for War Orphans assisted about 45,000 persons. On 31 May 1946, the estimated number of orphans assisted was 200,000.

(d) distribution of work tools and equipment and (e) grants and scholarships. The Ministry of Post-War Assistance is the Body's source of funds. For the year 1946, 105 million lire were allocated for its work.

104. The National Committee for Political Victims was organized after the war under the presidency of the Mayor of Rome. The Committee is composed of representatives of six political parties and of a representative of the Ministry of Treasury. Persons cared for by this Committee are those who have been persecuted for political reasons, and their families. The types of assistance the Committee is authorized to provide are: (a) payment of monthly allowances (1,000 lire monthly) to needy families of those who have either been shot by the Germans or who have been killed in guerilla action; (b) institutional care of children whose fathers were killed or deported by the Germans; (c) free medical and legal assistance to political victims and their families; and (d) the distribution of food and clothing. Three million lire are provided monthly by the Ministry of the Treasury for the work of this Committee. Other funds are derived from benefits and private contributions.

105. The Association of families of civilians killed, maimed and disabled by the war, was also organized in Rome after the war. It is authorized to provide relief in cash or kind, medical care and institutional care, assistance in filing claims for pensions, compensation, etc., for war-disabled civilians and dependents of war-disabled civilians. Funds for the Association's work were to be made available by the Ministry of the Interior, but up to 31 May 1946, no appropriation had been made. Some funds have been derived from private contributions.

Effect of the War on Italian Welfare Services.

106. Italian welfare services suffered an almost complete collapse as a result of the war. This occurred at a time when demands upon them were greater than ever. The loss of material resources through requisitioning, destruction and looting was great and the performance of their services was further impeded by financial difficulties. In addition, those institutions or agencies created by or associated with fascist ideology were shattered, and gave little promise of being easily or quickly reorganized or imbued with a new sense of purpose or a new set of values.

107. The high prices of essential articles and the rising service costs, together with restrictions on patrimonial income, depletion of reserves and the loss of material resources, almost threatened some of the institutions with a complete suspension of their activities

0285
Declassified E.O. 12356 Section 3.3/NND No. 785021

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103. Before the war, the National Body for War Orphans assisted about 45,000 persons. On 31 May 1946, the estimated number of orphans assisted was 200,000. The types of assistance offered are: (a) care in institutions, (b) medical assistance, (c) mountain and sea-side colonies which have not as yet been re-established, organized after the war under the presidency of the Mayor of Rome. The Committee is composed of representatives of six political parties and of a representative of the Ministry of Treasury. Persons cared for by this Committee are those who have been persecuted for political reasons, and their families. The types of assistance the Committee is authorized to provide are: (a) payment of monthly allowances (1,000 lire monthly) to needy families of those who have either been shot by the Germans or who have been killed in guerilla action; (b) institutional care of children whose fathers were killed or deported by the Germans; (c) free medical and legal assistance to political victims and their families; and (d) the distribution of food and clothing. Three million lire are provided monthly by the Ministry of the Treasury for the work of this Committee. Other funds are derived from benefits and private contributions.

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107. The high prices of essential articles and the rising service costs, together with restrictions on patrimonial income, depletion of reserves and the loss of material resources, almost threatened some of the institutions with a complete suspension of their activities and development. The general shortage of foodstuffs not only created serious situations in residential institutions and in agencies which normally conducted a cooked

Declassified E.O. 12356 Section 3.3/NND No. 785021

meal program, but also had an effect on the nature of the general assistance program. The facts of short supply and inflation led to a popular distrust of money payments and some demands for the substitution of assistance in kind.

108. With a rising cost of living, destruction of homes, loss of family members and personal effects, unemployment and shortages which became of long duration rather than temporary, a larger segment than usual of the Italian people exhausted any reserves of savings upon which to fall back. Large numbers of persons who did not normally have to ask assistance became dependent upon it, particularly for food.

109. In these disturbed circumstances, communal feeding became an important means of relief. Under the Allied Military Government, cash relief continued to be paid by the ECA, and efforts were made to increase payments. In addition, soup kitchens for the general public were organized, and foods were made available to schools and institutions.

110. In addition to the economic disturbance with consequences for welfare action, there were considerable disruption of personnel and of organic relationships. The specialized service for youth was a branch of the fascist party; and the maternal and infant welfare service was closely associated with fascism, especially at the national and provincial levels. These services were especially affected by the dissolution of the fascist party. General assistance, being less centralized, survived more easily its divorce from the fascist party and the fascist syndicates.

111. Immediately after the war, there was considerable turnover of welfare agency personnel, the first effect of which was to create an almost total paralysis of operations and planning. Directing staff who had been associated with fascism left, and many of the new personnel had little, if any, knowledge of the operation of the services. The fact that few of the agencies had had a trained operating staff able to continue work despite the change in directing personnel, added to the confused picture.

112. Other tendencies which began to show themselves and which were perhaps a natural reaction to the centralized control of fascism, were a distrust of any direction from Rome, and the emergence of separate independent groups and institutions for the offering of welfare services. During fascism, voluntary service efforts, which were not directly connected with fascism, had been discouraged, and after the war there was a swing to the other extreme. Most of these new groups [illegible] had no resources nor a very clear

113. This tendency to create new institutions and committees, prompted by a sincere interest in offering services, but too seldom guided by an objective analysis of need persisted for two years. The creation of the Ministry of Post-War Assistance, and of the many national committees attached to it, stemmed to some extent, from this general tendency. It is only in 1946 that a desire is seen to coordinate some of the related services, and to plan services in relation to committee needs.

UNRRA's ROLE IN RELATION TO ITALIAN WELFARE SERVICES

114. During 1945, UNRRA, as a result of a special Council resolution, was authorized to undertake in Italy a limited program of care and welfare services to nursing and expectant mothers and children. This group was selected as the recipients of special service on the basis of surveys made earlier, which showed that of all the population, this group suffered the greatest as a result of the war. The supplies which UNRRA made available to the Italian Government were largely foodstuffs, and as a consequence, the welfare program during 1945, was commonly referred to as a "supplementary feeding program."

115. To assure a mutually acceptable distribution of UNRRA supplies, some basic guiding operating principles were agreed to by UNRRA and the Italian Government. These principles were:

(a) the feeding program was to be *supplementary* to and not in substitution for existing supplies;
(b) the program was to concern itself with needy children and nursing and expectant mothers, and the supplies were to be distributed free;
(c) the operation of the program was to be the responsibility of the Government, with UNRRA limiting itself to the provision of supplies and consultant services;
(d) decisions on the criteria of selecting recipients and methods of distribution were to be joint UNRRA-Government decisions;
(e) relief was to be distributed on an equal basis of eligibility and free of discrimination on account of race, religion or political belief;
(f) use was to be made of existing agencies and institutions and no attempt was to be made to create a new structure.

116. The lack of any Ministry or other central authority concerned with overall welfare problems, and having responsibility for welfare planning, created some

Declassified E.O. 12356 Section 3.3/NND No. 782021

loss of family members and personal effects, unemployment and shortages which became of long duration rather than temporary, a larger segment than usual of the Italian people exhausted any reserves of savings upon which to fall back. Large numbers of persons who did not normally have to ask assistance became dependent upon it, particularly for food.

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111. Immediately after the war, there was considerable turnover of welfare agency personnel, the first effect of which was to create an almost total paralysis of operations and planning. Directing staff who had been associated with fascism left, and many of the new personnel had little, if any, knowledge of the operation of the services. The fact that few of the agencies had had a trained operating staff able to continue work despite the change in directing personnel, added to the confused picture.

112. Other tendencies which began to show themselves and which were perhaps a natural reaction to the centralized control of fascism, were a distrust of any direction from Rome, and the emergence of separate independent groups and institutions for the offering of welfare services. During fascism, voluntary service efforts, which were not directly connected with fascism, had been discouraged, and after the war there was a swing to the other extreme. Most of these new groups and institutions had no resources nor a very clear concept of functions, and without guidance, direction and central coordinating effort, merely tended to add to confusion without filling in any of the real gaps in the Italian welfare services.

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(c) the operation of the program was to be the responsibility of the Government, with UNRRA limiting itself to the provision of supplies and consultant services;
(d) decisions on the criteria of selecting recipients and methods of distribution were to be joint UNRRA-Government decisions;
(e) relief was to be distributed on an equal basis of eligibility and free of discrimination on account of race, religion or political belief;
(f) use was to be made of existing agencies and institutions and no attempt was to be made to create a new structure.

116. The lack of any Ministry or other central authority concerned with overall welfare problems, and having responsibility for welfare planning, created some early difficulties in getting the UNRRA program started. The appointment by the Government, however, of the Italian Delegation for Relations with UNRRA, as the official liaison body through which UNRRA was to

Declassified E.O. 12356 Section 3.3/NND No. 785021

work, effected a partial solution to this problem. By necessity, the Italian Delegation office extended its functions from that of a purely policy-making and liaison body to one responsible for supervising and directing the policy's execution.

117. The question of a local organization for program operations presented, in the early period, even greater difficulties. After preliminary surveys of area needs were made by UNRRA welfare staff, it became apparent that some local coordinating group was necessary if the Government and UNRRA were to be assured that the welfare needs of women and children were to be met on a uniform basis.

118. The Government and UNRRA had accepted the principle of utilizing existing agencies, and at one period it was envisaged that perhaps ONMI, the national child care organization might be used. During the period of Allied advance however, the local ONMI committees had been left largely to their own desires, ONMI finances had been disrupted, and the organization was far from ready to assume general supervising responsibilities for a new program. Other organizations which could be used were the private and religious agencies, the latter very numerous. ECA, the charitable foundations and the Patronati Scolastici. All were carrying on as best they could, depending on local conditions and financial resources, but all were handicapped physically and financially as a result of the war, and no one body could assume overall direction of the program.

119. To meet this situation, the Government and UNRRA decided on the organization of Provincial Committees with a full-time paid executive secretary, to function as the local unit responsible for program operation. These committees work under the chairmanship of the Prefect and are composed of the provincial doctor, the provincial school superintendent, the provincial representative of the Sezione Provinciale Alimentazione (SEPRAL - Provincial Food Office), the rationing agency, the provincial representative of the Ministry of Post-War Assistance, the Bishop of the Diocese, and the Director of the Provincial Federation of ONMI. These committees have functioned largely as coordinating and supervisory bodies, depending upon individual agencies and institutions within the province to make the selection of individuals to be assisted, and actually to distribute the UNRRA supplies. The Provincial Committees which are responsible to the Italian Delegation issue general policies and instructions to the individual operating agencies.

structure in the country. The use of committees was not new to Italian practice, and under existing laws, the Prefect and Vice-Prefect have responsibilities for coordinating and directing welfare services within the province. Without staff, this responsibility had seldom been discharged, and the formal organization of provincial committees with a full-time secretary, provided the means by which a beginning could be made in the direction of analyzing and planning for community needs.

121. From Rome, the Italian Delegation's office allocated food for Provincial Committees, and these committees selected the communes and agencies to distribute the supplies. UNRRA welfare staff was assigned to regions throughout Italy to function in an advisory and consultant capacity to Provincial Committees. Food distribution began in April 1945 in the cities of Naples and Rome and in five provinces in the so-called "devastated area"—Frosinone, Latinia, Aquila, Chieti and Pescara.

122. By June 1945, 23 Provincial Committees were functioning, and by the end of September 1945 food was being distributed in 48 provinces. In December 1945 additional provinces were transferred to the jurisdiction of the Italian Government and distribution began in these provinces during January 1946. Tables 20 and 21 show the number of children and mothers fed during the three months March to May 1946 and give an indication of the places where and the scale on which this assistance is now operating.

TABLE 20

Number of children and Expectant and Nursing Mothers Assisted by UNRRA, under Supplementary Feeding Schemes, for the three months: March to May 1946
(Classified by Regions)

Regions	Cooked Meals	Raw products distribution	Total
Sardinia	14,500	58,232	102,732
Sicily	59,831	93,798	153,629
Calabria	44,282	27,459	71,691
Lucania	13,222	16,543	28,765
Puglie	94,469	37,943	132,412
Campania	163,891	118,042	281,933
Abruzzi and Molise	24,350	62,774	87,330
Umbria	21,125	8,235	29,360
Marche	15,799	37,278	53,077
Lazio	130,842	105,404	236,246
Tuscany	92,667	40,701	133,368
Emilia	35,820	130,641	166,476
Liguria	28,865	14,018	42,883
Piedmont			

Declassified E.O. 12356 Section 3.3/NND No. 763021

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119. To meet this situation, the Government and UNRRA decided on the organization of Provincial Committees with a full-time paid executive secretary, to function as the local unit responsible for program operation. These committees work under the chairmanship of the Prefect and are composed of the provincial doctor, the provincial school superintendent, the provincial representative of the Seziane Provinciale Alimentazione (SEPRAL - Provincial Food Office), the rationing agency, the provincial representative of the Ministry of Post-War Assistance, the Bishop of the Diocese, and the Director of the Provincial Federation of ONMI. These committees have functioned largely as coordinating and supervisory bodies, depending upon individual agencies and institutions within the province to make the selection of individuals to be assisted, and actually to distribute the UNRRA supplies. The Provincial Committees which are responsible to the Italian Delegation issue general policies and instructions to the individual operating agencies.

120. This arrangement for the use of provincial committees and the regularly established agencies was consistent with the generally agreed-upon principle to utilize established agencies and not to create any new

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TABLE 20

Number of children and Expectant and Nursing Mothers Assisted by UNRRA under Supplementary Feeding Schemes, for the three months March to May 1946 (Classified by Regions)

Regions	Cooked Meals	Raw products distribution	Total
Sardinia	11,500	68,232	102,732
Sicily	59,831	96,798	156,629
Calabria	44,232	27,459	71,691
Lucania	18,222	10,543	28,765
Puglie	91,469	37,943	132,412
Campania	163,894	118,042	281,936
Abruzzi and Molise	24,256	62,774	87,030
Umbria	21,125	8,238	29,360
Marche	15,799	37,278	53,077
Lazio	130,842	105,104	236,246
Tuscany	92,667	40,701	133,368
Emilia	25,829	130,644	166,473
Liguria	28,865	14,018	42,883
Piedmont	54,283	19,373	73,656
Lombardy	103,714	53,014	156,728
Veneto	84,089	50,895	134,984
Trentino	9,228	5,443	14,671
	1,021,102	873,783	1,894,885

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 21

UNRRA Supplementary Feeding of Mothers and Children: March to May 1946.

CATEGORY	March		April		May	
	Cooked Meals	Raw Products distribution	Cooked Meals	Raw Products distribution	Cooked Meals	Raw Products distribution
Children	No.	No.	No.	No.	No.	No.
0–12 months . . .	10,522	74,439	11,367	76,791	10,338	70,962
1–3 years . . .	75,004	226,561	78,394	241,709	75,449	238,017
4–8 " . . .	116,970	218,062	145,492	205,649	176,085	189,922
9–15 " . . .	423,957	256,107	453,149	244,365	475,188	220,301
Expectant mothers . .	17,878	91,436	19,582	72,003	18,960	70,689
Nursing mothers . . .	17,946	57,203	19,817	47,851	20,568	57,093
Total . . .	962,277	890,723	1,021,501	888,368	1,076,528	811,717

123. No final decision has yet been reached on whether the UNRRA Welfare Feeding Program will continue as such after 30 September 1946. The UNRRA Mission in Italy favor:

(a) the desirability in existing circumstances of continuing some form of welfare assistance in kind after 30 September 1946;

(b) the integration of the requirements for the assistance rations in para. 122 into the national rationing system under the control of the High Commissioner for Food; and

(c) the continued use of the Italian Delegation's Provincial Welfare Committees as "certifying" authorities, and distribution agencies for the food after they have received the requisite quantities through the Provincial Food Office.

124. Discussions are taking place between the UNRRA Mission, the High Commissioner for Food's Office and the Italian Delegation for Relations with UNRRA on point (b) in para. 123. It is hoped that all persons in need, who cannot afford to purchase non-rationed foods on the open market, will be assured of an amount of food, of necessity determined by supplies, which will be in addition to their basic ration. It is envisaged that the distribution of these additional foods will be done by established welfare agencies or institutions as a part of their overall programs for assistance to persons in need. All special classes of persons and those receiving supplements of food in addition to the basic ration scale are under review. The extent of supplies is being examined, to determine the size of the supple-

125. UNRRA has already distributed a large amount of used clothing to needy people in Italy. Table 22 shows the distribution which had taken place up to 15 August 1946. Up to this date this distribution has been only to categories of persons assisted by the Ministry of Post-War Assistance, such as refugees, returning prisoners of war and bombed out persons. Future distribution plans, however, call for a distribution of materials made from the raw wool and cotton imported by UNRRA to all persons in need who are being assisted by established welfare agencies and institutions.

126. UNRRA has also helped the Ministry of Post-War Assistance in the execution of its program by providing material assistance and advice and consultation on program planning. UNRRA's main objective in its work with the Ministry of Post-War Assistance is to see that all persons now living in Italian displaced persons camps who can possibly be resettled in their home communities, leave the camps by the end of this year. The house repair program of CASAS will help in the achievement of this objective (see para. 152).

UNRRA SUMMER COLONIES (CAMPS) IN 1946

127. Summer colonies have been organized by UNRRA in collaboration with the following Italian Agencies: Italian Delegation for Relations with UNRRA; Ministry of Education; Ministry of Post-War Assistance; Italian Youth Commissariats (Commissariati per la Gioventù Italiana); The Pontifical Commission (C.P.A. - Pontificia Commissione di Assistenza); Union of Italian Women (U.D.I. - Unione Donne Italiane); Italian

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Declassified E.O. 12356 Sec. 3.3/NND No. 785021

	Cooked Meals	distribution	Cooked Meals	distribution		Distribution
	No.	No.	No.	No.	No.	No.
Children						
0–12 months . . .	10,522	71,419	11,367	76,791	10,338	76,662
1–3 years . . .	75,001	226,356	73,394	214,709	75,439	238,017
4–8 " . . .	116,070	218,302	115,192	205,649	176,085	189,922
9–15 " . . .	123,857	256,107	135,149	244,205	175,188	229,004
Expectant mothers . .	17,878	41,130	19,582	72,603	18,203	50,480
Nursing mothers . . .	17,946	57,293	19,837	17,851	20,568	57,093
Total . . .	862,277	880,723	1,024,501	888,808	1,076,528	841,717

123. No final decision has yet been reached on whether the UNRRA Welfare Feeding Program will continue as such after 30 September 1946. The UNRRA Mission in Italy favor:

(a) the desirability in existing circumstances of continuing some form of welfare assistance in kind after 30 September 1946;

(b) the integration of the requirements for the assistance rations in para. 122 into the national rationing system under the control of the High Commissioner for Food; and

(c) the continued use of the Italian Delegation's Provincial Welfare Committees as "certifying" authorities, and distribution agencies for the food after they have received the requisite quantities through the Provincial Food Office.

124. Discussions are taking place between the UNRRA Mission, the High Commissioner for Food's Office and the Italian Delegation for Relations with UNRRA on point (b) in para. 123. It is hoped that all persons in need, who cannot afford to purchase non-rationed foods on the open market, will be assured of an amount of food, of necessity determined by supplies, which will be in addition to their basic ration. It is envisaged that the distribution of these additional foods will be done by established welfare agencies or institutions as a part of their overall programs for assistance to persons in need. All special classes of persons and those receiving supplements of food in addition to the basic ration scale are under review. The extent of supplies is being examined, to determine the size of the supplements. Tables 23 to 25 show the scale of rationed commodities issued to various categories of the population as at 15 July 1946. The UNRRA feeding program is over and above these food issues.

125. UNRRA has already distributed a large amount of used clothing to needy people in Italy. Table 22 shows the distribution which had taken place up to 15 August 1946. Up to this date this distribution has been only to categories of persons assisted by the Ministry of Post-War Assistance, such as refugees, returning prisoners of war and bombed out persons. Future distribution plans, however, call for a distribution of materials made from the raw wool and cotton imported by UNRRA to all persons in need who are being assisted by established welfare agencies and institutions.

126. UNRRA has also helped the Ministry of Post-War Assistance in the execution of its program by providing material assistance and advice and consultation on program planning. UNRRA's main objective in its work with the Ministry of Post-War Assistance is to see that all persons now living in Italian displaced persons camps who can possibly be resettled in their home communities, leave the camps by the end of this year. The home repair program of CASAS will help in the achievement of this objective (see para. 152).

UNRRA SUMMER COLONIES (CAMPS) IN 1946

127. Summer colonies have been organized by UNRRA in collaboration with the following Italian Agencies: Italian Delegation for Relations with UNRRA; Ministry of Education; Ministry of Post-War Assistance; Italian Youth Commissariats (Commissariati per la Gioventù Italiana); The Pontifical Commission (C.P.A. - Pontificia Commissione di Assistenza); Union of Italian Women (U.D.I. - Unione Donne Italiane); Italian Women's Committees (Comitati Italiani Femminili) and other less important agencies. The Provincial UNRRA Committees assumed responsibility within their provinces, for coordinating plans prepared by the above

Declassified E.O. 12356 Section 3.3/NND No. 759021

agencies, and for interpreting policy with respect to summer colonies which had been agreed upon by UNRRA and the Italian Government. This made it possible, province by province, to procure buildings and equipment for the colonies, the personnel for looking after the children, and other forms of cooperation in the field.

TABLE 22

Distribution of Clothing by UNRRA

1945–46 (Position as at 15 August 1946)

Region	Garments	Shoes (Pairs)	Bedding
	No.		No.
Sardinia	128,414	18,692	
Sicily	825,850	63,800	—
Calabria	17,750	5,800	350
Lucania	14,862	3,970	420
Puglie	102,010	16,550	700
Campania	308,957	58,150	1,700
Abruzzi and Molise	229,773	54,650	900
Umbria	11,839	10,600	750
Marche	83,513	17,490	—
Lazio	661,820	114,901	2,010
Tuscany	359,319	93,595	2,795
Emilia	886,232	169,725	4,700
Liguria	70,800	23,060	1,200
Piedmont	225,350	82,980	1,400
Lombardy	381,090	53,960	1,100
Veneto	295,598	38,048	1,400
Trentino	33,100	6,900	—
Venezia Giulia	1,898	1,184	—
Summer Colonies	—	—	58,426
Italian Camps	127,402	10,886	—
Additional distribution	110,273	37,400	3,486
	3,935,378	792,148	85,517
Distribution to non-Italians	217,068	41,287	2,918
TOTAL	4,152,446	833,435	88,435

COST OF CLOTHING PROGRAM

Clothing	Lit.	22,751,667
Shoes	"	21,691,988
New production	"	13,611,679
Salvage	"	8,742,117
	Lit.	66,859,451

128. UNRRA has supplied food, bed material, cooking utensils, mess utensils, tents, etc. The financial backing of this assistance, which amounts to 90,908,655 lire, has been supplied from the Lira Fund (money provided by the sale of goods supplied free to Italy by UNRRA).

129. The number of children assisted by UNRRA Summer colonies is 782,000 of whom 142,000 are in permanent colonies and 640,000 in daily colonies. The average stay of children in UNRRA colonies is 2 months: July and August. The colonies are situated in specially healthful districts in the mountains, at the seaside, in national parks, etc.

130. Most of the assisted children (from 1 to 15 years of age) are those who usually receive UNRRA assistance all through the year. They have been selected by the agencies operating the colonies according to their poverty and health need, and following general selective policies agreed upon by UNRRA and the Italian Delegation, and interpreted by Provincial UNRRA Committees.

131. Food rations are those usually supplied by UNRRA feeding, plus considerable food supplements to improve to the utmost the health conditions of the children during their stay in the colonies. Table 26 shows the relative food value of the rations supplied.

132. In April 1945 when the UNRRA program started, the most immediate objective was to get food out quickly to those in need. As early as this date, however, certain long-time objectives were kept in mind, such as (a) the need to resuscitate and improve the quality of child care service offered, (b) to stimulate plans for meeting the problems of juvenile delinquency that had arisen since the war, (c) to rehabilitate those agencies which gave promise of continuing service, (d) to attempt to bring some order out of the chaos of the confused uncoordinated welfare picture so that overlapping and duplication of effort and expense could be avoided, and (e) to attempt to get diverse groups within a community to work together toward a common goal in handling the needs of people.

Declassified E.O. 12356 Section 3.3/NND No. 785021

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TABLE 22

Distribution of Clothing by UNRRA

1945–46 (Position as at 15 August, 1946)

Region	Garments	Shoes (Pairs)	Bedding
	No.		No.
Sardinia	128,434	18,692	—
Sicily	325,350	63,800	—
Calabria	17,759	5,800	350
Lucania	11,892	3,970	420
Puglie	102,019	16,560	700
Campania	308,957	38,450	1,700
Abruzzi and Molise	229,773	34,650	900
Umbria	41,839	10,600	750
Marche	83,543	17,490	—
Lazio	661,829	114,901	2,910
Tuscany	350,319	93,505	9,705
Emilia	386,232	103,725	1,700
Liguria	70,860	24,660	1,200
Piedmont	225,350	32,380	1,400
Lombardy	381,350	53,660	1,400
Veneto	295,598	38,045	1,400
Trentino	33,100	6,300	—
Venezia Giulia	4,898	1,181	—
Summer Colonies	—	—	38,426
Italian Camps	127,492	40,886	—
Additional distribution	140,273	37,400	3,486
	3,935,378	782,148	85,547
Distribution to non-Italians	217,068	11,287	2,918
TOTAL	4,152,446	833,435	88,465

COST OF CLOTHING PROGRAM

Clothing	Lit.	22,751,807
Shoes	"	24,691,988
New production	"	13,641,679
Salvage	"	5,742,117
	Lit.	66,830,451

The total number of persons to whom clothing has been distributed is 1,133,348.

by UNRRA).

129. The number of children assisted by UNRRA Summer colonies is 782,000 of whom 142,000 are in permanent colonies and 640,000 in daily colonies. The average stay of children in UNRRA colonies is 2 months: July and August. The colonies are situated in specially healthful districts in the mountains, at the seaside, in national parks, etc.

130. Most of the assisted children (from 4 to 15 years of age) are those who usually receive UNRRA assistance all through the year. They have been selected by the agencies operating the colonies according to their poverty and health need, and following general selective policies agreed upon by UNRRA and the Italian Delegation, and interpreted by Provincial UNRRA Committees.

131. Food rations are those usually supplied by UNRRA feeding, plus considerable food supplements to improve to the utmost the health conditions of the children during their stay in the colonies. Table 26 shows the relative food value of the rations supplied.

132. In April 1945 when the UNRRA program started, the most immediate objective was to get food out quickly to those in need. As early as this date, however, certain long-time objectives were kept in mind, such as (a) the need to resuscitate and improve the quality of child care service offered, (b) to stimulate plans for meeting the problems of juvenile delinquency that had arisen since the war, (c) to rehabilitate those agencies which gave promise of continuing service, (d) to attempt to bring some order out of the chaos of the confused uncoordinated welfare picture so that overlapping and duplication of effort and expense could be avoided, and (e) to attempt to get diverse groups within a community to work together toward a common goal in handling the needs of people.

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 28

Ration Scale of Italian Government for Grain Products as in July 1946

CATEGORIES	No. of ration cards	Daily rations	
		Bread	Pasta
		grs	grs
1. NORMAL CONSUMERS (Non-Producers): Bread (*)	35,271,681	200 (*)	66.6
Pasta (*)	35,117,221		
2. SUPPLEMENTARY RATIONS (Consumers entitled to supplementary rations already included in para 1):			
Agricultural/Heavy workers	3,181,585	100	20
Very heavy Workers	233,860	200	20
Miners/Forestry Workers	185,589	400	20
Armed Forces Workers	878,210	250	50
3. SPECIAL RATIONS (Consumers entitled to special rations not included in para 1):			
Hospital Patients and Staffs, Refugees, Returning P. O. W.	527,753	350	85
Public Security Agents, Mine Clearance Squads, Guardie Finanza e Forestali, Firemen, Municipal Police Guards, and Others	150,956	125	75
Civilian Prisoners in jails	99,366	100	70
Juvenile Delinquents in jails	6,294	150	70
Civilian Prisoners in Reformatories	1,201	350	85
Merchant Ships' Crews	25,368	340	(Rice)
Consuls & their families, Foreign Correspondents	2,955	300	175
Feeding Points for Refugees at Railway Stations	84,982	150	45
4. OTHER SUPPLEMENTS AND INDUSTRIAL MESSES (Consumers entitled to these supplements are already included in para 1, except Allied Nationals):			
Allied Nationals	22,845	100	—
Communal Feeding (Welfare)	202,222	—	53
Industrial Messes, Vatican Kitchens	1,976,133	—	53
School Feeding	507,496	100	50
Pregnant women at home	133,870	—	150
T. B. cases at home	149,046	150	50

5. OTHER CATEGORIES (for which only the total *daily* requirement is known; figures in m. tons and in wheat equivalent):

	Metric Tons
Mill workers, Bakers and Families	8.70
Seasonal Workers	21.90
Childrens Institutions	30.28
Sale at Peace, Blood Donors, etc.)	75.00

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Declassified E.O. 12356 Section 3.3/NND No. 785 021

CATEGORIES		No. of ration cards	Daily ration in grs	
			Bread	Pasta
			278	278
1. NORMAL CONSUMERS (Non-Producers)	Bread (*)	33,271,681	200 (**)	66,6
	Pasta (*)	35,417,221		
2. SUPPLEMENTARY RATIONS (Consumers entitled to supplementary rations already included in para 1):				
Agricultural/Heavy workers		7481,565	100	20
Very heavy Workers		233,860	200	20
Miners/Forestry Workers		185,759	100	20
Armed Forces Workers		378,210	250	50
3. SPECIAL RATIONS (Consumers entitled to special rations not included in para 1):				
Hospital Patients and Staffs, Refugees, Returning P. O. W.		527,753	350	85
Public Security Agents, Mine Clearance Squads, Guardie Finanza e Forestali, Firemen, Municipal Police Guards, and Others		150,950	125	75
Civilian Prisoners in jails		99,966	100	70
Juvenile Delinquents in jails		6,294	450	70
Civilian Prisoners in Reformatories		4,201	350	85
Merchant Ships' Crews		25,308	310	(Bonus)
Consuls & their families, Foreign Correspondents		2,955	500	175
Feeding Points for Refugees at Railway Stations		34,982	150	45
4. OTHER SUPPLEMENTS AND INDUSTRIAL MESSES (Consumers entitled to these supplements are already included in para 1, except Allied Nationals:				
Allied Nationals		22,846	100	—
Communal Feeding (Welfare)		262,222	—	53
Industrial Messes, Vatican Kitchens		1,976,133	—	53
School Feeding		567,496	100	50
Pregnant women at home		133,670	—	150
T. B. cases at home		149,046	150	50
5. OTHER CATEGORIES (for which only the total *daily* requirement is known: figures in m. tons and in wheat equivalent):				
	Metric Tons			
Mill workers, Bakers and Families	8,70			
Seasonal Workers	21,00			
Childrens Institutions	30,28			
Other Categories (sick at Home, Blood Donors, etc)	75,00			

(*) The difference between the two figures of ration cards is only due to the fact that some grain producers prefer to obtain the pasta ration card and deliver in exchange a quota of their legal grain retention for food.

(**) Bread ration increased to 250 grs as of 15 July 1946.

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 24

Italian Government Ration Scale for Fats as on 15. July 1946

CATEGORIES	No. of ration cards	Daily rations (grs)	Monthly rations (grs)
1. NORMAL CONSUMERS (non-producers)	35.384.043	6.1	183
2. SPECIAL RATIONS (Consumers entitled to special rations not included in in para 1):			
Hospital Patients and Staffs	125.971	25	750
Refugees in Camps, Returning P. O. W.	101.802	6.6	198
P. S. Agents, Mine Clearance Squads, Guardie Finanza, Guardie Forestali, Firemen, Municipal Police Guards, and Others	150.050	28	840
Civilian Prisoners in jails	99.866	10	300
Juvenile Delinquents in jails	6.294	10	300
Civilian Prisoners in Reformatories	4.201	20	600
Merchant Ships' Crews	25.368	6.1	183
Consuls & their Families, Foreign Correspondents	2.955	25	750
Refugees at Railway Stations	15.504	5	150
3. OTHER SUPPLEMENTS AND INDUSTRIAL MESSES (Consumers entitled to these supplements already included in para 1):			
Communal Feeding (Welfare)	262.221	5	150
Industrial Messes	1.031.853	5	150
School Feeding	507.496	5	150
Pregnant Women at Home	133.370	10	300
T. B. cases at Home	149.048	13.3	400
4. OTHER CATEGORIES (for which only the monthly requirement is known - figures in metric tons):			
Blood Donors			12-82

TABLE 25

Italian Government Ration Scale for Sugar as on 15. July 1946

CATEGORIES	No. of ration cards	Daily rations (grs)	Monthly rations (grs)
1. NORMAL CONSUMERS	45.763.928	5	150
2. SPECIAL RATIONS (Consumers entitled to special rations not included in para 1):			
Hospital Patients and Staffs	416.931	33	990
Refugees in Camps, Returning P. O. W.	101.802	33	990
P. S. Agents, Mine Clearance Squads, Guardie Finanza, Guardie Forestali, Firemen, Municipal Police Guards, and Others	150.050	28	840
Civilian Prisoners in jails	99.866	8.3	248
Juvenile Delinquents in jails	6.294	8.3	248
Civilian Prisoners in Reformatories	4.201	33	990
Merchant Ships' Crews	25.368	14	420
Consuls & their Families, Foreign Correspondents	2.955	20	600
3. OTHER SUPPLEMENTS (Consumers entitled to these supplements already in			

Declassified E.O. 12356 Section 3.3/NND No. 785031

CATEGORIES	No. of ration cards	Daily rations (grs)	Monthly rations (grs)
1. NORMAL CONSUMERS (non-producers)	35,384,043	6.1	183
2. SPECIAL RATIONS (Consumers entitled to special rations not included in nr para 1):			
Hospital Patients and Staffs	125,971	25	750
Refugees in Camps, Returning P. O. W.	101,802	6.6	198
P. S. Agents, Mine Clearance Squads, Guardia Finanza, Guardia Forestali, Firemen, Municipal Police Guards, and Others	150,956	28	840
Civilian Prisoners in jails	99,966	10	300
Juvenile Delinquents in jails	6,294	10	300
Civilian Prisoners in Reformatories	4,291	20	600
Merchant Ships' Crews	25,368	6.1	183
Consuls & their Families, Foreign Correspondents	2,955	25	750
Refugees at Railway Stations	15,504	5	150
3. OTHER SUPPLEMENTS AND INDUSTRIAL MESSES (Consumers entitled to these supplements already included in para 1):			
Communal Feeding (Welfare)	262,222	5	150
Industrial Messes	1,031,853	5	150
School Feeding	397,496	5	150
Pregnant Women at Home	133,670	10	300
T. B. cases at Home	149,046	13.3	400
4. OTHER CATEGORIES (for which only the monthly requirement is known – figures in metric tons):			
Blood Donors	1282		

TABLE 25

Italian Government Ration Scale for Sugar as on 15 July 1946

CATEGORIES	No. of ration cards	Daily rations (grs)	Monthly rations (grs)
1. NORMAL CONSUMERS	15,763,928	5	150
2. SPECIAL RATIONS (Consumers entitled to special rations not included in para 1):			
Hospital Patients and Staffs	116,931	33	990
Refugees in Camps, Returning P. O. W.	101,802	33	990
P. S. Agents, Mine Clearance Squads, Guardia Finanza, Guardia Forestali, Firemen, Municipal Police Guards, and Others	150,956	28	840
Civilian Prisoners in jails	99,966	8.3	249
Juvenile Delinquents in jails	6,294	8.3	249
Civilian Prisoners in Reformatories	4,291	33	990
Merchant Ships' Crews	25,368	14	420
Consuls & their Families, Foreign Correspondents	2,955	20	600
3. OTHER SUPPLEMENTS (Consumers entitled to these supplements already included in para 1):			
Pregnant Women at Home	133,670	10	300
T. B. cases at Home	149,046	10	300
Artificially Fed Babies	216,438	26.7	800

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

TABLE 20

Table of Rations for UNRRA Summer Camps; 27 June, 1946

Individual rations in grams for all assisted without distinction of age

A) PERMANENT CAMPS

Ration types	Pow-dered milk	Wheat-meal	Sugar	Flour	Fats	Dried legumes	Tinned legumes	Fish or meat	Dehyd-rated eggs	Marma-lade
	DAILY RATIONS									
A) Ration card (1)	—	—	5	252 (1)	6.6	—	—	—	—	—
B) School meals	35.83	—	5	86.33	16.0	15	15	15	7.5	25
C) Suppl. Permanent UNRRA camps	4.17	12	5	113.67	—	45	15	18	12.5	25
Total UNRRA ration (B+C)	40.00	12	10	180.00	16.0	60	30	33	20.0	50
Total ration permanent camps (A+B+C)	40.00	12	15	432.00	16.0	60	30	33	20.0	50
	MONTHLY RATION									
A) Ration card (1)	—	—	150	7,560	200	—	—	—	—	—
B) School meals UNRRA	1,075	—	150	2,590	500	450	450	450	225	750
C) Suppl. Permanent UNRRA camps	125	360	150	2.810	—	1.350	450	540	375	750
Total UNRRA ration (B+C)	1,200	360	300	5,400	500	1,800	900	990	600	1,500
Total ration permanent camps (A+B+C)	1,200	360	450	12,960	500	1,800	900	990	600	1,500

B) DAILY CAMPS

(Rations in Grams)

Ration types	Pow-dered milk	Wheat-meal	Sugar	Flour	Fats	Dried legumes	Tinned legumes	Fish or meat	Dehyd-rated eggs	Marma-lade
	DAILY RATION									
A) School meals UNRRA	35.83	—	5	86.33	10	15	15	15	7.5	25
B) Suppl. Daily UNRRA camps	4.17	—	5	113.67	5	—	—	—	—	—
Total rations daily camps (A+B)	40.00	—	10	200.00	15	15	15	15	7.5	25
	MONTHLY RATION									
A) School meals UNRRA	1,075	—	150	2,590	300	450	450	450	225	750
B) Suppl. Daily UNRRA camps	125	—	150	3,410	150	—	—	—	—	—

Declassified E.O. 12356 Section 3.3/NND No. 785021

Table of Rations for UNRRA Summer Camps: 27 June, 1946

Individual rations in grams for all assisted without distinction of age

A) PERMANENT CAMPS

Ration types	Powdered milk	Wheat-meal	Sugar	Flour	Pasta	Dried legumes	Fresh legumes	Fish or meat	Dehydrated eggs	Marmalade
	DAILY RATIONS									
A) Ration card (1)	—	—	5	252 (1)	66	—	—	—	—	—
B) School meals	35.83	—	5	86.33	10.0	15	15	15	7.5	25
C) Suppl. Permanent UNRRA camps	4.17	12	5	98.67	—	45	15	18	12.5	25
Total UNRRA ration (B+C)	40.00	12	10	180.00	10.0	60	30	33	20.0	50
Total ration permanent camps (A+B+C)	40.00	12	15	432.00	166	60	30	33	20.0	50
	MONTHLY RATION									
A) Ration card (1)	—	—	150	7,560	200	—	—	—	—	—
B) School meals UNRRA	1,075	—	150	2,590	300	450	450	450	225	750
C) Suppl. Permanent UNRRA camps	125	360	150	2,619	—	1,350	450	540	375	750
Total UNRRA ration (B+C)	1,200	360	300	5,400	300	1,800	900	990	600	1,500
Total ration permanent camps (A+B+C)	1,200	360	450	12,960	500	1,800	900	990	600	1,500

B) DAILY CAMPS

(Rations in Grams)

Ration types	Powdered milk	Wheat-meal	Sugar	Flour	Pasta	Dried legumes	Fresh legumes	Fish or meat	Dehydrated eggs	Marmalade
	DAILY RATION									
A) School meals UNRRA	35.83	—	5	86.33	10	15	15	15	7.5	25
B) Suppl. Daily UNRRA camps	4.17	—	5	113.67	5	—	—	—	—	—
Total rations daily camps (A+B)	40.00	—	10	200.00	15	15	15	15	7.5	25
	MONTHLY RATION									
A) School meals UNRRA	1,075	—	150	2,590	300	450	450	450	225	750
B) Suppl. Daily UNRRA camps	125	—	150	3,410	150	—	—	—	—	—
Total ration daily camps (A+B)	1,200	—	300	6,000	450	450	450	450	225	750

(1) Equal to 200 gr. of bread and 66.6 gr. of pasta.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

REVIVAL OF ITALIAN WELFARE SERVICES (1)

133. The provision of food supplies to agencies for assistance of persons in need had an effect of strengthening and developing ancillary welfare activities. The lack of a single central authority (possibly designated as Ministry of Welfare) and of trained welfare workers and persons understanding welfare in its modern significance made the task difficult. Military authorities had, however, done much to impress the Italian authorities with the need for planned welfare services. There was thus a desire to progress on modern lines. The need was for experience in planning or executing broad welfare projects.

134. Whereas the Allied Control Commission approached the problem on the central level, continually pressing the Government for legislation for poor relief, social insurance and the provision of health services, the UNRRA staff concentrated more on leadership among local interested groups. The UNRRA purpose was to promote coordination among existing services and to extend the scope and thinking of those already concerned with welfare work.

135. For example, in the distribution of foods to children in schools, arrangements were made as early as the summer of 1945 in Rome and Naples for some supervized leisure activities to keep the children off the streets. Since that time other cities throughout Italy have made similar plans. In addition, a manual for guidance in preparing a school lunch meal was prepared. This manual has now been accepted by the Ministry of Education for use in future school lunch programs.

136. Throughout Italy, there continues to be expressed greater interest than ever in getting children back to school and in planning, within the educational structure, for meeting emotional and psychological needs of children, as well as for their need for academic instruction. Provincial Committees gradually began to see a welfare function as something broader than that of simply feeding children and, during 1946 in particular, there have been tangible evidences of these Committees really functioning as the one unit in the province able to assess community needs and to make plans for meeting them. The Italian Delegation Office, on its part, has arranged conferences of Provincial Committees' Secretaries in all the regions, so that their experience could be pooled and some stimulation could be given to the undertaking of surveys of welfare needs. UNRRA also assisted the Government in organizing five nutrition conferences in regions throughout Italy, and a plan for a national conference is contemplated for the Fall of 1946. With the assistance of the Italian Delegation, the Ministry of Post-War Assistance and individual social agencies, UNRRA has organized for three weeks during the month of September an institute for social service workers. This institute represents the first effort ever made in Italy to bring together for discussions of welfare problems representatives of different social agencies.

137. As a result of the efforts of the Italian Delegation Office and UNRRA, many indigenous agencies are beginning to show new initiative and to understand existing programs and develop new ones. Particularly in the north, where the Allied Commission had done much welfare work, local ONMI and ECA officers have shown enterprise and initiative in trying to meet the relief needs of their areas. In addition, some interest has been stimulated on a national level in reviewing and analyzing the existing structure for welfare purposes, with an aim toward creating a Ministry of Welfare, which would assume supervisory responsibility for the welfare services that are now scattered throughout the several Governmental Ministries and semi-autonomous bodies.

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(1) *Note:* No evaluation has been made of the aggregate outlay by hospitals and public bodies (State, provinces, towns, quasi-governmental bodies) for assistance and charity in their various forms. The major part of this expenditure for the financial year 1945-46 can be summarized as follows:

	Million Lire
1. Hospitals	6,000
2. Subsidy from the State (Ministry of Interior) to hospitals and to all charitable institutions	1,318
3. Expenditure by provinces for assistance to illegitimate children and for treatment of mental patients	10,000
4. Expenditure Opera Nazionale Maternita Infanzia (O.N.M.I. National Organization for Maternity and Infancy) and other expenditure by the Ministry of Interior for assistance to children	338 (2)
5. The Ministry of Interior for communal relief institutions	3,270
6. The High Commissariat for Hygiene and Public Health for:	
a) the campaign against: venereal diseases, leprosy, cancer, tuberculosis, trachoma, infectious diseases, malaria;	
b) public health; medical services on account of the state of war; medical services in Sicily; Italian Red Cross	22,817
Total	43,743

Declassified E.O. 12356 Section 3.3/NND No. 749021

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134. Whereas the Allied Control Commission approached the problem on the central level, continually pressing the Government for legislation for poor relief, social insurance and the provision of health services, the UNRRA staff concentrated more on leadership among local interested groups. The UNRRA purpose was to promote coordination among existing services and to extend the scope and thinking of those already concerned with welfare work.

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(1) *Note:* No evaluation has been made of the aggregate outlay by hospitals and public bodies (State, provinces, towns quasi-governmental bodies) for assistance and charity in their various forms. The major part of this expenditure for the financial year 1945-46 can be summarized as follows:

	Million Lire
1. Hospitals	6,900
2. Subsidy from the State (Ministry of Interior) to hospitals and to all charitable institutions	1,318
3. Expenditure by provinces for assistance to illegitimate children and for treatment of mental patients	10,000
4. Expenditure Opera Nazionale Maternità Infanzia (O.N.M.I. National Organization for Maternity and Infancy) and other expenditure by the Ministry of Interior for assistance to children	338 (2)
5. The Ministry of Interior for communal relief institutions	3,270
6. The High Commissariat for Hygiene and Public Health for:	
a) the campaign against: venereal diseases, leprosy, cancer, tuberculosis, trachoma, infectious diseases, malaria;	
b) public health; medical services on account of the state of war; medical services in Sicily; Italian Red Cross	22,817
Total	43,743

(2) The Ministry of Interior's subsidy to O. N. M. I. for the fiscal year 1946-47 has been estimated at 450 million lire.

Source: Ministry of Interior.

guidance in preparing a school lunch meal was prepared. This manual has now been accepted by the Ministry of Education for use in future school lunch programs.

136. Throughout Italy, there continues to be expressed greater interest than ever in getting children back to school and in planning, within the educational structure, for meeting emotional and psychological needs of children, as well as for their need for academic instruction. Provincial Committees gradually began to see a welfare function as something broader than that of simply feeding children and, during 1946 in particular, there have been tangible evidences of these Committees really functioning as the one unit in the province able to assess community needs and to make plans for meeting them. The Italian Delegation Office, on its part, has arranged conferences of Provincial Committees' Secretaries in all the regions, so that their experience could be pooled and some stimulation could be given to the undertaking of surveys of welfare needs. UNRRA also assisted the Government in organizing five nutrition conferences in regions throughout Italy, and a plan for a national conference is contemplated for the Fall of 1946. With the assistance of the Italian Delegation, the Ministry of Post-War Assistance and individual social agencies, UNRRA has organized for three weeks during the month of September an institute for social service workers. This institute represents the first effort ever made in Italy to bring together for discussions of welfare problems representatives of different social agencies.

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138. Approaches were also made during this period for UNRRA assistance in the training of social workers, and the possibilities of local training and overseas fel-

0302
Declassified E.O. 12356 Section 3.3/NND No. 745021

lowships. Plans have now been made for sending six persons from Italy to the U.S. and Great Britain for further training in the field of social work, and assistance has been given to four local schools of social work, in the organization of their curriculum.

Present needs.

139. For the remaining portion of this year, UNRRA will make food and clothing supplies available for those welfare services which the Government commits itself to continue during 1947.

140. With this end in view UNRRA has made a rough survey of the numbers of needy people at present in the country. An aggregate figure of over 7 million persons is, certainly, a conservative estimate. 6 million needy persons, out of a total of 7.3 million (see Table 27), are either unemployed or in families whose members are not employed. Should unemployment fall substantially, the number of persons needing assistance will decrease. But the figures appearing in Table 27 err on the low side since they do not include: (a) needy persons not necessarily included in the unemployed lists (if the low real wages level, the high partial unemployment and the substantial frequency of families with many members are taken into account, there is an appreciable number of needy persons excluded from the 6 million unemployed); (b) the number of 850,000 children and nursing mothers, in item "f" of Table 27 is an under-estimate, since in May 1946 the number of UNRRA-assisted persons was 1.9 million (see Tables 20 and 21); (c) over and above the number of the disabled, of the orphans, etc., appearing in item "d" of Table 27, relating to Ministry of Interior-controlled institutions, there are other disabled, homeless, etc., persons in other lay or religious institutions.

TABLE 27

Rough Estimate of the Number of Persons Needing Assistance in Italy - 1946

a) UNEMPLOYED: Official figures of the Ministry of Labor for May 1946 (based on registration with labor exchanges)		1,546,000	
b) ESTIMATED ACTUAL UNEMPLOYED (including non-registered persons)		2,560,000	
Of whom heads of families		1,560,000	
c) Total unemployed including dependents estimated at 2.3 to every head of family, on basis of official figures for 1936) say			6,000,000
d) Invalid asylums	Approx. figures of Ministry of Interior		100,000
Orphanages			155,000
Homes for abandoned infants			25,000
e) Hospitals (incl. sanatoriums and lunatic asylums - 235,000 beds; about 70 % of total figure assumed to represent the needy)			170,000
f) O. N. M. I. (1945 figures) (1)			250,000 (mothers) 600,000 (babies)
			7,300,000

(1) The O.N.M.I. figures for 1945 are below those of 1938, but on the other hand necessarily duplicate a small percentage of the above unemployed figure.

NEEDS DURING 1947 AND AFTER

141. The needs of a large number of persons for help in securing a minimum level of subsistence and accommodation will persist in Italy not only during 1947 but for years thereafter. Not only are unemployment figures high, but in addition, large numbers of returning soldiers, refugees and persons made homeless as a result of the war, are now found to be unemployable as a

for four years. In many of the small communes where schools have been destroyed, there are today no buildings where children can be taught.

143. There are 60,000 returned prisoners of war, refugees from other provinces and bombed-out persons still living in temporary camps. The return of these persons to homes, employment and a normal means of living is one of the most pressing problems that faces the country.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

Present needs.

139. For the remaining portion of this year, UNRRA will make food and clothing supplies available for those welfare services which the Government commits itself to continue during 1947.

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TABLE 27

Rough Estimate of the Number of Persons Needing Assistance in Italy: 1946

a) UNEMPLOYED: Official figures of the Ministry of Labor for May 1946 (based on registration with labor exchanges)		1,516,000	
b) ESTIMATED ACTUAL UNEMPLOYED (including non registered persons)		2,500,000	
Of whom heads of families		1,500,000	
c) Total unemployed (including dependents (estimated at 2.3 to every head of family, on basis of official figures for 1936) say			4,000,000
d) Invalid asylums	Approx. figures of Ministry of Interior		105,000
Orphanages			158,000
Homes for abandoned infants			25,000
e) Hospitals (incl. sanatoriums and lunatic asylums - 285,000 beds; about 70% of total figure assumed to represent the needy)			170,000
f) O. N. M. I. (1945 figures) (1)			250,000 (mothers)
			600,000 (babies)
			7,300,000

(1) The O.N.M.I. figures for 1945 are below those of 1938, but on the other hand necessarily duplicate a small percentage of the above unemployed figure.

NEEDS DURING 1947 AND AFTER

141. The needs of a large number of persons for help in securing a minimum level of subsistence and accommodation will persist in Italy not only during 1947 but for years thereafter. Not only are unemployment figures high, but in addition, large numbers of returning soldiers, refugees and persons made homeless as a result of the war, are now found to be unemployable as a result of deprivations during the war.

142. Other social problems are being presented quite clearly and vividly. The needs of Italy's children are great. Many were without any direction or supervision for four years. In many of the small communes where schools have been destroyed, there are today no buildings where children can be taught.

143. There are 60,000 returned prisoners of war, refugees from other provinces and bombed-out persons still living in temporary camps. The return of these persons to homes, employment and a normal means of living is one of the most pressing problems that faces the country.

144. Pending the rehabilitation of Italian industry, agriculture and trade, it is only within a very restricted economy that welfare services can be carried on or the

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

principle adopted of security for service and contribution. Adequacy is thus outside the reach of the Italian welfare services. Welfare services could, however, help those who are most in need to get their fair share of such supplies as are available. They could, with planning, offer service in social re-adjustment which would not draw too heavily on the country's resources.

145. To meet the needs of its people effectively, the Government must accept a major share of responsibility in the welfare field. However, until there is within the Government, some central unit responsible for analyzing and planning to meet the situation, efforts to bring assistance can only be sporadic. With great need and limited resources, the charitable foundations can no longer be expected to carry this burden. Their efforts will be needed, as well as the efforts of all voluntary groups, but to assure economy of effort and expenditure, the plans must be national, with the Government taking responsibility.

146. Almost greater than the need for material assistance is the need to relate the different rehabilitation activities of the Government and to focus them more sharply on their ultimate objective—that of providing a better living for the people. The plans for public work need to be closely related to the needs of refugees for housing and to the needs of children for school buildings. The plans of the employment offices need to be related to the needs of returning veterans, to the needs of persons receiving assistance from ECA, and to the needs of young persons coming from schools and institutions. Only with a central unit within the Government, able to present the needs of people, can such relating of plans be effectuated.

147. From now on, there would seem to be more reason than ever for the Prefettura to exercise its authority to coordinate and combine agencies and institutions to prevent overlapping and duplication. With the small amount of resources available in the country, the time would seem propitious to combine with other agencies those institutions without resources which now, by existing independently, cost their communities a sum disproportionate to the value of their service. The time would also seem opportune for existing welfare agencies to consider the employment of a few well-paid, qualified persons, who, in the long run, in terms of service rendered, would be less costly than a large number of poorly paid, unqualified people.

148. The needs of different parts of the country vary and the map—Table 28—indicates the relative degree of assistance required in the different provinces as a direct result of the war (based on unemployment figures and numbers of homeless). The "black" areas are those areas which were the scene of static warfare during the Italian campaign. The next worst areas shown in the map are, generally speaking, those containing large towns which were subjected to heavy air raids. It is to these groups of war affected areas that welfare assistance must be brought.

149. It is important to note that the shading on the map is not an indication of absolute need. The North of Italy has always been a far richer part of the country than the South and consequently the standard of living for people South of Rome is and always has been lower than those living in the North. Thus a map showing areas in need from all causes (not solely from war causes) would be more heavily shaded in the South. At the same time, the industrial population is mainly in the North, and it is in the large towns of the North that unemployment is most rife, and it is there that the need for welfare services is urgent.

SPECIAL RELIEF PROJECTS AND THE WELFARE WORK OF VOLUNTARY SOCIETIES

150. Apart from the work of the Italian Government Welfare Organizations and that done by the Welfare Division of UNRRA in co-operation with them, a considerable amount of welfare activity is carried out in Italy by the Special Relief Projects Division of UNRRA and by the numerous Voluntary Relief Societies mainly working in conjunction with UNRRA.

I. - *SPECIAL RELIEF PROJECTS*

(b) The processing of donated used clothing, shoes, salvaged material, etc., for distribution to needy Italians.

(a) The CASAS Project.

152. A minimum of 1,000 million lire is being spent on a program of house-building and house repair in the war devastated regions of Emilia, Tuscany, Lazio and Abruzzi. The program is financed by an allocation from the special relief and rehabilitation fund

Declassified E.O. 12356 Section 3.3/NND No. 785021

such supplies as are available. They could, with planning, offer service in social readjustment which would not draw too heavily on the country's resources.

145. To meet the needs of its people effectively, the Government must accept a major share of responsibility in the welfare field. However, until there is within the Government, some central unit responsible for analyzing and planning to meet the situation, efforts to bring assistance can only be sporadic. With great need and limited resources, the charitable foundations can no longer be expected to carry this burden. Their efforts will be needed, as well as the efforts of all voluntary groups, but to assure economy of effort and expenditure, the plans must be national, with the Government taking responsibility.

146. Almost greater than the need for material assistance is the need to relate the different rehabilitation activities of the Government and to focus them more sharply on their ultimate objective—that of providing a better living for the people. The plans for public work need to be closely related to the needs of refugees for housing and to the needs of children for school buildings. The plans of the employment offices need to be related to the needs of returning veterans, to the needs of persons receiving assistance from ECA, and to the needs of young persons coming from schools and institutions. Only with a central unit within the Government, able to present the needs of people, can such relating of plans be effectuated.

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148. The needs of different parts of the country vary and the map—Table 28—indicates the relative degree of assistance required in the different provinces as a direct result of the war (based on unemployment figures and numbers of homeless). The "black" areas are those areas which were the scene of static warfare during the Italian campaign. The next worst areas shown in the map are, generally speaking, those containing large towns which were subjected to heavy air raids. It is to these groups of war affected areas that welfare assistance must be brought.

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SPECIAL RELIEF PROJECTS AND THE WELFARE WORK OF VOLUNTARY SOCIETIES

150. Apart from the work of the Italian Government Welfare Organizations and that done by the Welfare Division of UNRRA in co-operation with them, a considerable amount of welfare activity is carried out in Italy by the Special Relief Projects Division of UNRRA and by the numerous Voluntary Relief Societies mainly working in conjunction with UNRRA.

I. - *SPECIAL RELIEF PROJECTS*

151. The two special projects at present being undertaken are:

(a) Repair and Reconstruction of war damaged houses in the badly devastated areas and

(b) The processing of donated used clothing, shoes, salvaged material, etc., for distribution to needy Italians.

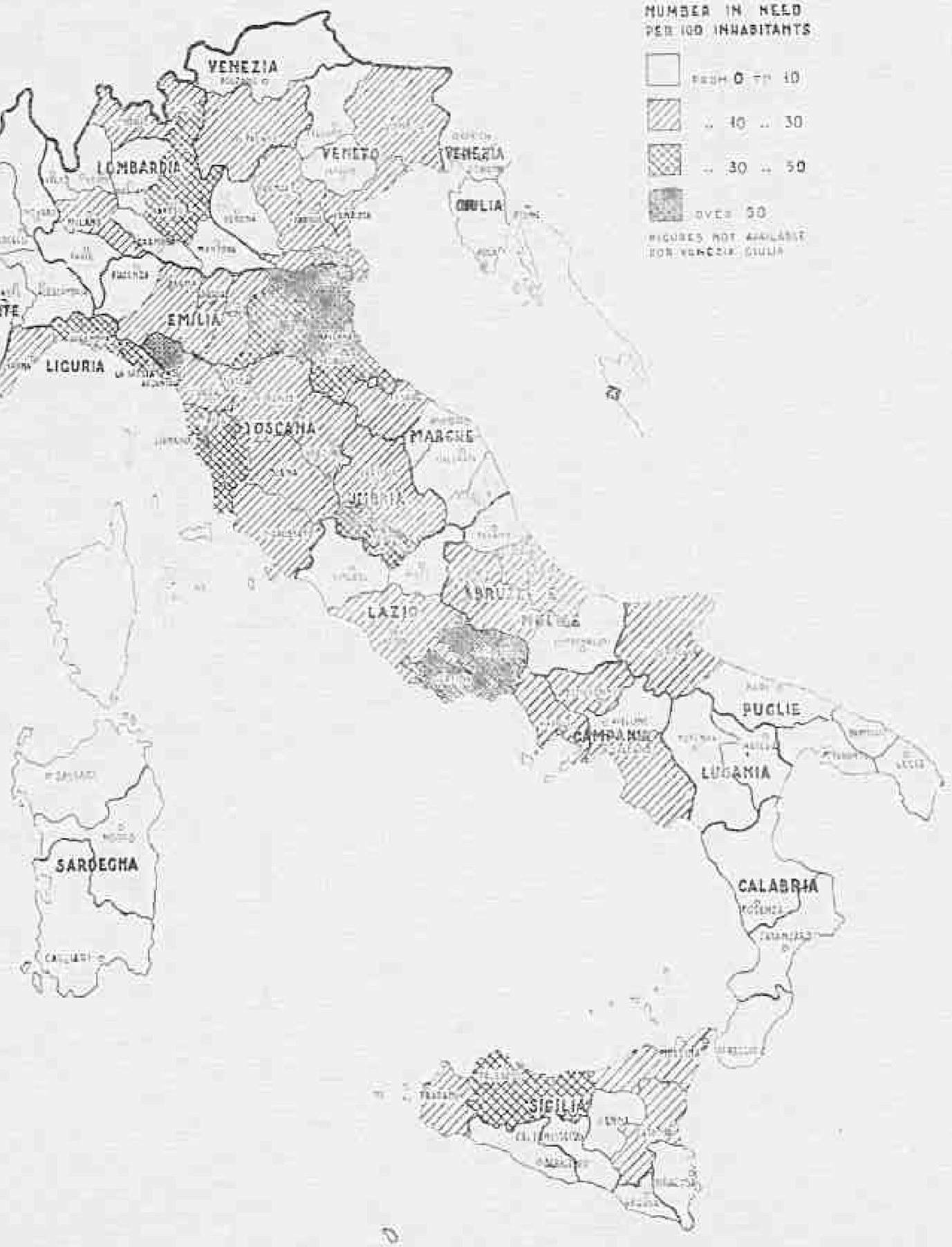
(a) The CASAS Project.

152. A minimum of 1,000 million lire is being spent on a program of house-building and house repair in the war devastated regions of Emilia, Tuscany, Lazio and Abruzzi. The program is financed by an allocation from the special relief and rehabilitation fund known as the Lira Fund created by the sale in Italy of UNRRA supplies delivered free to the Italian Government. In addition, substantial foreign currency expenditure has been approved by UNRRA for truck-

0306
Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 28

AREA DISTRIBUTION OF POPULATION IN NEED AS A RESULT OF THE WAR



Declassified E.O. 12356 Section 3.3/NND No. 765021

transport, and other charges involving payments abroad. The new housing project represents the logical next step in UNRRA's program of assisting war-displaced and homeless Italians to return to real homes. By these measures, it is planned to empty the barracks, camps and dispersal areas where the homeless are now congregated. The experience of UNRRA in Italy has clearly demonstrated that such a program is essential to meet the special needs of the existing emergency situation.

153. The work is being undertaken by CASAS (Comitato Amministrativo Soccorsi ai Senzatetto), a joint autonomous body composed of UNRRA, the Italian Government and official Government agencies. The aim was to repair 20,000 war-damaged houses, estimated to provide accommodation for 100,000 people and to construct upwards of 1,200 to 1,800 new dwellings. The largest number of new homes to be built in any one area will be erected at Cassino within the first period of 6 months.

154. The areas receiving assistance are those that suffered most during the prolonged fighting on the Gothic and Gustav Lines. In general, it is proposed to limit the work at first to the following provinces:—

Emilia: Ravenna, Bologna, Forli.

Tuscany: Apuania, Lucca, Livorno, Pisa.

Lazio: Frosinone, Latina, Rome.

Abruzzi: Chieti, Campobasso, Aquila.

It is proposed that the program will be extended subsequently to other needy areas of Italy.

Method of Finance.

155. The first six months' program is financed by the allocation of 1,000 million lire from the special relief and rehabilitation fund, and also by those grants normally payable from Government funds under the Italian War Damage Act. In accordance with Decree No. 305, of 9 June, 1945, a war damage grant may be made up to a maximum of 50 per cent. of the building cost, according to a householder's means, and subject to a limit of 300,000 lire in respect of any one undertaking.

156. UNRRA is providing the necessary internal transport, consisting of approximately 1,000 vehicles; and will procure as much as possible of the materials, equipment and machinery required for the development of [illegible] are obtainable from war salvage. Army

157. CASAS is a combined operation by the following bodies: UNRRA Italian Mission, the Italian Government Delegation for Relations with UNRRA, the Ministry of Post-War Assistance, the Ministry of Public Works, the Treasury and the National Council for Research and Reconstruction. At the head of CASAS is Prof. Gustavo Colonnetti, President of the National Council for Research and Reconstruction. The work is organized through an Executive Committee, on which all the above bodies are represented.

158. CASAS was created by Decree. It is a special Government agency, possessing the necessary authority and freedom of action effectively to carry out its program without undue delay. The organization and operation of the program is an Italian responsibility. While, however, CASAS exists as a special agency to meet the needs of the present emergency, Italian Government agencies concerned with reconstruction are an integral part of it, and its program is co-ordinated with the Government's over-all housing plans.

Homeless and Homes Destroyed.

159. The urgency of this and similar undertaking is clearly indicated by the following figures of homeless and of homes destroyed. It is estimated that:—

Needy, homeless war displaced Italians	total	854,000
Rooms destroyed	..	1,800,000
Rooms heavily damaged	..	1,100,000
Rooms lightly damaged	..	2,700,000

160. The official Government estimate of the number of persons who previously occupied rooms destroyed or too severely damaged to be habitable is 3,450,000. But, in estimating the number of homeless, regard has been paid to those who are in real need; and, in default of alternative accommodation, are living under conditions of severe hardship in camps or in billets. To these must be added those, still more unfortunate, who are sheltering in caves or in semi-destroyed houses.

161. What is now to be done by CASAS represents a development and an extension of the work done by the Voluntary Society units attached to the UNRRA Italian Mission. Their work has been limited to house repair; they have not engaged in new construction. The repair work they are now carrying out in Abruzzi, Frosinone, Latina, Apuania and Bologna has been absorbed into the CASAS program. The work of the Friends' Devastated Area Group in the Abruzzi, hitherto under-

0308
Declassified E.O. 12356 Section 3.3/NND No. 745031

gregated. The experience of UNRRA in Italy has clearly demonstrated that such a program is essential to meet the special needs of the existing emergency situation.

153. The work is being undertaken by CASAS (Comitato Amministrativo Soccorsi ai Senzatetto), a joint autonomous body composed of UNRRA, the Italian Government and official Government agencies. The aim was to repair 20,000 war-damaged houses, estimated to provide accommodation for 100,000 people and to construct upwards of 1,200 to 1,800 new dwellings. The largest number of new homes to be built in any one area will be erected at Cassino within the first period of 6 months.

154. The areas receiving assistance are those that suffered most during the prolonged fighting on the Gothic and Gustav Lines. In general, it is proposed to limit the work at first to the following provinces:—

Emilia: Ravenna, Bologna, Forli.

Tuscany: Apuania, Lucca, Livorno, Pisa.

Lazio: Frosinone, Latina, Rome.

Abruzzi: Chieti, Campobasso, Aquila.

It is proposed that the program will be extended subsequently to other needy areas of Italy.

Method of Finance.

155. The first six months' program is financed by the allocation of 1,000 million lire from the special relief and rehabilitation fund, and also by those grants normally payable from Government funds under the Italian War Damage Act. In accordance with Decree No. 305, of 9 June, 1945, a war damage grant may be made up to a maximum of 50 per cent. of the building cost, according to a householder's means, and subject to a limit of 300,000 lire in respect of any one undertaking.

156. UNRRA is providing the necessary internal transport, consisting of approximately 1,000 vehicles; and will procure as much as possible of the materials, equipment and machinery required for the development of the program, as are obtainable from war salvage, Army surplus or other sources. Finally, UNRRA is making available such of its own and Voluntary Society personnel as may be found necessary to assist in the effective execution of the program.

Prof. Gustavo Colonnetti, President of the National Council for Research and Reconstruction. The work is organized through an Executive Committee, on which all the above bodies are represented.

158. CASAS was created by Decree. It is a special Government agency, possessing the necessary authority and freedom of action effectively to carry out its program without undue delay. The organization and operation of the program is an Italian responsibility. While, however, CASAS exists as a special agency to meet the needs of the present emergency, Italian Government agencies concerned with reconstruction are an integral part of it, and its program is co-ordinated with the Government's over-all housing plans.

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159. The urgency of this and similar undertaking is clearly indicated by the following figures of homeless and of homes destroyed. It is estimated that:—

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Rooms destroyed	..	1,300,000
Rooms heavily damaged	..	1,100,000
Rooms lightly damaged	..	2,700,000

160. The official Government estimate of the number of persons who previously occupied rooms destroyed or too severely damaged to be habitable is 3,450,000. But, in estimating the number of homeless, regard has been paid to those who are in real need; and, in default of alternative accommodation, are living under conditions of severe hardship in camps or in billets. To these must be added those, still more unfortunate, who are sheltering in caves or in semi-destroyed houses.

161. What is now to be done by CASAS represents a development and an extension of the work done by the Voluntary Society units attached to the UNRRA Italian Mission. Their work has been limited to house repair; they have not engaged in new construction. The repair work they are now carrying out in Abruzzi, Frosinone, Latina, Apuania and Bologna has been absorbed into the CASAS program. The work of the Friends' Devastated Area Group in the Abruzzi, hitherto undertaken independently of UNRRA by members of the American Friends' Service Committee and the British Friends' Ambulance Unit, has also been incorporated in the CASAS program.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

House Repair.

162. Emphasis continues to be laid upon house repair, wherever that is practicable, rather than upon new construction, since by this means more people can be rehoused in permanent homes in less time. It is a fundamental principle of the CASAS project to provide permanent homes. The money is not being spent upon so-called temporary barracks, since it is almost certain that these unsatisfactory, emergency shelters would become permanent and would thus perpetuate the abnormal, and often unsanitary, conditions under which so many thousands of Italians are at present living.

163. "Homes—and Work" are the twin objectives of this housing program. The aim is to provide houses where families may live normal lives and where, above all, those now condemned to idleness in camps may once more earn their living by following their ordinary trades. In assessing the number of needy war homeless, one factor of considerable importance is that lack of houses is stopping many from going back to work. The new rehousing scheme is designed further to help employment in the devastated areas by the use, as far as possible, of local materials and by the employment of local craftsmen.

164. The CASAS program is one of self-help. To the fullest possible extent the labor of war-displaced persons is being used. Those to be rehoused are "little" men with insufficient resources to re-establish themselves on their own account, but who—once they are re-established—will themselves contribute towards the work of rehabilitation and reconstruction.

165. Where houses can be repaired for less than the 300,000 lire maximum prescribed by Decree No. 305, the owners receive assistance from CASAS, on the understanding that they and the able-bodied members of their families actively participate in the work. CASAS collaborate with the Genio Civile (civil engineer for the province) in making the State war-damage grant, normally payable only on the completion of repairs, quickly available in the form of building materials. CASAS chooses the areas where it is to operate and, in consultation with the local authorities, selects the needy persons to be helped. The building materials are purchased by the Genio Civile, or the owners themselves; and these materials are delivered in CASAS trucks, free of road transportation charges, from railhead to the towns or villages where they are needed. Owners thus benefit to the extent of the difference between purchase and local delivery prices.

in addition, deserving persons who formerly owned small houses, now so far damaged as to be beyond repair, are eligible to occupy the new houses built by CASAS. They pay a nominal rent, and have the right later to buy their houses on an amortization basis. CASAS pays the building costs; the ground is normally provided by the Communes concerned. It is intended that the houses shall be turned over to the Communes and the occupants chosen by the communal authorities, in collaboration with CASAS.

167. Prospective owners, wherever possible, help in building their own homes. The work is done through local co-operative building societies, or through local contractors on a competitive basis, with the proviso that, where the prices and terms are approximately equal, preference is given to local co-operatives.

Type of Construction.

168. The houses are either separate cottages or composite blocks to accommodate two or, at the most, four families (see diagram - Table 29). The construction is simple, and does not call for skilled technicians. Rubble from ruined buildings can be used; wood can be salvaged.

Housing Reconstruction to Date.

169. Table 30 shows in graph form:

(a) the number of rooms repaired, initially by UNRRA Voluntary Societies, and subsequently under the CASAS project which took over operations in June 1946;

(b) the number of persons who have been rehoused in the premises;

(c) the amount of building materials (stone, sand, tiles, wood, etc.) transported in UNRRA or CASAS vehicles during the same period. This includes "backloading" i.e. return journeys from the housing sites during which the vehicles travel loaded.

170. The CASAS project took over field operations on 10 June 1946 and during the past few months has steadily built up its field organization.

171. With the increased availability of transportation the amount of reconstruction will now show a more rapid increase and the target program of 20,000 houses repaired should be completed by the end of 1946.

(b) The Processing Project.

172. The project has two main aims:

(a) To process clothes and shoes and to manufacture clothing as economically as possible for distribu-

Declassified E.O. 12356 Section 3.3/NND No. 763501

permanent homes. The money is not being spent upon so-called temporary barracks, since it is almost certain that these unsatisfactory, emergency shelters would become permanent and would thus perpetuate the abnormal, and often unsanitary, conditions under which so many thousands of Italians are at present living.

163. "Homes—and Work" are the twin objectives of this housing program. The aim is to provide houses where families may live normal lives and where, above all, those now condemned to idleness in camps may once more earn their living by following their ordinary trades. In assessing the number of needy war homeless, one factor of considerable importance is that lack of houses is stopping many from going back to work. The new rehousing scheme is designed further to help employment in the devastated areas by the use, as far as possible, of local materials and by the employment of local craftsmen.

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Classes Eligible for Homes.

166. All those who, before the war, rented the houses they lived in, and own neither house nor land, and, shall be turned over to the Communes and the occupants chosen by the communal authorities, in collaboration with CASAS.

167. Prospective owners, wherever possible, help in building their own homes. The work is done through local co-operative building societies, or through local contractors on a competitive basis, with the proviso that, where the prices and terms are approximately equal, preference is given to local co-operatives.

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(a) To process clothes and shoes and to manufacture clothing as economically as possible for distribution to needy individuals.

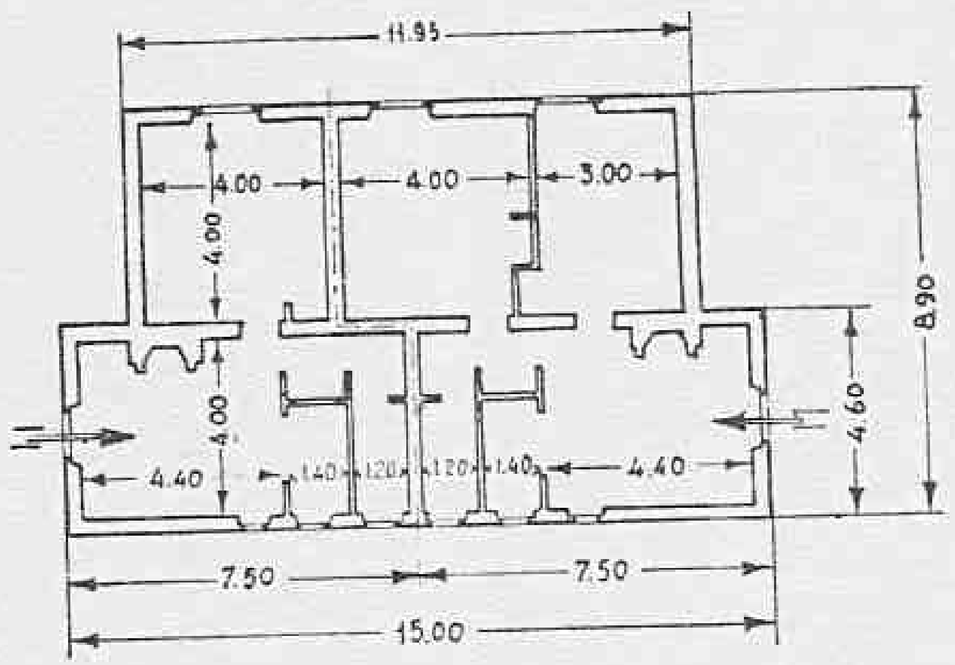
(b) To provide work for refugees and inmates of institutions, etc.

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 29

FLOOR PLAN
U.N.R.R.A.~ CASAS
Scale 1:200

TYPE A



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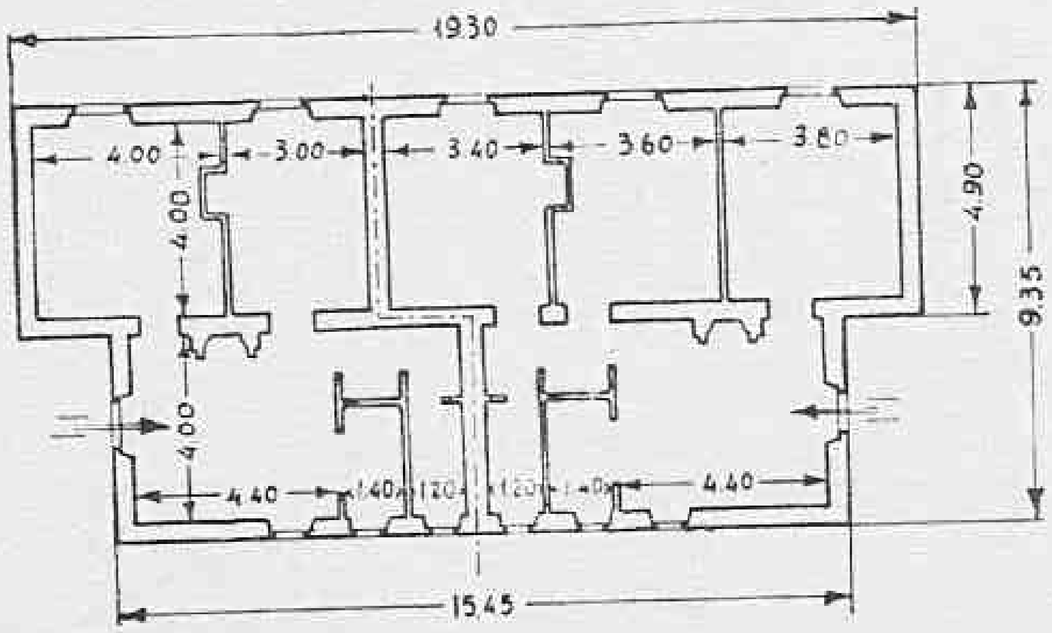

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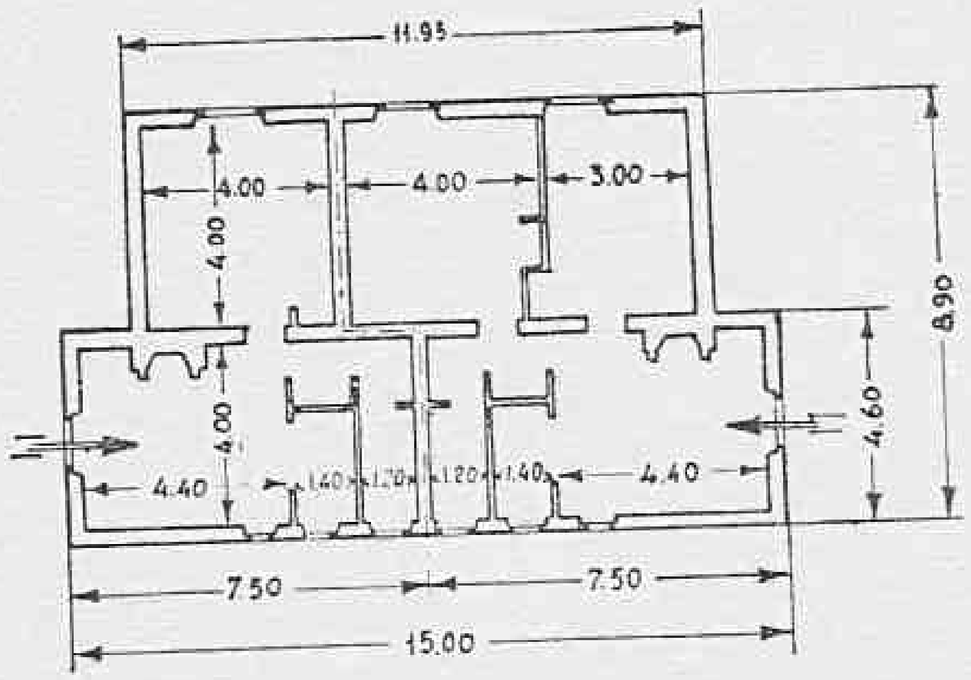
Declassified E.O. 12356 Section 3.3/NND No. 787001

U.N.R.R.A.~ CASAS

Scale 1:200

TYPE A



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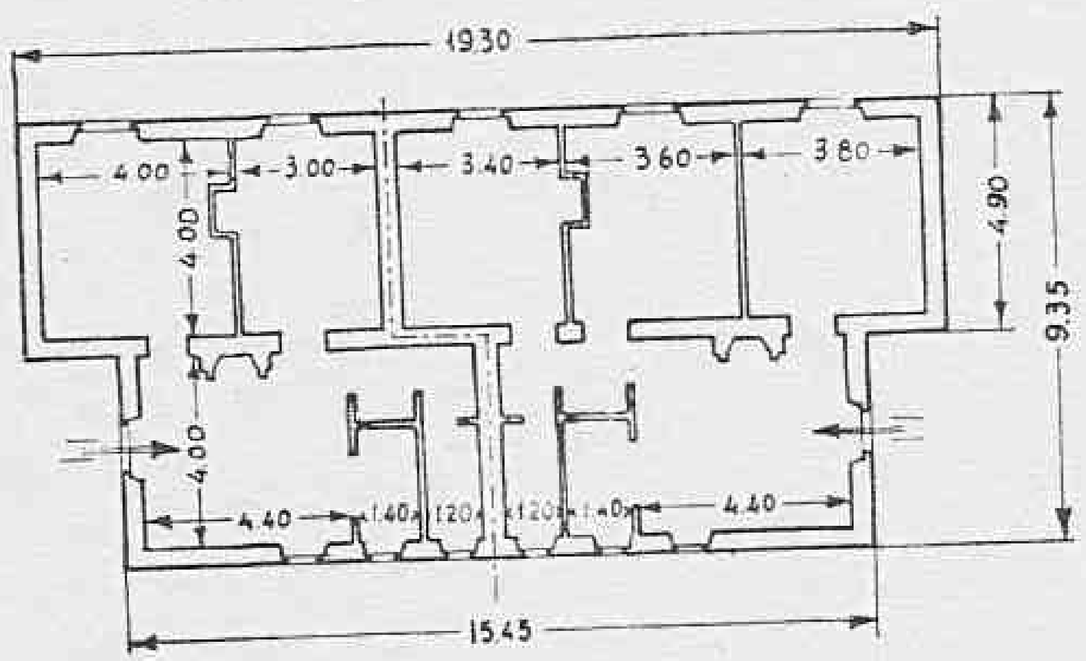

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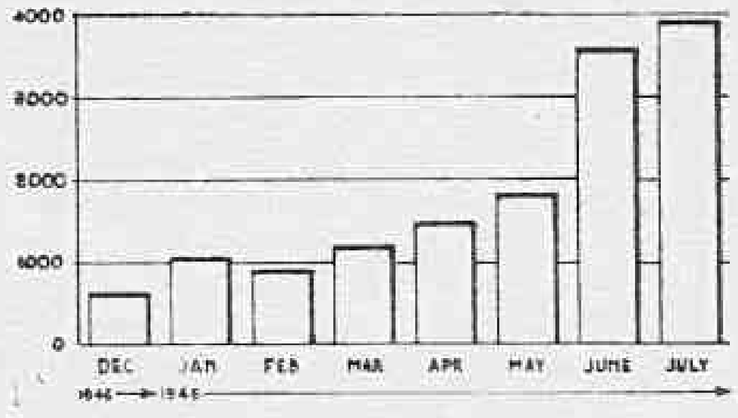
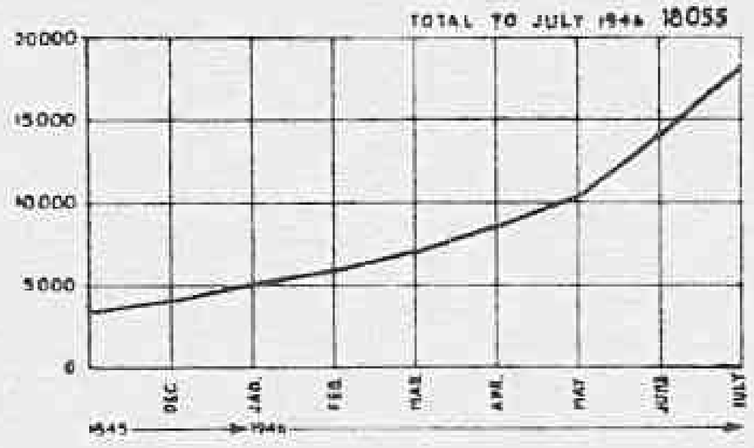
Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 30

ROOMS REPAIRED





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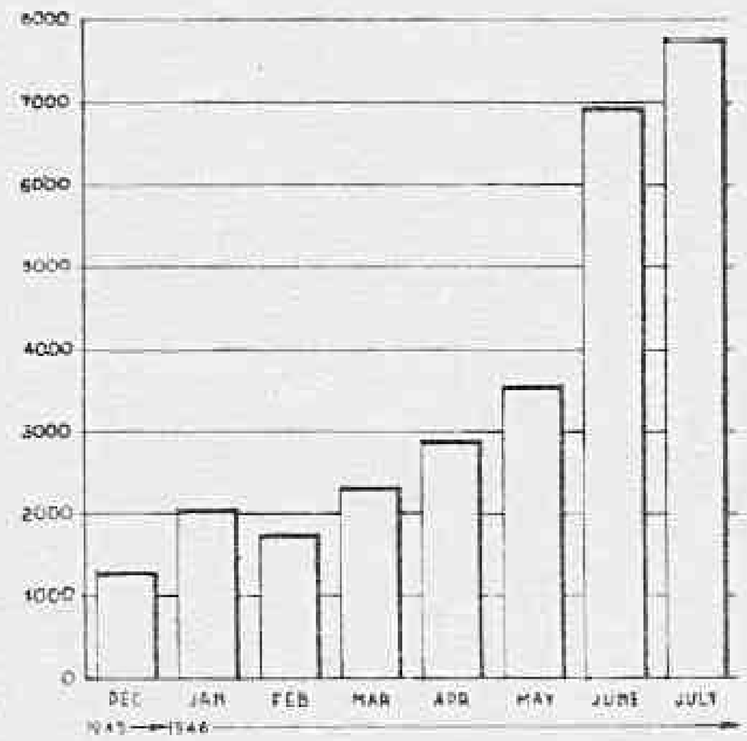

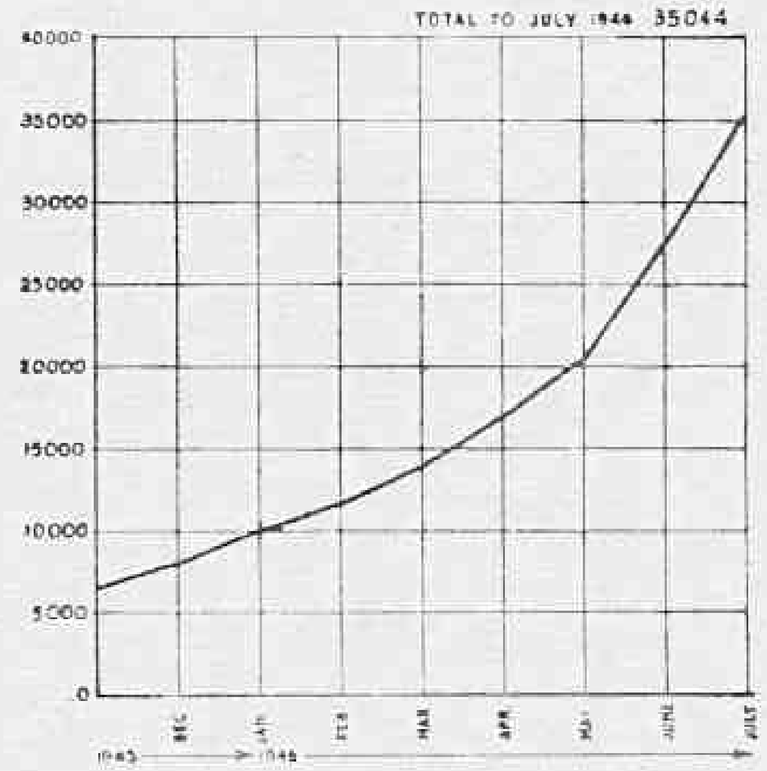

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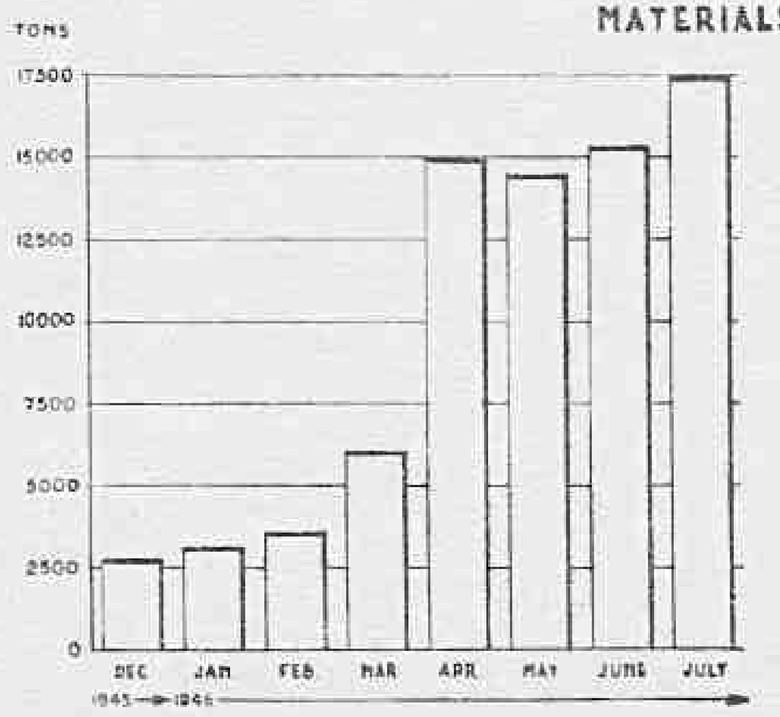

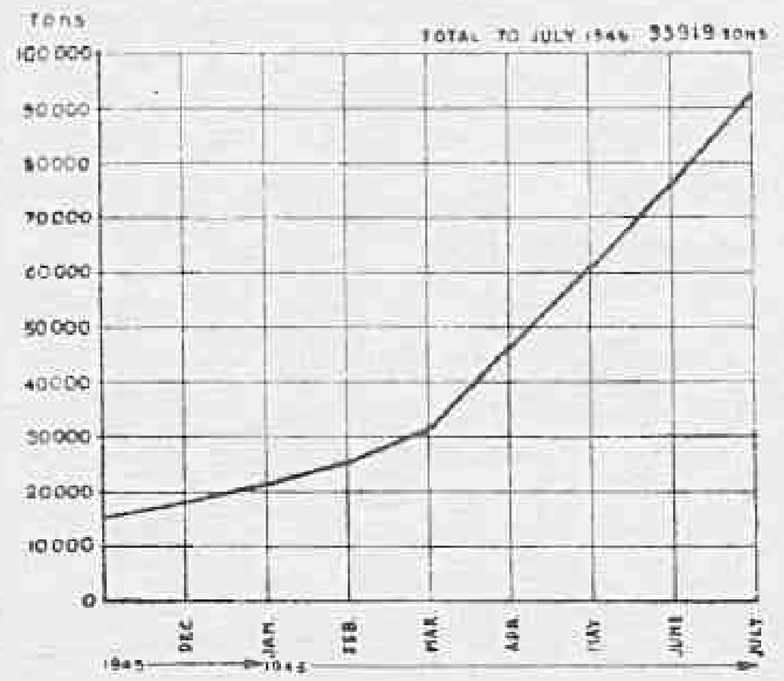

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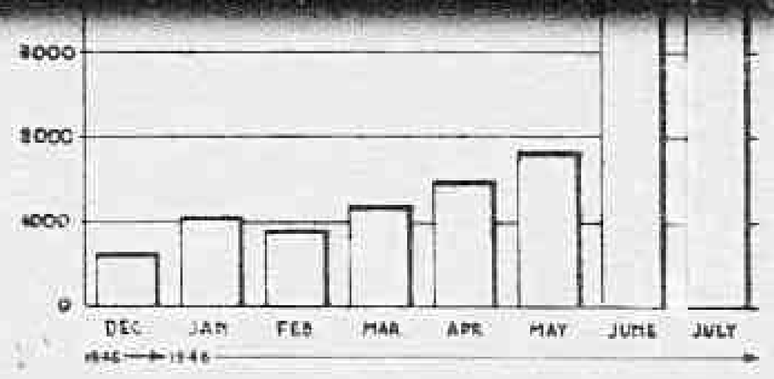
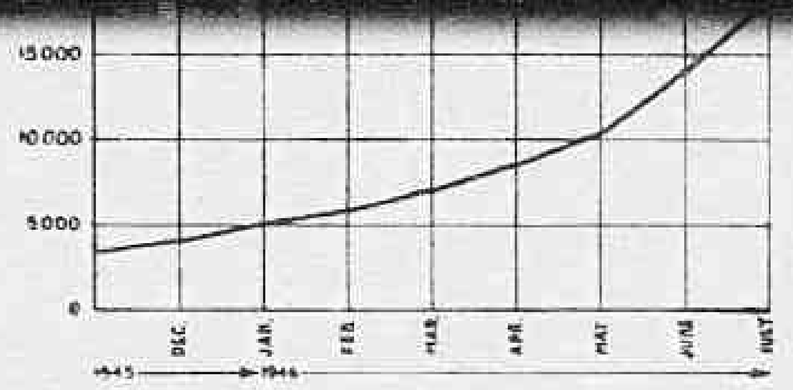
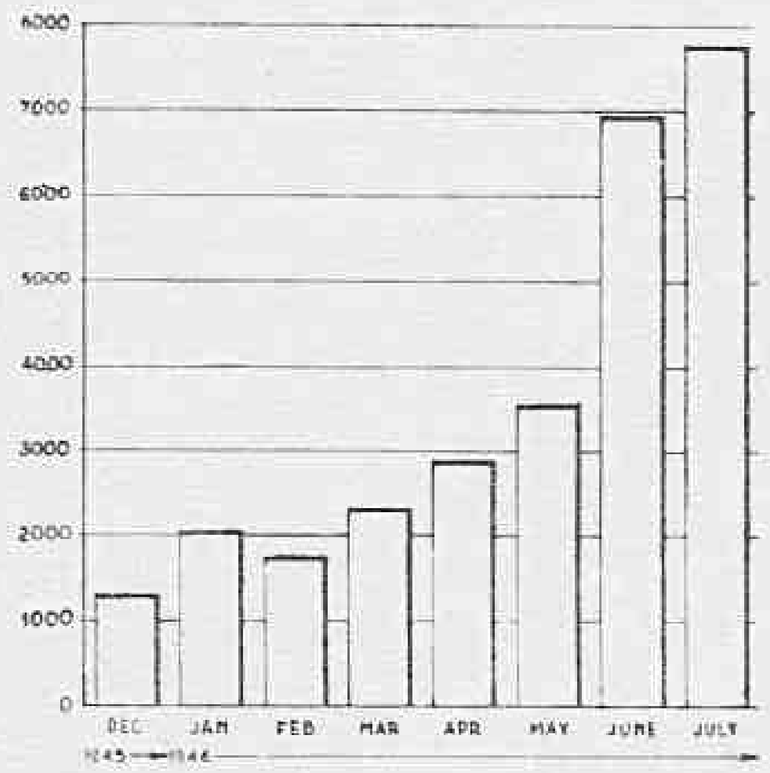
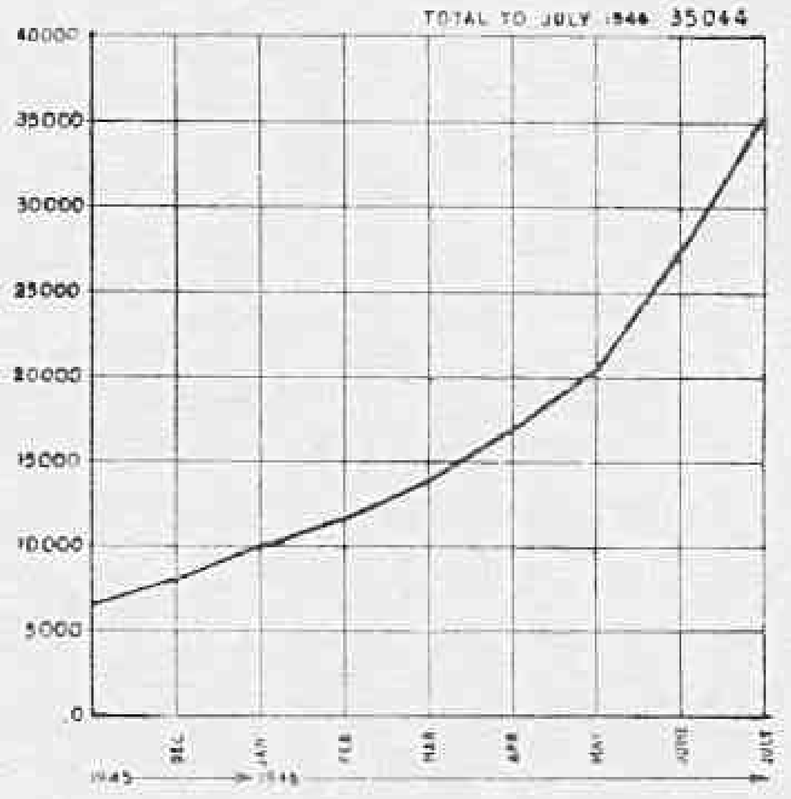




PERSONS REHOUSED





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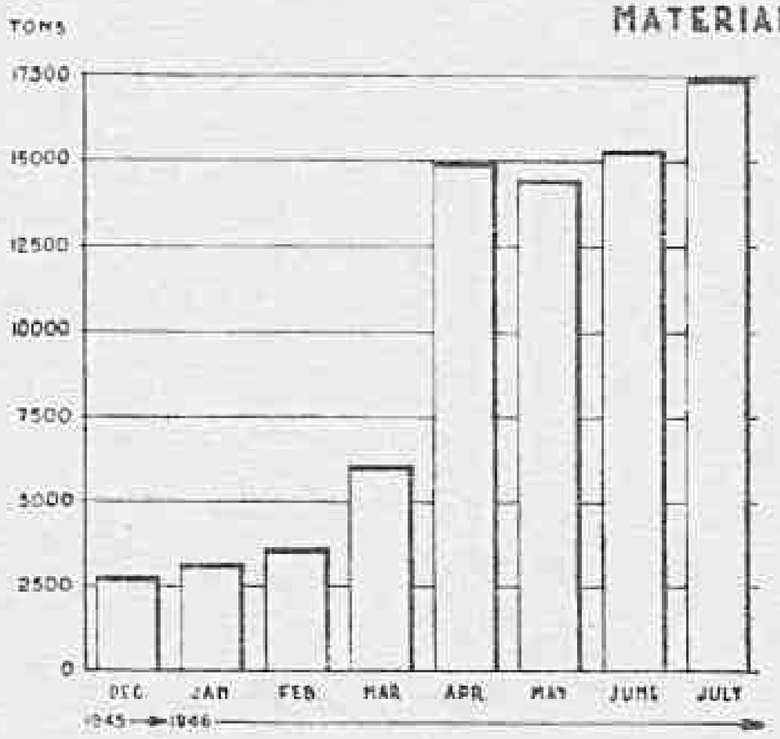

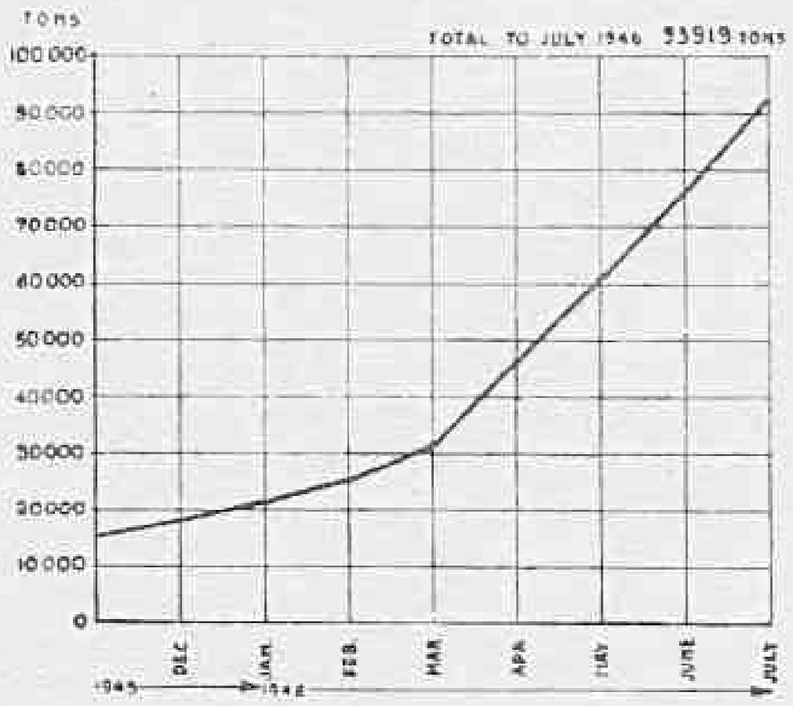

173. The materials processed originate from clothing drives conducted in the United States and Canada and from military salvage procured in Italy. Work on the materials is chiefly carried out by refugees, camp or institution inmates, and other UNRRA assisted persons. Special workshops, many of them in camps, have been set up for this purpose. The project is financed by the Lira Fund and the budget is administered by a committee composed of members of UNRRA and the Italian Delegation for Relations with UNRRA. Expenditure on the project to date has been approximately 70 million lire.

174. Distribution of the processed goods (see Table 22) is planned by a committee composed of representatives from UNRRA, the Italian Delegation and the Italian Ministry of Post-War Assistance. The policy guiding the allocation is based on the desirability of relieving the most distressed areas first. With this end in view the largest quantities are given to the most needy Regions and allocation within the Regions is decided in conjunction with Provincial officials. All the articles are distributed free.

II - *VOLUNTARY SOCIETIES* (1)

175. Since the early days of the arrival of the Allies in Italy, Voluntary Society agencies notably the British and American Red Cross, and the Friends Ambulance Unit, have been working on schemes of assistance to Italians principally through the agency and together with the Allied Commission and subsequently in close cooperation with UNRRA. These charitable organizations, with their concern for individual welfare, are able to carry out general relief measures in a more personal way than is UNRRA. The personnel working for most of these societies are provided with food and lodging but otherwise receive only a token remuneration from their societies. (e.g. personnel working with the Friends Groups are paid 1,000 lire per month).

176. Following closely upon the inception of the activities of the UNRRA Italian Mission, several voluntary societies, notably the F.A.U., the Save the Children Fund, the I.V.S.P. and the Catholic Committee for Relief Abroad, were attached to the Italian Displaced Persons Branch of the UNRRA Mission and had the major responsibility of the field work of that branch among displaced and homeless Italian civilians in Southern and Central Italy. They were engaged until the latter part of 1945 in a considerable assistance program of clothing distribution, of assistance to camp management, and of the organization in the return to their homes or communes of the many thousands of persons who had either fled from or been compulsorily evacuated from the battle areas of the Southern provinces. Meanwhile the Mission had stressed the necessity of assistance in the repair and reconstruction of homes as the most effective method of resettlement for Italian displaced persons. From February 1945 there was a steady increase in the number of Voluntary Society personnel engaged on the work of repair and reconstruction which eventually culminated in the formation of the Comitato Assistenza Soccorso ai Senzatetto (CASAS). The assistance of the agencies—the F.A.U., the American Friends Society, the Brethren Service Committee and the CCRA—is still continuing, and this assistance has undoubtedly been of the greatest help towards that program.

177. The following list gives an indication of the large number of Voluntary Societies which have been operating in Italy during the past three years. The list does not differentiate between the magnitude of the work done by each Society. All these and many other bodies have contributed in diverse ways to the welfare program in Italy and their assistance to the Government and UNRRA relief has been of the utmost value.

178. List of some of the Voluntary Societies which are or have been engaged on relief operations in Italy during three years (1944-46):

1. Aiuto Cristiano
2. American Catholic Relief
3. American Friends Service Committee
4. American Joint Distribution Committee
5. American Red Cross
6. American Relief for Italy
7. Anglican Committee for Distribution of Relief in Italy
8. Brethren Committee
9. British Red Cross
10. C.A.R.E.
11. Catholic Committe for Relief Abroad
12. Conferenze Femminili
13. Conferenze Maschili
14. Dame della Carita
15. Don Suisse
16. Friends Ambulance Unit
17. International Committee of the Red Cross
18. International Students Service
19. International Rescue and Relief Service
20. International Voluntary Society for Peace
21. Jesuit Mission
22. Jewish Relief Unit

Declassified E.O. 12356 Section 3.3/NND No. 760181

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174. Distribution of the processed goods (see Table 22) is planned by a committee composed of representatives from UNRRA, the Italian Delegation and the Italian Ministry of Post-War Assistance. The policy guiding the allocation is based on the desirability of relieving the most distressed areas first. With this end in view the largest quantities are given to the most needy Regions and allocation within the Regions is decided in conjunction with Provincial officials. All the articles are distributed free.

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20. International Voluntary Society for Peace
21. Jesuit Mission
22. Jewish Relief Unit
23. Mennonite Service Unit
24. National Catholic Welfare Conference
25. Opera Nazionale Assistenza Rieducazione Morale Operai (ONARMO)

(1) Details of the work of foreign private agencies are not included in this brief summary of the operations of Voluntary Societies.

Declassified E.O. 12356 Section 3.3/NND No. 763021

26. Ordine dei Cavalieri di Malta
27. Salvation Army
28. Save the Children Fund
29. Southern Baptist Convention
30. Swiss Red Cross
31. Unitarian Congregational Medical Nutrition Mission
32. Y.M.C.A.
33. Y.W.C.A.

UNRRA DISPLACED PERSON OPERATIONS IN ITALY

UNRRA activities in Italy on behalf of non-Italian Displaced Persons differ from the general Mission program, in that the Administration is authorised to carry out direct operations, in agreement with the designated authorities, to provide for care and repatriation of the categories of Displaced Persons defined in UNRRA Resolutions. Although, in a sense, these UNRRA-assisted persons do not now represent a direct charge on the Italian economy, the Mission desires to make public basic information regarding this program, so that the limitations of UNRRA in regard to the broader problem of aliens in Italy may be more clearly understood.

I. Definition of Displaced Persons.

1. United Nations nationals displaced by the war.
2. Other than United Nations nationals displaced because of racial or religious persecution or activity in favour of the United Nations.
   (Note: persons who *claim* United Nations nationality, but do not possess currently valid documents to prove it, can be eligible for assistance only if they qualify as other than United Nations nationals as in 2. above.)

II. Number of Displaced Persons—August 1946.

On 28th August, 1946, there were approximately 24,000 Displaced Persons from 44 different countries receiving UNRRA care as follows:—

1. In UNRRA Camps: 3,500 (No. of Camps: 10).
2. Receiving UNRRA assistance outside of Camps: 8,000.
3. In vocational training centers sponsored by the American Joint Distribution Committee and receiv-

III. Line of Approach Towards a Solution and the Difficulties.

1. *Repatriation.* Encouraging people to repatriate through facilitation of contacts with member Government representatives, distribution of printed information and films regarding conditions in home country, creation in Camps of an atmosphere conducive to repatriation.
   Obstacles in the way of this are:
   (a) knowledge that economic conditions are not good in many war-devastated countries, and that UNRRA offers at least temporary security in Camps;
   (b) difficulty of getting accurate information about home conditions to the people;
   (c) fear of political or social conditions at home; and
   (d) existence of organised groups discouraging repatriation.
2. *Resettlement.* Resettlement opportunities are few. The doors of most nations in the world are closed to large numbers of new immigrants. Those unwilling to return home find the avenues to other lands blocked.
3. *Stabilisation.* The immense difficulty of developing anything like normal communities in camps where the future of the individuals is a blank wall.

IV. UNRRA Objectives.

1. To encourage Displaced Persons to return to their former homes and to help them to do so by provision of transportation, rations, welfare escort, etc.
2. Failing this, to assist them in resettling themselves. (Documentation assistance, etc.),
3. To create an environment and facilities in UNRRA Camps so that life in this condition can be as constructive and positive as possible.
   This means:
   (a) maintaining reasonable physical standard of housing, food and clothing;

Declassified E.O. 12356 Section 3.3/NND No. 745081

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2. Receiving UNRRA assistance outside of Camps: 8,000.
3. In vocational training centers sponsored by the American Joint Distribution Committee and receiving UNRRA assistance through them: 7,500.
4. Total number repatriated from January, 1944-15th July, 1946, by AC/UNRRA was 84,189.

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   (b) promoting self-government;
   (c) developing educational, cultural and vocational training activities to the fullest possible extent.

Declassified E.O. 12356 Section 3.3/NND No. 745021

September 6, 1946

Vol. I, No. 34

ECONOMIC NOTES

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

CONTENTS

1. Oil Refineries Will Reopen
2. Price Controls Will Stay
3. Italy - as Britain sees her
4. Movements of Ships

OIL REFINERIES WILL REOPEN

The reopening of Italian oil refineries at Naples, Bari, La Spezia and Porto Marghera will enable UNRRA, with the funds at present available, to purchase sufficient additional supplies of crude oil to ensure deliveries until about April, 1947. The refineries at Naples and Bari are expected to start again within the next eight weeks, and will give employment to some hundreds of Italian workers.

Although this does not involve larger monthly supplies of petroleum products, it does substantially extend the period of UNRRA assistance to the Italian petroleum industry, as a result of increasing the money available for dollar purchases of petroleum products.

Storage Tanks Released

The Allied military authorities have agreed to release sufficient storage tanks at Naples and Bari to permit operation of the refineries. Agreements have also been reached between the Italian Government and the various companies operating in Italy on costs connected with the re-starting of the refineries, and on future policy.

The crude oil required for the first six months' operation of the refineries will be imported, and paid for, by UNRRA. The products refined in Italy will replace an equivalent quantity of corresponding refined emphasized—permitting of any increase whatever in the current supplies of refined petroleum products available to consumers now—or in the immediate future.

Production Estimates

It is estimated that the Bari and Naples refineries—which will be started first—will produce monthly 50 per cent. of the gasoline, all of the kerosene and approximately 10 per cent. of the diesel and fuel-oil requirements of the UNRRA monthly program for Italy. The two refineries will operate at the full capacity of their existing equipment: Bari will handle 25,000 tons of crude oil per month, and Naples approximately 20,000 tons per month. Repairs scheduled for La Spezia and Porto Marghera plant should enable these units to receive their first allocations of crude oil for refining within three or four months.

No lubricating oils will be produced in Italy for the present, since the necessary equipment was badly damaged during the war and has not as yet been repaired.

C.I.P. (Comitato Italiano Petroli) will continue to act as agents for the Italian Government, according to present plans. They will take delivery of the crude oil landed in Italy and will be responsible for the distribution of refined products through the existing channels.

Declassified E.O. 12356 Section 3.3/NND No. 763001

ECONOMIC NOTES

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

CONTENTS

1. Oil Refineries Will Reopen
2. Price Controls Will Stay
3. Italy - as Britain sees her
4. Movements of Ships

OIL REFINERIES WILL REOPEN

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The crude oil required for the first six months' operation of the refineries will be imported, and paid for, by UNRRA. The products refined in Italy will replace an equivalent quantity of corresponding refined petroleum products originally scheduled for procurement in the Italian program. Owing to the lower price of crude oil, UNRRA will be able to import petroleum products in greater quantity, thus assisting the Italian import program next year, but not—it must be emphasized—permitting of any increase whatever in the current supplies of refined petroleum products available to consumers now — or in the immediate future.

Production Estimates

It is estimated that the Bari and Naples refineries—which will be started first—will produce monthly 50 per cent. of the gasoline, all of the kerosene and approximately 10 per cent. of the diesel and fuel-oil requirements of the UNRRA monthly program for Italy. The two refineries will operate at the full capacity of their existing equipment: Bari will handle 25,000 tons of crude oil per month, and Naples approximately 20,000 tons per month. Repairs scheduled for La Spezia and Porto Marghera plant should enable these units to receive their first allocations of crude oil for refining within three or four months.

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New Shipping Policy

UNRRA will shortly assume responsibility for the shipping of all petroleum products imported on the Italian program. The procedure

Declassified E.O. 12356 Section 3.3/NND No. 785021

for handling petroleum supplies before they become the property of the Italian authorities is thus brought into line with the system operating for all other commodities imported for Italian relief and rehabilitation.

At the beginning of operations, all petroleum products, both packed and bulk, were shipped by the Army and Navy Petroleum Board to the Commanding General, Peninsular Base Section, in Italy. On arrival in Italy, the bulk petroleum was stored in tanks, the packed petroleum in warehouses, and the Allied military authorities released quantities, as available, to C.I.P. on UNRRA account. UNRRA paid for them, as for other supplies included in the Italy program. The costs for freight and insurance were calculated proportionately to UNRRA's share of the petroleum imported.

UNRRA Will Charter Tankers

As a step forward, approximately four months ago, UNRRA assumed responsibility for the shipment of packed petroleum products; and now, under the new procedure, tankers will be chartered by UNRRA for bulk shipments and every effort will be made by the purchasing authorities in Washington to ship supplies for UNRRA, and those (of which there are comparatively few) bought by the Italian Government, separately from supplies intended for the Allied military forces.

As with other UNRRA imports, the "Sorveglianza" Company is now checking, under a new contract, ships' cargoes on behalf of the UNRRA Italy Mission.

Fewer Delays

The UNRRA Italy Mission is now able to request port nominations and control more adequately the movement of UNRRA-chartered tankers, and minimize delays and other possible irregularities involving extra shipping charges. Demurrage alone, the penalty for discharge at a rate under that stated in the contract with the vessel, may run into several thousand dollars for every day's delay.

solution—to be achieved as often as possible under present circumstances—would be one tanker to each port.

To avoid demurrage, it is hoped that a plan will be worked out to ship all POL in tankers not exceeding 10,000 tons and a draft of 27 feet, which will enable these ships to discharge their cargoes in secondary ports, without the necessity of having a portion of the cargo removed in a large port first, to lighten the tanker.

PRICE CONTROLS WILL STAY

In view of renewed criticism by manufacturers and others of the Government policy of fixing prices for UNRRA-imported commodities, and unfounded reports regarding the imminent termination of those supplies, the UNRRA Italy Mission issues the following statement in regard to the functions of the Joint Price Committee, and the period during which UNRRA supplies will continue to arrive in Italy:

The Joint Price Committee, which has already fixed the prices of a wide range of UNRRA-imported commodities, is representative both of the Italian Government and of the UNRRA Italy Mission. It operates in accordance with Article III, (d), (iii) and (iv) of the Supplementary Agreement, jointly signed by the Italian Government and the UNRRA Italy Mission in Rome on 19 January, 1946.

By the terms of Article III (d), (iii) and (iv) of the Agreement, the Government will consult with UNRRA concerning:—

> "Price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically";
>
> and
>
> "Rationing and price controls by commodity, by region and by classes of consumers for each of the commodities supplied by UNRRA."

Committee's Task

The Joint Price Committee has fixed

Declassified E.O. 12356 Section 3.3/NND No. 785021

for Italian relief and rehabilitation.

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In pursuing its policy of maximum economy, the Mission will endeavour as far as possible to reduce the number of ports at which a tanker unloads. The fewer the ports, the lower the shipping charges; and the ideal will be worked out to ship all POL in tankers not exceeding 10,000 tons and a draft of 27 feet, which will enable these ships to discharge their cargoes in secondary ports, without the necessity of having a portion of the cargo removed in a large port first, to lighten the tanker.

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> "Rationing and price controls by commodity, by region and by classes of consumers for each of the commodities supplied by UNRRA."

Committee's Task

The Joint Price Committee has fixed prices for only a part of the commodities so far imported by UNRRA. The Committee will continue to function until prices are fixed for all UNRRA commodities.

0323
Declassified E.O. 12356 Section 3.3/NND No.

Full details of their decisions are published, as they become available, in *Economic Notes*.

Approximately only 50 per cent. of the UNRRA-imported supplies, which Italy is due to receive, have so far arrived in the country. The vast bulk of the imports at present arriving at Italian ports from overseas consists of relief and rehabilitation supplies procured, and paid for, by UNRRA, and delivered free of charge to the Italian Government authorities, for sale to the Italian people in accordance with UNRRA Basic Resolution No. 7, incorporated in the original (1945) and supplementary (1946) Agreements with the Italian Government. This Resolution prescribes, *inter alia*, that "distribution of relief and rehabilitation supplies should take place under effective rationing and price controls."

UNRRA Will Complete Program

As stated by Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, on the radio from Rome, shortly after his return from the meeting of the UNRRA Fifth Council at Geneva, "UNRRA in Italy will continue until the program on which we have embarked is completed. We shall go on buying supplies until the money voted for Italy is exhausted—even though some of the supplies cannot be procured until the early months of next year. UNRRA shipments will continue to arrive in Italy throughout the first quarter of the new year—at least; but, of course, in diminishing quantities after December.

"We are not thinking for the rest of the year of 'liquidation,' but rather of increased effort to make the rest of UNRRA's program of help for Italy still more effective."

Deliveries Total 5,500,000 Tons

By the end of August, Mr. Keeny continued, approximately 5,500,000 tons of UNRRA goods had arrived in Italy. Before UNRRA's work was done, it was planned to ship another 4,500,000 tons, making a grand total of 10,000,000 tons. In July, more than 800,000 tons of

ITALY - AS BRITAIN SEES HER

Under the heading, "The Truth about Food in Italy," an English newspaper, the *Northampton Independent*, of 26 July, publishes a letter from the Parliamentary Secretary to the British Ministry of Food, (Dr. Edith Summerskill), in reply to Press criticism, asking whether "Britain was not starving itself to feed a prosperous country."

In an official letter from the Ministry to Mr. R. T. Paget, Member of Parliament for Northampton, Dr. Summerskill states:—

Food Ministry's Letter

You wrote to Mr. Strachey [Food Minister] recently and sent the enclosed newspaper cutting about the abundance of food in Italy, and asked whether we had any figures as to the amount of food there.

The present rations for the normal consumer in Italy are approximately as follow: 7 ounces (200 grams) of bread per day; 17 ounces (500 grams) of macaroni or rice per month; 6 ounces (170 grams) of edible fats per month; 7 ounces (200 grams) of sugar per month (if available); 17 ounces (500 grams) of salt per month (if available). [See Note below.]

The official rations provide only some 700 calories a day. They must, therefore, be supplemented by purchases on the free market, since otherwise life cannot be maintained. Meat, cheese and butter are not rationed and may be freely bought in the shops, but prices are too high for the poorer consumers to buy much. Indeed, the shops are well-stocked with these commodities precisely because they are not purchased by the masses.

Workers already spend three-quarters of their wages on food without buying expensive items.

Official estimates of home production in Italy of meat, cheese and butter in 1945-6 are (in metric tons): 362,000 tons of meat; 112,000 tons of cheese; 25,000 tons of butter.

Rationing Problem

If it were possible to carry out a complete

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Rationing Problem

If it were possible to carry out a complete collection and equal distribution of these commodities among the population of 46,000,000 people, the resulting supplies per head would amount to only about 23.4 ounces (663.4

0825
Declassified E.O. 12356 Section 3.3/NND No. 745001

grams) of meat, 7.2 ounces (204.1 grams) of cheese and 1.6 ounces (45.4 grams) of butter per month.

Apart from the free market there is no doubt an active black market. His Majesty's Government, however, can take no direct action to interfere in this. The responsibility for supplies of imports of foodstuffs into Italy lies with UNRRA, which hands the stocks over to the national government for distribution.

There is no evidence that the food allocated by UNRRA for distribution in Italy forms the basis of the black market there. Supplies in the black market are generally derived from hoarded reserves, which can be held back because, owing to disorganized administration or destruction of transport, it has not been possible to enforce regulations.

Yours sincerely
EDITH SUMMERSKILL

Ministry of Food,
Montagu House,
Whitehall, London, S.W.1.

[Note: The figures quoted by Dr. Summerskill in regard to rations and food availability date from *before* the harvest. While the position has improved considerably in recent weeks, and the value of the standard ration is now about 1,600 calories, the food situation in Italy is, in broad outline, still as Dr. Summerskill describes it.]

"ECONOMIC SURVEY" SUPPLEMENT

The Supplement with this issue of Economic Notes *is on Health and Welfare. Previous supplements have been published as follows:—Issue No. 27 (19 July) Introduction, and Finance; Issue No. 28 (26 July) Agriculture and Food; Issue No. 30 (9 August) Industry—Part I; Issue No. 31 (16 August) Industry—Part II; Issue No. 32 (23 August) Transportation and Communications. No supplements were published with issues No. 29 (2 August) and No. 33 (30 August).*

0329
Declassified E.O. 12356 Section 3.3/NND No. 759031

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(AUGUST 24 - 31 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
British Scout (1)	La Spezia	22 August	UNRRA	Minerals	1,900
S. M. Shoemaker	Messina	24 »	»	Wheat	9,000
	Palermo	31 »	»	»	
Fossarus	La Spezia	25 »	»	Minerals	2,370
Morris Sigman	Naples	26 »	UNRRA	General	1,754
			It. Program	»	470
	Genoa	31 »	UNRRA	»	4,000
African Reefer	Naples	26 »	»	»	1,878
Tropic Star	Genoa	27 »	UNRRA (Italy–Yugoslavia)	»	5,509
Panaghis	»	28 »	SWISS	Cereals	7,400
Sue Lykes	»	» »	UNRRA	General	449
Chester Valley (2)	Venice	» »	»	»	6,029
Bienville (3)	Ancona	29 »	»	»	5,349
Cattaro	Genoa	31 »	»	»	2,500
Marpessa	»	» »	SWISS	Cereals	7,886
Hoegh Silverstar	Naples	» »	UNRRA	General	5,074

(1) Advice received too late for inclusion in last week's shipping list — (2) Also discharged at Trieste — (3) Also discharged at Trieste.

LATEST COAL SHIPMENTS

(AUGUST 25 - 31 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Akenside	Savona	25 August	Germany	UNRRA	7,039
James R. Wells	»	» »	U. S. A.	»	8,858
Empire Harmony	Naples	» »	Germany	»	3,954
West Cusseta (1)	Ancona	» »	U. S. A.	»	4,778
Casper S. Yost	Venice	29 »	»	»	8,585
Matthew P. Deady	Brindisi	» »	»	»	8,666
Charles D. Walcott	Catania	» »	»	»	8,396
	Reggio Calabria	30 »	»	»	
Marie	Savona	27 »	Germany	»	2,052
Empire Tees	Genoa	» »	»	»	3,824
Rufus Choate	»	» »	U. S. A.	»	8,878
Josiah Tattnall	»	» »	»	»	9,274
Nicolaos G. Culucundis	Savona	28 »	TURKEY	SWISS	4,836
Robert L. Paine	Genoa	» »	U. S. A.	UNRRA	8,053
Tintern Abbey	»	» »	Germany	»	3,796
Noah Webster (2)	Piombino	» »	U. S. A.	»	4,600
George D. Prentice	Bagnoli	» »	»	»	8,625
Charles Goodyear	Catania	» »	»	»	7,647
Edward Rutledge	Palermo	» »	»	»	8,954
Dunav	Genoa	29 »	Germany	»	6,800
Charles H. Herty	Bari	» »	U. S. A.	»	7,889
Russell Sage	Venice	» »	»	»	8,633
Louis D. Brandeis (3)	Ancona	» »	»	»	4,500
Terre Haute Victory	Cagliari	» »	»	»	8,270
Dante	Genoa	30 »	»	»	7,296
John P. Harris (4)	Leghorn	» »	U. S. A.	UNRRA	4,559
Sveti Duje	Venice	» »	Yugoslavia	Commercial	5,100
William K. Kamaka	»	» »	U. S. A.	UNRRA	3,835
Casimir Pulaski	»	» »	»	»	8,204
Joseph N. Teal	Civitavecchia	31 »	»	»	8,144
Baron Haig	Bagnoli	» »	Germany	»	5,111
			U. S. A.	»	8,185

Declassified E.O. 12356 Section 3.3/NND No. 743001

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Sue Lykes	»	» »	UNRRA	General	449
Chester Valley (2)	Venice	» »	»	»	6,029
Bienville (3)	Ancona	29 »	»	»	5,349
Cattaro	Genoa	31 »	»	»	2,500
Marpessa	»	» »	SWISS	Cereals	7,886
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Terre Haute Victory	Cagliari	» »	»	»	8,270
Dante	Genoa	30 »	»	»	7,296
John P. Harris (4)	Leghorn	» »	U. S. A.	UNRRA	4,589
Sveti Duje	Venice	» »	Yugoslavia	Commercial	5,100
William K. Kamaka	»	» »	U. S. A.	UNRRA	3,835
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Joseph N. Teal	Civitavecchia	31 »	»	»	8,144
Baron Haig	Bagnoli	» »	Germany	»	5,111
William Windom	Palermo	» »	U. S. A.	»	8,185
Fort Orange	Venice	» »	»	»	8,853
William Carson	»	» »	»	»	8,413

(1) Also discharged at Venice — (2) Also discharged at Genoa — (3) Also discharged at Venice — (4) Also discharged at Genoa and not Leghorn, as previously stated.

Declassified E.O. 12356 Section 3.3/NND No. 787281

T/Ports Ships

U.N.R.R.A. - ITALIAN MISSION
Regional Headquarters - (EMILIA & TOSCANA)
Piazza Stazione 1,
F l o r e n c e

G E N E R A L S U M M A R Y

of the most important news items
contained in the Weekly Press Digest
of regional newspapers
18 - 24 August 46

Information Office Release.

REGIONAL

a) Wide publicity given by the Regional papers to the talk by UNRRA Regional Director, Mister A.L. Ellison, over Radio Florence on "UNRRA and the Reconstruction and Repair of Houses for the Homeless". (para 58,)

b) Fresh grants for works of public utility and reconstruction throughout the Region. (para 12, 113, 114, 136,)

c) Some results obtained in the war on Black Market in Emilia and Toscana region during the past week (from papers): 1,358 quintals and 83 kg. of cereals seized. 312 persons reported (para 1 - 10, 17, 18, 27 - 33, 48 - 55, 74 - 84, 105 - 110, 129 - 134,)

GENERAL

a) 127 million dollars assigned by UNRRA for Italian Industrial Reconstruction. (para 127,)

b) Another vast program of disinfestation throughout Italy initiated by UNRRA on 1 September. (para 119,)

c) 18,504,000 quintals of wheat arrived by 15 August of an anticipated round total of 23,788,000 quintals. (para. 142,)

d) Increase in Italian foreign exports (para 9!)

e) The Italian Mercantile Marine will reach 50 % of its pre-war tonnage in 1947. (para 66,)

f) United States exports of foodstuffs. (para 22, 141,)

g) United States Coal export. (para 145,)

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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REGIONAL

a) Wide publicity given by the Regional papers to the talk by UNRRA Regional Director, Mister A.L. Ellison, over Radio Florence on "UNRRA and the Reconstruction and Repair of Houses for the Homeless". (para 58,)

b) Fresh grants for works of public utility and reconstruction throughout the Region. (para 12, 113, 114, 136,)

c) Some results obtained in the war on Black Market in Emilia and Toscana region during the past week (from papers): 1,338 quintals and 83 kg. of cereals seized. 312 persons reported (para 1 - 10, 17, 18, 27 - 33, 48 - 55, 74 - 84, 105 - 110, 129 - 134,)

GENERAL

a) 127 million dollars assigned by UNRRA for Italian Industrial Reconstruction. (para 127,)

b) Another vast program of disinfestation throughout Italy initiated by UNRRA on 1 September. (para 119,)

c) 18,804,000 quintals of wheat amassed by 15 August of an anticipated round total of 23,796,000 quintals. (para. 142,)

d) Increase in Italian foreign exports (para 41).

e) The Italian Mercantile Marine will reach 50 % of its pre-war tonnage in 1947. (para 66,)

f) United States exports of foodstuffs. (para 22, 141,)

g) United States Coal export. (para 145,)

Declassified E.O. 12356 Section 3.3/NND No. 785021

U.N.R.R.A - ITALIAN MISSION
Regional Headquarters - Emilia & Toscana
Piazza Stazione No.1,
F l o r e n c e

PRESS DIGEST OF REGIONAL DAILY NEWSPAPERS
18 August 46 - 24 August 46

Information Office Release.

S U N D A Y 18 A U G U S T

REGIONAL

Black Market.

1. The Leghorn Revenue Police have seized 12 quintals of bread, 15 quintals of flour and three quintals of barley, and reported two millers for infringement of rationing regulations. (IL TIRRENO - Livorno)

2. Carabinieri of Pieve di Cento (Bologna) have reported a thresher for witholding fully 400 quintals of wheat from the amassing pools. (GIORNALE DELL'EMILIA - Bologna)

3. The Prefect of Modena has ordered closure for an indefinite period of a mill at Prignano (Modena) for illicit possession of 25.06 quintals of wheat. (AVVENIRE D'ITALIA - Modena)

4. Rationing Police Agents at the Porretta (Bologna) road block have seized flour, wheat, rice and pasta totalling about 40 quintals. (AVVENIRE D'ITALIA - Bologna)

5. Agents of the Bologna flying squad have seized 11 quintals of barley. (AVVENIRE D'ITALIA - Bologna)

6. Carabinieri of Lugagnano (Piacenza) have seized 3.82 quintals of wheat and 1.30 quintals of barley. (LIBERTA'-Piacenza)

7. The Prefect of Reggio has suspended operations of three mills for periods ranging from two to three months. (REGGIO DEMOCRATICA - Reggio Emilia)

8. The paper features activities of the P.E.P. (Polizia Economica Provinciale -Provincial Economic Police) during a year of operations. Impressive quantities of cereals and varied goods have been seized. (REGGIO DEMOCRATICA - Reggio Emilia)

9. Eight quintals of wheat were seized at Capostrada (Pistoia) by Rationing Police. (LA NAZIONE DEL POPOLO - Firenze)

10. The Arezzo UPSEA Squad has seized 20 quintals of wheat. (NAZIONE DEL POPOLO - Firenze)

Welfare.

11. The UNRRA Provincial Committee of Arezzo announces arrival of [illegible] for month of July, for distribution in 200 grams ration per

Declassified E.O. 12356 Section 3.3/NND No. 785021

SUNDAY 18 AUGUST

REGIONAL

Black Market.

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2. Carabinieri of Pieve di Cento (Bologna) have reported a thresher for withholding fully 400 quintals of wheat from the amassing pools. (GIORNALE DELL'EMILIA - Bologna)

3. The Prefect of Modena has ordered closure for an indefinite period of a mill at Prignano (Modena) for illicit possession of 23.03 quintals of wheat. (AVVENIRE D'ITALIA - Modena)

4. Rationing Police Agents at the Ferretta (Bologna) road block have seized flour, wheat, rice and pasta totalling about 40 quintals. (L'AVVENIRE D'ITALIA - Bologna)

5. Agents of the Bologna flying squad have seized 11 quintals of barley. (AVVENIRE D'ITALIA - Bologna)

6. Carabinieri of Lugagnano (Piacenza) have seized 3.32 quintals of wheat and 1.30 quintals of barley. (LIBERTA'-Piacenza)

7. The Prefect of Reggio has suspended operations of three mills for periods ranging from two to three months. (REGGIO DEMOCRATICA - Reggio Emilia)

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10. The Arezzo UPSEA Squad has seized 20 quintals of wheat. (NAZIONE DEL POPOLO - Firenze)

Welfare.

11. The UNRRA Provincial Committee of Arezzo announces arrival of chocolate assigned for month of July, for distribution, in 200 grams ration per head, to children from four to 15 years, in receipt of UNRRA aid. (LA NAZIONE DEL POPOLO - Firenze)

1231

Declassified E.O. 12356 Section 3.3/NND No. 785031

Reconstruction.

12. The Piacenza Prefecture informs that total cost of works of public utility to be carried out in Piacenza Province amounts to one billion and 245 million Lit. (LIBERTA' - Piacenza)

GENERAL

Black Market.

13. All the Regional papers publish the Jugoslav Government's denial of the news, repeatedly published by the Italian Press, of alleged wheat smuggling carried out between Italy and Jugoslavia.

Reconstruction.

14. Savona, 17 : The Minister for Public Works, Mr. Romita, has announced a plan for public works amounting to 280 billion Lit, 2,131,000,000 of which will be assigned to Savona Province. (GIORNALE DELL'EMILIA - Bologna)

Economic Generale.

15. The Italian Government and UNRRA Italy Mission have confirmed the following prices : vetch seeds, 45,000 Lit. per ton; maize for livestock food 25,000 Lit. per ton. (AVVENIRE D'ITALIA - Bologna)

16. Rome, 17 : About a hundred unemployed agricultural workers invaded land properties owned by large concerns at Fiano Romano, proceeding immediately to their subdivision. Police intervention put the trespassers to flight. (NUOVO CORRIERE - Firenze)

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M O N D A Y 19 A U G U S T

REGIONAL

Black Market.

17. The Rationing Police Squad of Leghorn Questura, extending its control, has warned and fined three business men, owners of hotels and restaurants, and two greengrocers, for infringements of rationing laws. (IL TIRRENO - Livorno)

18. Carabinieri of Molinella (Bologna) have arrested a thresher and reported 16 farmers for witholding 250 quintals of wheat from the crossing pools. (UNITA' DEMOCRATICA - Modena)

Agriculture.

19. Siena, 19 : At the National Vines and Wine Congress held in Siena during the last few days the new aims and the reorganisation of the Institution were fully discussed. Yesterday trials of agricultural machinery took place, and a visit was made to the famous "Brolio" wine-cellars. (LA PATRIA - Firenze)

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Declassified E.O. 12356 Section 3.3/NND No. 759001

General Economy.

20. All the Florence papers announce the Radio Conversation by UNRRA Regional Director for Emilia & Toscana Region, Mr.A.L.Ellison, to be broadcast at 1930 hrs. on 19 August 46 over the Florence Radio.

GENERAL

Welfare.

21. Washington, 19 : More than 100 Registered Nurses, from Italy, China, Czecoslovacchia, Poland and Jugoslavia, will go to New York for an UNRRA-arranged course of specialized training. They will receive board and lodging, opportunity to gain three months practical experience in the specialized departments of the New York Hospitals and Institutes, after which they will attend a special one-month course to learn training methods. Arrival of 27 nurses from Italy is expected 20 August 46. (U.S.I.S. - Rome)

Food.

22. Washington, 19 : The United States Ministry of Agriculture has announced distribution during month of June 46 of 2,225,000 tons of food and agricultural supplies for internal consumption and for shipment abroad, including UNRRA shipments. Goods shipped abroad exclusive of UNRRA's, amount to 55%, while 24% has been delivered to UNRRA. (U.S.I.S. -Rome)

23. Washington, 19 : General Douglas MacArthur has asked the young Americans to continue their efforts for food production and saving, so as to fight famine in many parts of the world. (U.S.I.S.-Rome)

General Economy.

24. Washington, 19 : The embargo on UNRRA shipments to China, established 10 July, owing to congestion of Chinese ports, is still in force.
The third emergency-grant law forbids use of any amount of money whatsoever, for despatch of supplies to any country, until UNRRA Director General has assured the Ministry for Foreign Affairs that said country has pre-arranged necessary means for prompt distribution of said supplies. (U.S.I.S. Rome)

25. Turin, 19 : Transport workers and traffic personnel (auxiliaries) will stop work from 17 to 19 hrs. on 19 August throughout Italy.
The Postal-Telegraph-Telephone employees of Turin will start a daily two-hours' strike today. (La PATRIA - Firenze)

26. Washington, 19 August : Some American technicians have insisted on the institution of an international organization, under control of the United Nations, for control and development of international petroleum resources. (U.S.I.S. - Rome)

0334

Declassified E.O. 12356 Section 3.3/NND No. 785021

Welfare.

21. Washington, 19 : More than 100 Registered Nurses, from Italy, China, Czecoslovackia, Poland and Jugoslavia, will go to New York for an UNRRA-arranged course of specialized training. They will receive board and lodging, opportunity to gain three months practical experience in the specialized departments of the New York Hospitals and Institutes, after which they will attend a special one-month course to learn training methods. Arrival of 27 nurses from Italy is expected 20 August 46. (U.S.I.S. - Rome)

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T U E S D A Y 20 A U G U S T

REGIONAL

Black Market.

27. Rationing Police of the Bologna Questura have seized three quintals of hemp and five quintals of flour. (AVVENIRE D'ITALIA - Bologna)

28. Under a two-column heading this paper discusses food problems, emphasizing necessity of importing 20 million quintals of wheat to meet Italy's needs. The Government will make provision, but ships and funds are required to procure the goods. The writer calls for extension of wheat cultivation during the next drive, more zealous delivery to the emassing pools, and intensified campaign against the black market. (AVVENIRE D'ITALIA - Bologna)

29. The P.E.P. has seized 22 quintals of flour and wheat in various localities in Reggio Province. (REGGIO DEMOCRATICA - Reggio Emilia)

30. Agents of the Piacenza UPSEA have seized 110 kgs. of pasta at Castel S.Giovanni (Piacenza) (PIACENZA NUOVA - Piacenza)

31. A flying squad of Leghorn Police has seized two drums of petrol, containing about 100 litres each. (TIRRENO - Livorno)

32. Agents of the Piacenza Questura have seized 5.27 quintals of olive oil. (LIBERTA' -Piacenza)

33. Agents of the Piacenza UPSEA have halted a load of 130 quintals of sugar, to ascertain regularity of its transport. (LIBERTA'-Piacenza)

Welfare.

34. This paper publishes a full account, with photos, of the relief assistance given by UNRRA to the S.Maria Institute at Florence. (NUOVO CORRIERE - Firenze)

Food.

35. In Pisa Province bread will be made with 85% flour extraction rate, and the daily ration consequently reduced to 235 grams. (NAZIONE DEL POPOLO - Firenze)

Agriculture.

36. The Foot and Mouth disease situation in Reggio Province is not alarming, but it is essential to guard against spread of the disease, avoiding careless traffic in livestock. Veterinary Sanitary personnel must examine livestock on departure and arrival. (REGGIO DEMOCRATICA - Reggio Emilia)

0336

Declassified E.O. 12356 section 3.3/NND No. 785021

37. The number of hectares of land devoted to wheat cultivation this year in Tuscany would appear to be about 350,000. A crop of some five million quintals should be obtained. After deducting necessary amount for seed and domestic use, 2,600,000 quintals ought to remain for delivery to the amassing pools. Tuscany consumes about 8,500 quintals of wheat per day, equalling three million quintals per year; it would need therefore 400,000 quintals which must be imported. (TOSCANA NUOVA - Firenze)

General Economy.

38. The Torre-Pomarnolo Congress has been held at Campiena(Arezzo), to study works to be carried out to lessen local unemployment, reduction of food prices and increasedcommercial interchange. (L'ECONOMIA DEL POPOLO - Firenze)

GENERAL

Reconstruction.

39. The Head of the "Materiale e Trazione" (Rolling Stock and Traction) Department of the General Directorate of the State Railways has supplied the facts on the Italian Railways recovery. 50 locomotives have been issued by the various railway workshops, 50 electric locomotives, 50 auto locomotives, 1,000 passenger cars of modern type and 10,000 freight cars are about to be ordered. (POLITECNICO - Firenze)

Industry & Commerce.

40. The Commercial Attache' and Swiss Legation in Rome have informed that the Swiss Government, in view of local crop returns, has suspended issue of permits for import of apples and apricots. Some permits, for consignment for jam-making industries, are still being granted for these latter. (L'ITALIA - Firenze)

41. Rome, (ANI): Our foreign exports are continuously on the increase. At the end of June last, goods to the value of 150 million Lit. were exported to Belgium; 183 million Lit. of goods went to Palestine; 83,000,000 Lit. to Czecho-Slovakia; 745,000,000 Lit. to Egypt; 624,000,000 to South Africa; 58,000,000 Lit. to British India. (GIORNALE D'ITALIA - Regnio Emilia)

42. Should the initiative taken by a Major of the R.A.F. prove successful, Londoners will be able to have fresh air-transported fruit and vegetables from Italy - their tables. (TOSCANA NUOVA - Firenze)

43. The Minister for Agriculture has stated that for some time, in full accord with UNRRA, which is supplying oil for the fishing industry, purchase of 10 ships for deep sea fishing is being negotiated. (UNITA' REPUBBLICANA - Roma)

44. In the first ten days of September a National Congress will be held at Viareggio for the revival, rehabilitation and enlargement of the Italian merchant marine, especially small coasting vessels and fishing fleet. (TOSCANA NUOVA - Firenze)

Declassified E.O. 12356 Section 3.3/NND No. 785021

38. The Tosco-Romagnole Congress has been held at Campigna (Firenze), to study works to be carried out to lessen local unemployment, reduction of food prices and increasecommercial interchange. (L. NAZIONE DEL POPOLO - Firenze)

CONFIDENTIAL

Reconstruction.

39. The "Ufficio Materiale e Trazione" (Rolling Stock and Traction) Department of the General Directorate of the State Railways has supplied no figure on the Italian Railways recovery. 50 locomotives have been issued by the various railway workshops. 60 electric locomotives, 30 auto locomotives, 1,000 passenger cars of modern type and 10,000 freight cars are about to be ordered. (POPOLO - Firenze)

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General Economy.

45. Rome, 19 : The Council of Ministers has taken legislative measures to prolong block dismissal of employees and workers until 30 September 46. (REGGIO DEMOCRATICA - Reggio Emilia)

46. Washington, 20 : Mr. William L.Clayton, Under-Secretary at the Foreign Office for the United States Economic Affairs, stated yesterday that the Government has furnished almost 20 billion dollars to contribute to the reconstruction and stabilisation of internal economy of other countries. His statement was made to clarify the United States' attitude in supporting the argument for discontinuance of UNRRA. (U.S.I.S.- Rome)

47. Washington, 20 : Mr. Morris L.Dodd, United States Under-Secretary for Agriculture, will head the United States Delegation at the Conference of United Nations Food and Agriculture Organisation (FAO) opening in Copenhagen on 2 September 46. (U.S.I.S.- Rome)

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W E D N E S D A Y 21 A U G U S T

REGIONAL

Black Market.

48. The Revenue Guards of Quercianella (Leghorn) have seized a considerable quantity of goods directed to the black market. (TIRRENO - Livorno)

49. A patrol of the Bologna Rationing Police has seized flour and wheat totalling over 150 quintals during the past week.
At the Porretta (Bologna) block post two quintals of flour, and one of wheat, together with five quintals of barley, were seized. (PROGRESSO - Bologna)

50. City guards have seized in Florence three quintals of sugar. (DOMENICCIO - Firenze)

51. City guards of S.Giorgio (Ferrara) have seized 100 quintals of hemp. (CORRIERE DEL PO - Ferrara)

52. Carabinieri of Florence have seized 10 tons of barbed wire, of illicit origin. (LA NAZIONE - Firenze)

53. Carabinieri of Siena have reported 114 farmers, guilty of having withheld 146 quintals of wheat and 265 kgs. and 510 grams of olive oil from the amassing pools. (NAZIONE DEL POPOLO - Firenze)

54. Carabinieri of Montepulciano (Siena) have reported 18 farmers for withholding 93 quintals and 96 kgs of wheat from the amassing pools. (NAZIONE DEL POPOLO - Firenze)

55. Carabinieri of Arezzo have seized flour and bran amounting to four quintals. Carabinieri of Pieve al Toppo (Arezzo) have seized 130 kgs. of pasta. (NAZIONE DEL POPOLO - Firenze)

Declassified E.O. 12356 Section 3.3/NND No. 763021

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Declassified E.O. 12356 Section 3.3/NND No. 763021

Welfare.

56. The Summer Colony of Chiesina Uzzanese (Pistoia) where 46 children had been inmates for 32 days, closed on 17 August. UNRRA has taken an active part in operating the colony. (LA PATRIA - Firenze)

57. All the Regional papers describe the plan for despatch to Italy of the CARE (Cooperative for American Remittances to Europe) parcels, explaining the method for making requests for such parcels.

Reconstruction.

58. Florence, 20 : (Report of a broadcast by UNRRA Regional Director, Mr.A.L.Ellison, on "Reconstruction and Number of houses for the homeless"). 11,070 persons have been housed anew through operation of the "CASAS" reconstruction plan. A further 100,000 persons will be housed according to the program to be carried on in the next six months. (PROGRESSO, AVVENIRE D'ITALIA, GIORNALE DELL'EMILIA, - Bologna) (NAZIONE DEL POPOLO, NUOVO CORRIERE, LA PATRIA - Firenze)

59. The Minister for Post-War assistance, Mr.Sereni, has proposed assignment to Bologna Province of 70 million Lit. for reconstruction of homes for war veterans whose houses have been war-damaged. (PROGRESSO - Bologna)

Food.

60. The Station of Florence has ordered the establishment of a [illegible] centre. (NUOVO CORRIERE - Firenze)

61. The flour extraction rate for bread-making at Leghorn has not yet been fixed. Bread is presently being made with flour with 88% extraction rate and 10% of white American flour, which will last up to the end of this month. (IL TIRRENO - Livorno)

62. The Bologna "Camera del Lavoro" (General Workers Union), in view of the unrest among the food workers, who have decided to strike to-day, has decided that breadmakers shall be excluded from the strike so as to ensure bread to the whole population. (PROGRESSO - Bologna)

63. Increases in prices of meat are registered on the Florence market. Arrival of fish at Chioggia and Porto S.Giorgio is announced. (POPOLO - Florence)

General Economy.

64. Parma, 20 : The food workers of Parma have proclaimed a general strike. (RINASCITA - Bologna)

GENERAL

Reconstruction.

65. Rome, 20 : The Inter-ministerial Committee for Reconstruction will again meet today, to continue the study for concrete realization of the [illegible] for elimination of unemployment and national reconstruction.

Declassified E.O. 12356 Section 3.3/NND No. 745021

part in operation

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59. The Minister for Post-War assistance, Mr.Sereni, has proposed assignment to Bologna Province of 80 million Lit. for reconstruction of homes for war veterans whose houses have been war-damaged. (PROGRESSO - Bologna)

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Declassified E.O. 12356 Section 3.3/NND No. 785021

66. Rome, 20 : The Minister for the Mercantile Marine, Mr. Aldisio, has stated : "Each year we import 20 million tons of goods from neighbouring and distant countries. Should means of transport for such goods fail, we should be forced to pay, not in our own, but in foreign currency, enormous sums, which would determine a progressive decline of the national economy. For this reason, the program for reconstruction of our merchant navy is of great importance. What can be actually realized along these lines may be summed up as follows : recovery of 300,000 tonnage; purchase of 50 "Liberty" ships, and the hope of being able to launch fairly soon ships amounting to 200,000 tonnage, now under construction in our ship-yards. We ought to surpass, within 1947, 50% of our pre-war tonnage. (LA PATRIA - Firenze)

67. Genoa, 20 : Mr. Romita, Minister for Public Works, has authorized the start of important works in the city of Genoa, at a cost of three billion Lit. He has also ordered immediate start of works at Sestri Levante (Genoa) where, since this morning, hundreds of unemployed have staged a demonstration, blocking roads and railways. (LA PATRIA - Firenze)

Food.

68. The UNRRA Commission here, which in Milan made a detailed inquiry respecting the functioning of the receiving goods, the rationing system and the methods by which essential foodstuffs are distributed to the population. The Commission will leave Italy within a few days. (UNITA' DEMOCRATICA - Modena)

Black Market.

69. Milan, 20 : Last night a police patrol seized 30 million [illegible] of Penicillin in this city. (LA PATRIA - Firenze)

General Economy.

70. Washington, 21 : UNRRA General Directorate has confirmed the appointment of Mayor Cohen as UNRRA Chief of Displaced Persons Operation, and Acting Director of UNRRA in Germany, in place of Lt.Gen.Sir Frederick Morgan. (U.S.I.S. - Rome)

71. Washington, 21 : The Acting Minister for Foreign Affairs, Dean Acheson, made the following statement yesterday : "The United States Government has been long hoping for a plurilateral petroleum agreement. It will be opportune to examine as soon as possible the possibility of concluding a world petroleum agreement and establishing an international board under the auspices of the Social Economic Council of the United Nations. (U.S.I.S. - Rome)

72. UNRRA Director General, Mr. La Guardia, has arrived in Berlin, where he will be present at the meeting of the Allied Council. (UNITA' DEMOCRATICA - Modena)

73. Australia is disposed to admit 70,000 emigrants per year, but is opposed to definite settlement of large foreign contingents in the country. (LA PATRIA - Firenze)

Declassified E.O. 12356 Section 3.3/NND No. 785021

T H U R S D A Y 22 A U G U S T

REGIONAL

Black Market.

74. Carabinieri have seized 68 kgs. ofolive oil at Pieve Pelago. (Modena) (UNITA' DEMOCRATICA - Modena)

75. Carabinieri of Cartaldo (Firenze) have arrested nine farmers and a farm overseer for infringements of rationing laws. (NUOVO CORRIERE - Firenze)

76. Carabinieri of Staggiano (Arezzo) have reported a farmer for witholding five quintals of flour from the amassing pools. (LA PATRIA - Firenze)

77. The Ferrara City Guards have seized about two quintals of pasta, reporting two black marketeers. (CORRIERE DEL PO - Ferrara)

78. 40 agriculturalists have been reported to the Judicial Authorities of Ferrara for failure to report their cereal produce. (CORRIERE DEL PO -Ferrara)

79. Carabinieri of Bologna have seized 46 vials of American-made Insulin. (PROGRESSO - Bologna)

80. Considerable quantities of tobacco and cigarettes have been seized at the Porretta Terme (Bologna) block post, as well as 8.40 quintals of flour, 35 kgs. of wheat and six Allied tires.
Eight quintals of pasta were seized at the Castel S.Pietro (Bologna) block post. (PROGRESSO - Bologna)

81. The Prefect of Bologna has decided to intervene, to settle the strike of the Bologna food workers. (AVVENIRE D'ITALIA - Bologna)

82. The Customs Guards of Leghorn yesterday seized 300 kgs. of bread, 100 kgs of rice, as well as pasta, sugar and flour. (IL TIRRENO - Livorno)

83. The UPSEA Control Squad of Arezzo has reported a farmer and a land-owner to the Judicial Authorities as responsible for non-delivery of five quintals of wheat to the People's Granaries. (NAZIONE DEL POPOLO - Firenze)

84. The Carabinieri of Chianciano (Siena) have reported 81 farmers of the neighbourhood for non-delivery of wheat amounting to 467.18 quintals. (NAZIONE DEL POPOLO - Firenze)

Welfare.

85. The "Medico Provinciale" (Provincial Doctor) of Pistoia informs, with reference to the seizure of penicillin carried out during the past days, that needed supply of the precious drug is ensured. (NAZIONE DEL POPOLO - Firenze)

1237

Declassified E.O. 12356 Section 3.3/NND No. 785021

86. The Municipal Hygiene Office of Bologna informs that it has been for some time past carrying on an intense campaign for sanitary control of food supplies. (RINASCITA - Bologna)

87. The refect of Ferrara and other Authorities have visited the River Colony at Cento (Ferrara), where 250 little girls are receiving UNRRA assistance. (CORRIERE DEL PO - Ferrara)

88. The UNRRA marine colony at Volano (Ferrara) has been functioning since 15 July. (CORRIERE DEL PO - Ferrara)

89. UNRRA officials have visited the Summer Colony at Protolupi (Empoli) (LA PATRIA - Firenze)

Food.

90. The food workers of the provinces of Piacenza, Parma, Reggio Emilia, Modena and Bologna have decided to go on strike for one hour daily beginning from today. (PIACENZA NUOVA - Piacenza)

91. 292,000 quintals of wheat were delivered to the amassing pools in Piacenza Province by 20 August. (LIBERTA' - Piacenza)

92. Breadmaking with flour of 85% extraction rate will begin at Pistoia on 27 August. (NUOVO CORRIERE - Pistoia)

Industry & Commerce.

94. UNRRA officials have visited the Arts & Crafts Exhibition at Siena. (NUOVO CORRIERE - Firenze)

GENERAL

Welfare.

95. An epidemic of typhoid has developed in Province of Rome. (IL TIRRENO - Livorno)

Reconstruction.

96. Rome, 21 : The Inter-Ministerial Reconstruction Committee met today. Three programs of works of public utility were discussed. The Minister for Public Works, Mr. Romita, set forth the plan for carrying out of projected public works, province by province. (LA PATRIA - Firenze)

97. Rome, 22 : War-destroyed rooms in Italy number fully 15 millions. (POPOLO - Firenze)

Food.

98. London, 22 : The British Minister for the occupied Areas in Austria and Germany has stated that it is hoped that food rations in these zones may be increased to 1500 calories. (RINASCITA - Bologna)

Declassified E.O. 12356 Section 3.3/NND No. 785021

Agriculture.

99. Rome, 22 : Thousands of shocks of wheat were burnt in the neighbourhood of Rome, causing heavy loss. (POMERIGGIO - Firenze)

Industry & Commerce.

100. Milan. The Milan Fair will shortly be reopened to the public. (CORRIERE DELLA SERA - Bologna)

101. The Pistoia Chamber of Commerce informs that from 3 to 12 September the International Exhibition and Sales Fair of the leather Industries will take place at Milan. (NUOVO CORRIERE - Firenze)

102. Washington, 22 : Solid fuels exported by the United States during July totalled 2,582,971 tons, gross weight (including 640,000 tons shipped to UNRRA in Italy) as compared with the 900,000 ons exported in June. (U.S.I.S. Rome)

General Economy.

103. Warsaw, 22 : UNRRA Director General, Mr. La Guardia, has arrived at Warsaw to investigate Polish need of UNRRA supplies. (POMERIGGIO - Firenze)

104. Berlin, 21 : The American Commander of the A.M.G. in Germany has today defined as baseless Mr. La Guardia's assertions, according to which the Military Authorities are alleged to have deliberately obstructed UNRRA operations. He also denied news according to which members of the Allied Military Administration are preparing a documentation proving that UNRRA has been used as a "screen" for activities of Russian secret agents and of persons engaged in every kind of criminal activities. (LA PATRIA - Firenze)

F R I D A Y 23 A U G U S T

REGIONAL

Black Market.

105. The Reggio Rationing Police have seized wheat and bran totalling 13 quintals. The Reggio Carabinieri have seized 41 quintals of wheat and 391 kgs. of barley. Questura agents have seized 55 quintals of wheat at Brugneto di Reggiolo. (REGGIO DEMOCRATICA - Reggio)

106. The Leghorn Rationing Police have fined 10 hotel and restaurant owners for infringement of rationing laws. (TIRRENO - Livorno)

107. Rationing Police of the Florence Questura have seized 30 quintals of wheat. (LA PATRIA - Firenze)

108. Carabinieri of Mezzana (Prato) have seized a load of sacks of wheat, destined to the black market. (LA PATRIA - Firenze)

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Declassified E.O. 12356 Section 3.3/NND No. 785001

Ministry of Commerce.

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FRIDAY 23 AUGUST

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106. The Leghorn Rationing Police have fined 10 hotel and restaurant owners for infringement of rationing laws. (TIRRENO - Livorno)

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108. Carabinieri of Mezzana (Prato) have seized a load of sacks of wheat, destined to the black market. (LA PATRIA - Firenze)

1236

Declassified E.O. 12356 Sec. Section 3.3/NND No. 759021

109. A farmer of Marradi (Florence) has been arrested for witholding 10.60 quintals of wheat from the People's Granaries. (NUOVO CORRIERE - Firenze)

110. The Pisa Tribunal has sentenced a farmer of Coltano (Pisa) to eight months imprisonment for non-delivery of 43.60 quintals of wheat and 5.40 quintals of barley. Another farmer of Coltano was sentenced to seven months imprisonment for non-delivery of 23.36 quintals of wheat and 36 kgs. of maize. Sentence of one year and three months imprisonment was also passed on an individual who had procured 13 sacks of wheat, in violation of the rationing laws. (NAZIONE DEL POPOLO - Firenze)

Welfare.

111. The UNRRA Provincial Committee of Siena, in reply to comments which have appeared in the press relative to quality of flour distributed by UNRRA, informs that, as a rule, it receives flour assignments of local production. (NUOVO CORRIERE - Firenze)

112. The UNRRA Provincial Committee of Arezzo informs that, to transfer UNRRA food rations from an Institution, Nursery School, School or Farmhouse to a Farmer Colony, or viceversa, a special authorisation is required. (NAZIONE DEL POPOLO - Firenze)

Reconstruction.

113. The Ministry for Post-War Aid has granted 10 million Lit. for reconstruction of S.Anna and Fornocchio (Lucca). (NUOVO CORRIERE - Firenze)

114. The Minister for Public Works, Mr.Romita, has conceded a first grant of 700 million Lit. for works of public utility in Siena Province. (NAZIONE DEL POPOLO - Firenze)

Food.

115. The strike of food workers in Emilia is still continuing. (UNITA' - Piacenza)

116. Meat prices at Ferrara register increase of 100 Lit. per kg. (CORRIERE DELL'U - Ferrara)

117. In Arezzo Province breadmaking with a flour extraction of 85% will come into effect as soon as the stock of flour of 91% exctraction now in is exhausted. (NAZIONE DEL POPOLO - Firenze)

Industry & Commerce.

118. The "Ufficio Bieticolo"(beetroot Control Office) of Arezzo notifies that, from Monday 26 August, delivery of sugar beets in Arezzo province will begin. (NAZIONE DEL POPOLO - Firenze)

0348

Declassified E.O. 12356 Section 3.3/NND No. 785031

GENERAL

Welfare.

119. On 1 September 46 UNRRA will begin the work of disinfecting hospitals, orphanages, charitable institutions and prisons throughout Italy. 20 tons of 100% DDT insecticide and 500 sprayers have been provided. (REGGIO DEMOCRATICA - Reggio Emilia)

120. At Diano Marina (Imperia) the typhoid epidemic has now been stamped out. (UNITA' DEMOCRATICA - Modena)

Reconstruction.

121. The Airplane Section of the "FIAT" at Turin has been commissioned by the American Airways to transform 40 American war planes for civilian service. The approximate sum payable is estimated at half a billion Lit. Should the work prove satisfactory, the Fiat will be entrusted with maintenance and processing of all the Company's airplanes on service in Europe, North Africa, and the Middle East. (AVVENIRE D'ITALIA - Bologna)

Food.

122. Very large quantities of condensed milk, fats and tinned goods have been unloaded in the last few days at Leghorn, from an American ship. (NAZIONE DEL POPOLO - Firenze)

123. Rome, 21 : (AFI) From February to June of the current year UNRRA has imported not less than 10,000 tons of "baccala'" (dried cod-fish) from Norway to Italy. Technicians affirm that, were there a genuinely free regime in Italy, this fish could have been sold at 80 Lit. per kg. (REGGIO DEMOCRATICA- Reggio)

Agriculture.

124. Rome, 23 : An Italian mission of Agricultural technicians is about to leave for Venezuela. (RINASCITA - Bologna)

Industry & Commerce.

125. Three large 10,000 tons motorships have been ordered by a Turkish Military Mission from the "Ansaldo" shipyards. (NUOVO CORRIERE - Firenze)

General Economy.

126. A shipment of about 650 barrels of cod-liver oil is being unloaded at Genoa. (REGGIO DEMOCRATICA - Reggio Emilia)

127. Washington, 23 : According to the United Press, UNRRA has allotted 127 million dollars for Italian industrial reconstruction. This sum represents 30% of the funds set apart for Italy, and will render possible increase in shipments of raw materials, and especially of : metals (21 million dollars); rubber (11 million and 600,000 dollars); coal, and other raw materials. (RINASCITA - Bologna)

0340

Declassified E.O. 12356 Section 3.3/NND No. 743001

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Declassified E.O. 12356 Section 3.3/NND No. 765021

12[illegible]. Rome, 23 : UNRRA representative appear, during their continual contacts with Italian Authorities, to have informed these latter that UNRRA supplies will be suspended unless the black market in foodstuffs is definitely suppressed. (POPOLO - Firenze)

S A T U R D A Y 24 A U G U S T

Black Market.

129. At Leghorn 10 quintals of barley, six quintals of wheat and two quintals of flour were seized. Also in Leghorn, six mills were fined for irregular grinding of wheat. (IL TIRRENO - Livorno)

130. The Questore of Bologna has made yesterday a minute inspection of the block posts established for the block market campaign. (AVVENIRE D'ITALIA, PROGRESSO, GIORNALE DELL'EMILIA - Bologna)

131. Ten large sacks of wheat have been seized at the Castelcenio block post. (AVVENIRE D'ITALIA - Bologna)

132. At Porta a Greve (Florence) 30 quintals of wheat have been seized. (All regional papers).

133. The Carabinieri of Cerreto Guidi (Empoli)have seized six kgs. and 900 grams of olive oil. (NAZIONE DEL POPOLO - Firenze)

134. The Carabinieri of Laterina (Arezzo) have seized 10 quintals and 69 kgs. of wheat. (NAZIONE DEL POPOLO - Firenze)

Reconstruction.

135. This afternoon the Marina-Tirrenia-Calambrone-Leghorn railway service will be inaugurated. (NAZIONE DEL POPOLO - Firenze)

136. The Ministry for Post-War Assistance has made a grant of 50 million Lit. for providing homes to be assigned to war veterans of Pisa province whose houses have been damaged by war. (NAZIONE DEL POPOLO - Firenze)

Food.

137. The food-workers' strike is still continuing in Emilia (All Regional papers).

138. The Secretary of the Florence "Camera del Lavoro" (General Workers Union) has sent a telegram to the Food Commissariat informing that Florence Province is in need of flour for making pasta. The situation is very grave, and the pasta workers threaten to agitate. (NUOVO CORRIERE - Firenze)

139. The Rationing Office of Arezzo Commune announces that, from Sunday 25 August, bread will be made with flour of 85% extraction rate. (NAZIONE DEL POPOLO - Firenze)

Declassified E.O. 12356 Section 3.3/NND No. 785021

GENERAL

Welfare.

140. From 9 to 12 September the first National Congress for the moral safeguarding of children will be held in Rome. (LA PATRIA - Firenze)

Food.

141. Washington, 23 : The American Minister for Agriculture, Clinton Anderson, has stated that the wheat shipped abroad will almost suffice to f... the people of the war-devastated countries. (TIRRENO - Livorno)

142. 18,804,000 quintals of wheat were amassed by 15 August as compared with the anticipated total of 23,000,000. (ALBA REGIONALE TRIESTE - The news was taken from "Economic Notes".)

Agriculture.

143. The land workers will hold a congress at Bologna, to discuss the problems of defending the agricultural workers and of the future of Italian agriculture. (LA PATRIA - Firenze)

General Economy.

144. United States exports for month of June totalled 858 million dollars. (U.S.I.S. - Rome.

145. More than two million tons of coal were exported from the United States to Europe during month of July. (U.S.I.S. - Rome)

146. New York, 23 : A project for recovery of World Economy has been presented by the Council of the International Chamber of Commerce to the UNO Council. Aim of the project is to present a plan which may advance economic transformation and resumption of world commerce as well as effectually meet the emergency problem for the war-damaged areas. (U.S.I.S. - Rome)

147. Washington, 23 : The Labor International Organization announces that, at the first after-war meeting, the post-war aspects of emigration will be examined; also : forms of international collaboration ; problems of racial discrimination in respect of immigration, and technical selection of the emigrants.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

140. From 9 to 12 September the first National Congress for the moral safeguarding of children will be held in Rome, (LA PATRIA - Firenze)

Food.

141. Washington, 23 : The American Minister for Agriculture, Clinton Anderson, has stated that the wheat shipped abroad will almost suffice to feed the people of the war-devastated countries. (TIRRENO - Livorno)

142. 18,864,000 quintals of wheat were amassed by 15 August as compared with the anticipated total of 23,800,000. (ALL REGIONAL PAPERS - The news was taken from "Economic Notes".)

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Declassified E.O. 12356 Section 3.3/NND No. 763021

August 30, 1946

Vol. I, No. 33

ECONOMIC NOTES

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

CONTENTS

1. Imports Create Rail Problem
2. UNRRA Charters Italian Ships
3. Commodity Prices
4. UNRRA Completes Malaria Campaign
5. Movements of Ships

IMPORTS CREATE RAIL PROBLEM

So great is the increase in UNRRA shipments arriving at Italian ports, that emergency measures are now being taken to prevent bottle-necks and to secure the most economic use of the very limited number of goods wagons at present at the disposal of the Italian State Railways. All ports are to be brought into fullest operation, and more use is to be made of road transport, coastal shipping and inland waterways. A Central Transport Committee has been formed, representative of all Ministries, UNRRA Italy Mission, E.C.I.T.O. (European Central Internal Trasport Organization) and the Allied Military Forces. This Committe will collate all demands for transport and co-ordinate them with all available movement facilities.

UNRRA Coal Shipments

Coal shipments present the greatest problem, since coal is by far the largest bulk cargo arriving at Italian ports. In July some 77 ships cleared ports in the United States, loaded with coal for Italy, while a further 20 ships, approximately, sailed from Dutch, United Kingdom and South African ports. In all, it is expected that about 800,000 tons of coal will arrive within the next four weeks. Allocations for September total 630,000 tons.

Heavy as these coal shipments are, they are [illegible] below the pre-war average of about goods wagons by over 30 per cent. from 125,956 before the war to 87,909 (inclusive of foreign wagons) in 1946. In spite of intense repair activity in the railway workshops, it has been possible to attain only a small increase in rolling stock availability.

Heavy Seasonal Demands

In addition to the demand for goods wagons at the ports, there are heavy seasonal demands inland to carry sugar beet, perishable fruit and wheat for the ammassi, and to provide special personnel transport, in connection with the Italian military call-up. In addition, there are exceptional demands for freight cars as emergency passenger transport to move children to summer colonies.

During August, Italy hoped to import 30,000 tons of coal from Poland—thus reopening trade with the Silesian coal-fields. But owing to inability to provide the necessary wagons, imports from this source have had to be reduced to 15,000 tons this month.

Large Dumps at Ports

To cope with the shipments of coal arriving at the ports, it has become necessary to maintain large dumps. Plans are in hand to open additional dumps at easily accessible subsidiary centres. The largest of these dumps [illegible] which has a potential capacity

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Heavy as these coal shipments are, they are still far below the pre-war average of about 1,000,000 tons a month, which Italy imported by sea and overland. The present emergency is due to the acute shortage of railway goods wagons. War losses, and inevitable neglect due to war, have reduced Italy's serviceable goods wagons by over 30 per cent. from 125,956 before the war to 87,909 (inclusive of foreign wagons) in 1946. In spite of intense repair activity in the railway workshops, it has been possible to attain only a small increase in rolling stock availability.

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Large Dumps at Ports

To cope with the shipments of coal arriving at the ports, it has become necessary to maintain large dumps. Plans are in hand to open additional dumps at easily accessible subsidiary centres. The largest of these dumps is at Savona, which has a potential capacity of approximately 300,000 tons, assuming that coal is stock-piled according to the different grades. Storage capacity at Genoa is between 60,000 and 80,000 tons, according to whether

0358
Declassified E.O. 12356 Section 3.3/NND No. 785021

coal or coke is stored; but such stock-piling impairs the efficient working of the port. Storage capacity at Venice is more than 40,000 tons.

With the restoration of the railway line from La Spezia to Parma, and the clearance of a sunken ship blocking the harbour entrance, La Spezia is now once more available for ocean-going shipping. The port is capable of handling 30,000 tons a month. La Spezia is available as a port of entry for the provinces of Parma, Reggio Emilia, Modena and Cremona, in addition to the immediate hinterland of the port itself. Apart from relieving congestion at Genoa and Savona, the re-opening of La Spezia will give work to dock labourers in a town heavily hit by post-war unemployment.

Proposals are now under consideration to establish dumps at Mantua and Padua, both of which could be supplied by river, and also to use the port of Ravenna, to which supplies would be transhipped by water from Venice. But the economic problems involved compel close study.

Question of Military Priority

To release more railway wagons for civilian use, the UNRRA Italy Mission has proposed to the Ministry of Transport that military priority should be re-defined. The Mission suggests that instead of regarding *all* military traffic as a first priority—the assumption which has hitherto dominated discussion of the problem—military traffic should be broken down into "essential" and "convenience" movements.

In the opinion of the Mission, the assignment of a lower priority to military "convenience movements" would do much to ease the pressure in critical areas—notably Naples. While speedy clearance of military dumps and installations is desirable, such work, the Mission considers, should not be allowed to produce critical delays in the distribution of civil supplies.

No rearrangement of priorities, however, will overcome the fundamental shortage of goods wagons. If a serious hold-up is to be avoided, it will be necessary to send more traffic by road, by coastal shipping and by inland waterways. At a meeting of interested port would not seriously affect the total cost, should in future not be carried by rail at all, thereby releasing rail wagons for low-value bulk merchandise, like coal, where the extra cost of long haulage road transport would be disproportionately heavy.

It was further agreed that for each port, cokery or gas-works, an area would be established within which all consumers of coal or coke would find their own transport, without calling upon the railways at all. A radius of 50 kilometres (30 miles) has been proposed, but the exact area has yet to be decided.

Railways to Carry 70 Per Cent.

Consumers outside this area will be called upon to provide their own transport for a percentage of the coal or coke they need to lift. Tentatively, it has been agreed that the railways should carry no more than 70 per cent. of the tonnage, leaving 30 per cent. to be carried by road transport, river barge or coastal shipping. The exact proportion will, however, vary from time to time, according to the availability of railway goods wagons.

The present difficult situation is expected to continue for several months, as UNRRA will maintain the flow of coal supplies throughout the rest of the year. Later in the year, any additional shipments of wheat—another bulk cargo which must be carried by rail—will raise a further problem. It is hoped also that there will be a substantial expansion of normal imports, over and above those that UNRRA supplies, and a revival of Italian export trade.

UNRRA CHARTERS ITALIAN SHIPS

Over 170,000 tons of UNRRA relief and rehabilitation supplies have so far been shipped to Italy by Italian merchant vessels, sailing under UNRRA charter from European, Near East and North and South American ports. The use of Italian ships in connection with the Italian program has been a further development in UNRRA's rehabilitation effort, and has helped to bring Italian ships back into service.

These operations started last Spring when UNRRA drew on its International Ocean Freight Fund to enable two of the seven ves-

Declassified E.O. 12356 Section 3.3/NND No. 743031

La Spezia to Parma, and the clearance of a sunken ship blocking the harbour entrance, La Spezia is now once more available for ocean-going shipping. The port is capable of handling 30,000 tons a month. La Spezia is available as a port of entry for the provinces of Parma, Reggio Emilia, Modena and Cremona, in addition to the immediate hinterland of the port itself. Apart from relieving congestion at Genoa and Savona, the re-opening of La Spezia will give work to dock labourers in a town heavily hit by post-war unemployment.

Proposals are now under consideration to establish dumps at Mantua and Padua, both of which could be supplied by river, and also to use the port of Ravenna, to which supplies would be transhipped by water from Venice. But the economic problems involved compel close study.

Question of Military Priority

To release more railway wagons for civilian use, the UNRRA Italy Mission has proposed to the Ministry of Transport that military priority should be re-defined. The Mission suggests that instead of regarding *all* military traffic as a first priority—the assumption which has hitherto dominated discussion of the problem—military traffic should be broken down into "essential" and "convenience" movements.

In the opinion of the Mission, the assignment of a lower priority to military "convenience movements" would do much to ease the pressure in critical areas—notably Naples. While speedy clearance of military dumps and installations is desirable, such work, the Mission considers, should not be allowed to produce critical delays in the distribution of civil supplies.

No rearrangement of priorities, however, will overcome the fundamental shortage of goods wagons. If a serious hold-up is to be avoided, it will be necessary to send more traffic by road, by coastal shipping and by inland waterways. At a meeting of interested bodies held under the auspices of UNRRA in Milan early this month, it was agreed that shipments of relatively high priced items, such as copper, where the extra expense of road transport is proportionately small,

It was further agreed that for each port, cokery or gas-works, an area would be established within which all consumers of coal or coke would find their own transport, without calling upon the railways at all. A radius of 50 kilometres (30 miles) has been proposed, but the exact area has yet to be decided.

Railways to Carry 70 Per Cent.

Consumers outside this area will be called upon to provide their own transport for a percentage of the coal or coke they need to lift. Tentatively, it has been agreed that the railways should carry no more than 70 per cent. of the tonnage, leaving 30 per cent. to be carried by road transport, river barge or coastal shipping. The exact proportion will, however, vary from time to time, according to the availability of railway goods wagons.

The present difficult situation is expected to continue for several months, as UNRRA will maintain the flow of coal supplies throughout the rest of the year. Later in the year, any additional shipments of wheat—another bulk cargo which must be carried by rail—will raise a further problem. It is hoped also that there will be a substantial expansion of normal imports, over and above those that UNRRA supplies, and a revival of Italian export trade.

UNRRA CHARTERS ITALIAN SHIPS

Over 170,000 tons of UNRRA relief and rehabilitation supplies have so far been shipped to Italy by Italian merchant vessels, sailing under UNRRA charter from European, Near East and North and South American ports. The use of Italian ships in connection with the Italian program has been a further development in UNRRA's rehabilitation effort, and has helped to bring Italian ships back into service.

These operations started last Spring when UNRRA drew on its International Ocean Freight Fund to enable two of the seven vessels (averaging about 8,000 tons each) repurchased by the Italian Government from Argentina to sail back to Italy with grain given by Argentina.

Declassified E.O. 12356 Section 3.3/NND No. 785021

Of these ships the *Vittorio Veneto*, *Ines Corrado* and *Dante* have since been chartered to carry UNRRA coal from the United States, while the *Voluntas* and *Pelorum* have made various trips to North European ports to fetch Ruhr coal allocated to Italy. The *Andrea Gritti* (with a cargo capacity of 10,400 tons), *C. Gerolimich* (7,950 tons) and the *Gerarchia* (8,750 tons) have been on the southern Atlantic route, carrying UNRRA grain from South America. The *Gaeta* (8,000 tons) is due in shortly with UNRRA coal from the United States.

Ships chartered to carry Italy's coal allocations from the Ruhr include the *Teresa Schiaffino* (8,300 tons), *Chersa* (8,500 tons), *Ernesto* (10,400 tons), *Giacomo Costa* (7,800 tons), *Andalusia* (7,300 tons) and *Edera* (8,200 tons). The *Capo Mele* (5,000 tons) left Venice on 31 July bound for Alexandretta and Istanbul, to load UNRRA supplies purchased in Turkey for the Italian program.

The chartering of Italian vessels, while increasing Italy's holdings of foreign currency, also enables UNRRA to conserve its shipping funds. Each ship has, on the average, a crew of 35 men, which means that breadwinners of a large number of families are thus back at their regular jobs.

COMMODITY PRICES

The prices of five more UNRRA-imported commodities have now been fixed.

The Italian Government and the UNRRA Italy Mission, acting in accordance with the agreement signed in January, 1946, have agreed to the following recommendations made by the Joint Price Committee at its meeting on 10 August:—

a) *Colophony:*
100 lire per kg. ex consignee's warehouse net weight including packing.

b) *Corn Syrup:*
For industrial purposes: 30 lire per kg. ex consignee's warehouse. For direct food consumption with controlled distribution: 35 lire per kg. Price valid to 30 November, 1946.

c) *Rubber:*
MS/I Standard quality (crude) 200 lire per kg. ex consignee's warehouse.

d) *Denatured Alcohol:*

UNRRA COMPLETES MALARIA CAMPAIGN

UNRRA field sanitary engineers have completed six months of continuous work in the fight against malaria in many parts of Sicily and continental Italy. The campaign was planned during the last quarter of 1945; and in January, 1946, the first UNRRA team, headed by Italian engineers trained by the Sanitary Section of the Health Division, arrived in Sicily. They were equipped with vehicles, spraying apparatus and also DDT and kerosene—unobtainable from other sources.

Work in Sicily

During the three months the team spent in Sicily, it carried out residual spraying with DDT in 25 scattered areas. ("Residual spraying" is designed to ensure even spreading on walls and ceilings of DDT solution in a strength of between one and one-and-a-half grams per square metre.) At the same time, other teams and engineers similarly equipped, began control work in the Province of Frosinone, including war-damaged Cassino.

On completion of their work in Frosinone, these teams, augmented by additional engineers and vehicles, were diverted to the highly malarious coastal strip of Central Italy, extending from south of the Volturno River to a point north of Rome in the neighborhood of Lake Bracciano. This area comprises about 1,000 square miles and includes the major portion of the Province of Latina and parts of the Provinces of Rome and Caserta.

When this work was finished, the engineers, equipment and vehicles were transferred to two large areas in Veneto and the Province of Udine and also to the delta of the River Po. The teams which had been working in Sicily, after carrying out spraying in a small number of areas in Southern Italy, were also transferred to the north-east. By the middle of June, five UNRRA engineers, numerous teams of workers and 21 vehicles were carrying out malaria control measures over some 530 square miles in this area.

UNRRA Provides DDT

In the entire operation, covering continental

Declassified E.O. 12356 Sec. 3.3/NND No. 759021

Ruhr coal allocated to Italy. The *Andrea Gritti* (with a cargo capacity of 10,400 tons), *C. Gerolimich* (7,950 tons) and the *Gerarchia* (8,750 tons) have been on the southern Atlantic route, carrying UNRRA grain from South America. The *Gaeta* (8,000 tons) is due in shortly with UNRRA coal from the United States.

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c) *Rubber*:
MS/I Standard quality (crude) 200 lire per kg. ex consignee's warehouse.

d) *Denaturated Alcohol*:
200 lire per litre ex consignee's warehouse (drums free).

e) *Forage pea seed*:
Present price of 25,000 lire per metric ton confirmed and extended to 15 September, 1946.

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UNRRA Provides DDT

In the entire operation, covering continental Italy and Sicily, the UNRRA Italy Mission has supplied expert technical supervision through its trained field engineers. It has also provided 21 vehicles, 50 tons of pure DDT,

Declassified E.O. 12356 Section 3.3/NND No. 759021

216,000 gallons of kerosene, 8,000 gallons of concentrated DDT emulsion, the necessary sprayers and other equipment. In the course of the operation UNRRA vehicles have covered 203,150 miles.

The work was carried out with the approval of the High Commissioner for Hygiene and Public Health and with the co-operation of the Medici Provinciali and Anti-malaria Committees, who provided local labour and supplementary means of transport. In some inaccessible areas teams had to use ox-carts, pack animals, rowing boats and barges. Without this co-operation, work on a large scale would have been impossible. The local labour was trained and supervised by the UNRRA field engineers and the number of persons engaged in spraying ranged from 25 to 150 in each area treated.

Owing to the limited amount of DDT and transport available at the time, it was necessary to exercise careful selection of the regions in which residual spraying was carried out. The areas chosen have been those in which the incidence of malaria in the civil population is highest, as well as those which are important food producing regions. The areas included under these two headings comprise approximately one-third of the total malarious territories of Italy, excluding Sardinia.

Figures for the work done are as follows:—

1)	Total area sprayed	1,890 square miles
2)	Number of houses sprayed	50,000
3)	" " straw huts sprayed	20,600
4)	" " rooms sprayd in (2) and (3) above	523,000
5)	" " stables sprayed	23,000
6)	" " pig pens and other outhouses sprayed	100,000 (approx.)
7)	Total area of internal wall space sprayed	31,305,049 square metres

The UNRRA anti-malarial campaign finished a program which was begun in Italy by Allied Military and other agencies, who demonstrated for the first time to Italian malariologists the technique of using DDT in the control of malaria. Italian malariologists, who hitherto had always relied upon Paris Green for their preventive measures, soon came to appreciate the value of this new insecticide, and decided to adopt it in their own anti-malarial campaign.

Anti-Malaria Plans for 1947

As a result, publicity has recently been given to a campaign for the control of malaria, relying upon residual DDT as its principal weapon, which is to be carried out in 1947 on a nation-wide basis throughout Italy. UNRRA will leave in the country sufficient DDT to carry out this 1947 program. The necessary transport, kerosene and apparatus will, it is expected, be provided through a contribution of approximately 100,000,000 lire from the Lire Fund, created by the sale of UNRRA supplies in Italy and utilised for relief and rehabilitation projects agreed upon by UNRRA and the Italian Government.

Although no conclusion can, as yet, be drawn from the results of residual spraying in 1946, reports from the treated regions indicate that the incidence of malaria will be considerably reduced. There is every reason to believe that, if the same scheme is carried out in future years and is extended to all the malarious areas of Italy, the disease will, within a reasonable time, cease to be a problem both as regards public health and economic development in the affected regions.

«ECONOMIC SURVEY» SUPPLEMENT

No Supplement will appear with this week's issue of Economic Notes. *The Supplement on Health and Welfare will appear with next week's issue of* Economic Notes, *No. 34, dated 6 September, 1946.*

Declassified E.O. 12356 Section 3.3/NND No. 785021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(AUGUST 17 - 23 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Frederic E. Ives *	Genoa	13 August	UNRRA \ Italy / Greece	General	9,802
Exantia	"	17 "	Commercial	"	4,216
Ulisse	"	23 "	It. Program	Phosphates	3,160
Caterina Gerolimich	Castellammare	" "	UNRRA	Wheat	6,837
Francesca	Venice	" "	"	General	1,645

* *Advice received too late for inclusion in last week's shipping list*

LATEST COAL SHIPMENTS

(AUGUST 17 - 25 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
M. E. Comerford	Leghorn (1)	17 August	United States	UNRRA	4,500
Fort Nakasley	Savona	" "	Bahrein	"	9,325
Stephen Austin	Venice	18 "	United States	"	3,441
	Ancona	23 "	" "	"	4,500
Andalusia	Venice	18 "	Germany	"	6,732
Hilversum	Bagnoli	" "	"	"	5,559
Smith Thompson	Catania	" "	United States	"	4,500
Mercy Warren	Cagliari	" "	" "	"	8,382
Joshua Slocum	Leghorn (2)	19 "	" "	"	4,500
Empire Planet	Savona	" "	Germany	"	7,110
John Fairfield	Genoa	" "	United States	"	8,525
Vittorio Veneto	"	" "	" "	"	6,715
Robert Stuart	Savona	20 "	" "	"	8,398
Henry Reney	"	" "	" "	"	8,349
Noah Webster	Genoa (3)	" "	" "	"	8,107
O. Henry	Civitavecchia	" "	" "	"	8,181
John M. Harlan	Bari	" "	" "	"	8,524
Paul Hamilton Hayne	Palermo	" "	" "	"	8,457
West Cusseta	Venice	" "	" "	"	6,776
Sampenn	Savona	21 "	South Africa	"	8,900
Cotton Mather	"	" "	United States	"	8,480
Fred E. Joyce	"	" "	" "	"	9,031
William Floyd	Bagnoli	" "	" "	"	8,477
Ernesto	Venice	" "	Germany	"	11,000
Empire Salmonpool	Savona	22 "	"	"	5,354
Empire Tilbury	Civitavecchia	" "	South Africa	Brit. Army	9,593
Raymond Ingersoll	Venice	" "	United States	UNRRA	8,503
Glenn Curtiss	"	" "	" "	"	8,478
Teresa Schiaffino	Genoa	23 "	Germany	"	7,263
Abner Doubleday	Venice	" "	United States	"	8,512
Frederick Wm. Wood	Bari	" "	" "	"	8,358
William Libbey	Savona	24 "	" "	"	8,864
John P. Harris	Genoa (4)	" "	" "	"	9,034
Frederic Remington	"	" "	" "	It. Program	7,852
Empire Tyne	Civitavecchia	" "	Germany	UNRRA	5,300
Ines Corrado	La Spezia	" "	United States	"	7,016
Louis Brandeis	Venice (5)	" "	" "	"	8,472

Declassified E.O. 12356 Sec. 3.3/NND No. 785091

Frederic E. Ives *	Genoa	13 August	UNRRA { Italy / Greece	General	9,802
Exantia	„	17 „	Commercial	„	4,216
Ulisse	„	23 „	It. Program	Phosphates	3,160
Caterina Gerolimich	Castellammare	„ „	UNRRA	Wheat	6,837
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Noah Webster	Genoa (3)	„ „	„ „	„	8,107
O. Henry	Civitavecchia	„ „	„ „	„	8,481
John M. Harlan	Bari	„ „	„ „	„	8,524
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Ines Corrado	La Spezia	„ „	United States	„	7,016
Louis Brandeis	Venice (5)	„ „	„ „	„	8,472
David Lubin	Genoa	25 „	„ „	„	8,685

(1) Also discharged at Genoa
(2) „ „ „ Genoa
(3) „ „ „ Piombino
(4) „ „ „ Leghorn
(5) „ „ „ Ancona

Declassified E.O. 12356 Section 3.3/NND No. 785001

August 23, 1946 Vol. I, No. 32

ECONOMIC NOTES

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

CONTENTS

1. UNRRA Fifth Council Plans For 1947
2. Wheat Amassing Campaign
3. UNRRA Imports in July
4. UNRRA Helps Fishing Trade
5. Movements of Ships

UNRRA FIFTH COUNCIL PLANS FOR 1947

UNRRA's work will continue through other bodies, although UNRRA, as an organization, will come to an end within the next few months. During its two-week session at Geneva the Fifth Council discussed the procedure for transferring its activities to the new and permanent bodies that have come, or are coming, into being under the auspices of the United Nations.

But it must be emphasized that the Council's resolutions to effect this transfer are recommendations, and not mandates; and that the new permanent organizations to which it is proposed to transfer many of UNRRA's functions are still in embryonic form, or do not exist at all.

Economic Aid

The Council recognized that difficulties, including lack of foreign exchange, might be experienced in 1947 by liberated countries in securing the basic essentials of life, particularly food and supplies for agricultural production. Such difficulties, it pointed out, might result in hardship and suffering in some countries unless prompt international action was taken by the General Assembly of the United Nations.

The Council has, therefore, recommended that the General Assembly should forthwith establish, or designate, some agency to review the needs of these countries in 1947 for financing (to the extent that they cannot otherwise

In regard to supplies already programmed by UNRRA, the Council recommended that the Administration should make every effort to complete procurement and shipments against approved programs of operation by the dates already specified. Where, however, the shipment of certain supplies by the dates specified is not possible, the Administration is authorized to arrange for such procurement and shipment to receiving countries—in Europe after the end of 1946, and in the Far East after 31 March, 1947. But it should complete operations as early thereafter as possible.

To ensure the maximum use by liberated countries of their own resources, the Council has recommended that the Food and Agriculture Organization, at its forthcoming meeting in Copenhagen, should consider the special problem of these liberated countries, with a view to providing the maximum technical assistance in the speedy re-establishment of agricultural production.

Future of Lire Fund

By the terms of a resolution on the Lire Fund (and similar funds in other receiving countries), the Council has recommended that the functions and responsibilities of UNRRA in regard to the utilization of such funds for relief and rehabilitation work should be trans-

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The Council has, therefore, recommended that the General Assembly should forthwith establish, or designate, some agency to review the needs of these countries in 1947 for financing (to the extent that they cannot otherwise be met) urgent imports of basic materials after the termination of UNRRA programs, and make recommendations on the financial assistance that might be required as a result of foreign exchange difficulties.

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Future of Lire Fund

By the terms of a resolution on the Lire Fund (and similar funds in other receiving countries), the Council has recommended that the functions and responsibilities of UNRRA in regard to the utilization of such funds for relief and rehabilitation work should be transferred at the appropriate time to the United Nations, or to some special body designated by the United Nations. The governments which have concluded agreements with UNRRA are to be asked to agree to the transfer.

1232

Declassified E.O. 12356 Section 3.3/NND No. 785021

Program for Displaced Persons

It is not known at what date the International Refugee Organization can begin operations in respect of Displaced Persons. But, in the view of the Council, it is desirable that the work of UNRRA should not cease until the International Refugee Organization, or some appropriate interim organization, is able to take over the work. The Administration is, therefore, authorized to continue its various operations until they are undertaken by the I.R.O., by an interim commission or by any other appropriate body, provided that none of these operations shall be continued by the Administration after 30 June, 1947.

Operations Continue Till June

A fund is to be set aside from the resources of the Administration to continue these operations until 30 June, 1947, on a scale of cost not exceeding that of its present operations. The Administration, with the approval of the Central Committee, may transfer to its successors the whole or part of this fund, or the whole or part of its records, files, equipment or other property relating to its operations with respect to Displaced Persons; and may arrange for the transfer of any of its personnel. The Council hopes that this transfer will take place as soon as possible, and that the I.R.O. will begin operations at the earliest possible date.

To bring its work into closer harmony with that of the International Refugee Organization, the Administration is given authority to apply the principles embodied in the draft constitution of the I.R.O., and to extend or adjust its work to cover any of the categories of persons defined in that draft constitution.

Repatriation is Main Task

Stressing the importance of repatriating and restoring to useful and productive lives in their homelands as many Displaced Persons as possible, the Council has laid down that repatriation is to be regarded as UNRRA's main task in this sphere of operations. The Administration is to facilitate the dissemination of information about home conditions in the

All UNRRA personnel who discourage repatriation are to be removed, and only such voluntary agency personnel will be admitted to camps as undertake *not* to discourage it.

Social Welfare Services

The Council has recommended that UNRRA's social welfare services (exclusive of those relating to Displaced Persons) should be transferred to the United Nations. Rehabilitation of children and adolescents in countries which were the victims of aggression is considered to be of paramount importance. It is recognized, however, that national rehabilitation programs cannot be carried into effect without imports of certain types of food and equipment, as well as reciprocal arrangements for technical services.

The Council has, therefore, recommended that such assets as the Central Committee may determine to be available after the completion of UNRRA's work should be used for the benefit of children and adolescents. It has suggested that an International Children's Fund should be created, to which these assets would be transferred, together with any gifts for this purpose, and for general child health purposes, that may be made by governments, voluntary agencies or individuals. A Standing Committee of the Council is to be set up to prepare recommendations, in agreement with the Economic and Social Council of the United Nations.

World Health Organization

UNRRA will consult with the Interim Commission of the World Health Organization, with a view to transferring to the Commission as soon as practicable the duties and functions entrusted to the Administration by the International Sanitary Convention of 1944, as well as such other functions of UNRRA in the field of health as the World Health Organization, or its Interim Commission, may be willing to undertake.

UNRRA will also transfer to the World Health Organization, or its Interim Commission, records, equipment, material and personnel, and—subject to the approval of the

0395
Declassified E.O. 12356 Section 3.3/NND No. 747803

in the view of the Council, it is desirable that the work of UNRRA should not cease until the International Refugee Organization, or some appropriate interim organization, is able to take over the work. The Administration is, therefore, authorized to continue its various operations until they are undertaken by the I.R.O., by an interim commission or by any other appropriate body, provided that none of these operations shall be continued by the Administration after 30 June, 1947.

Operations Continue Till June

A fund is to be set aside from the resources of the Administration to continue these operations until 30 June, 1947, on a scale of cost not exceeding that of its present operations. The Administration, with the approval of the Central Committee, may transfer to its successors the whole or part of this fund, or the whole or part of its records, files, equipment or other property relating to its operations with respect to Displaced Persons; and may arrange for the transfer of any of its personnel. The Council hopes that this transfer will take place as soon as possible, and that the I.R.O. will begin operations at the earliest possible date.

To bring its work into closer harmony with that of the International Refugee Organization, the Administration is given authority to apply the principles embodied in the draft constitution of the I.R.O., and to extend or adjust its work to cover any of the categories of persons defined in that draft constitution.

Repatriation is Main Task

Stressing the importance of repatriating and restoring to useful and productive lives in their homelands as many Displaced Persons as possible, the Council has laid down that repatriation is to be regarded as UNRRA's main task in this sphere of operations. The Administration is to facilitate the dissemination of information about home conditions in the countries to which people are to be repatriated, and at the same time it must ensure free and uncensored communications between Displaced Persons and their relatives and friends at home.

Social Welfare Services

The Council has recommended that UNRRA's social welfare services (exclusive of those relating to Displaced Persons) should be transferred to the United Nations. Rehabilitation of children and adolescents in countries which were the victims of aggression is considered to be of paramount importance. It is recognized, however, that national rehabilitation programs cannot be carried into effect without imports of certain types of food and equipment, as well as reciprocal arrangements for technical services.

The Council has, therefore, recommended that such assets as the Central Committee may determine to be available after the completion of UNRRA's work should be used for the benefit of children and adolescents. It has suggested that an International Children's Fund should be created, to which these assets would be transferred, together with any gifts for this purpose, and for general child health purposes, that may be made by governments, voluntary agencies or individuals. A Standing Committee of the Council is to be set up to prepare recommendations, in agreement with the Economic and Social Council of the United Nations.

World Health Organization

UNRRA will consult with the Interim Commission of the World Health Organization, with a view to transferring to the Commission as soon as practicable the duties and functions entrusted to the Administration by the International Sanitary Convention of 1944, as well as such other functions of UNRRA in the field of health as the World Health Organization, or its Interim Commission, may be willing to undertake.

UNRRA will also transfer to the World Health Organization, or its Interim Commission, records, equipment, material and personnel, and—subject to the approval of the Central Committee—such funds as may be necessary for the performance of the transferred functions, provided no other resources are available.

Declassified E.O. 12356 Section 3.3/NND No. 759021

TRANSPORTATION AND COMMUNICATIONS

PART ONE - INLAND TRANSPORTATION (2)

Introduction.

1. Freight traffic carried in Italy by rail, road, canal, river, and in coastwise and intercoastal traffic is now only about 60 % of pre-war in terms of tonnage and even less in terms of ton kilometers. Traffic by every means of transport has suffered a reduction. The greatest reductions have occurred on the inland waterways and in coastwise and intercoastal traffic. Before the war roughly 55 % of all freight was carried on the railroads, 27 % by truck, 12 % along the coasts and 6 % on inland waterways. At the present time, the corresponding proportions are roughly 60 %, 35 %, 1 % and 1 %. Rail freight tonnage carried in 1946 is only about 70 % of pre-war and of that more than 10 % is for the account of Allied Military. Motor-truck tonnage hauled is about 80 %, that by schooners and coaster only about 20 %, and that by inland waterways a negligible percentage of pre-war.

2. The number of passengers carried by railway is estimated by the Italian State Railways at about pre-war notwithstanding that the number of passenger-train kilometers is estimated at less than 25 % of pre-war. Heavy reductions have occurred in travel by bus and private car.

3. The above figures do not adequately describe the reduction in carrying capacity resulting from war damage and lack of maintenance and replacement of facilities and equipment, since all forms of transportation, except highway trucks, are now operating at or near capacity, whereas considerable unutilized capacity existed before the war.

4. Railway track, motive power, passenger coaches, freight wagons and communication equipment have all suffered from war damage and war-deferred maintenance and renewal. Highways have suffered from under-maintenance and heavy war traffic. A large percentage of the highway bridges was destroyed by bombing and mining. Motor-trucks are inadequate supply although generally less efficient than pre-war. Passenger cars and buses are inadequate to the demands for travel. More than 60 % of all tugs and barges used on inland waterways were sunk, and the river and canal system rendered largely inoperative by destruction of locks, bridges and shore installations. Gross registered tonnage of coasters and schooners in Italian hands is only about 60 % of pre-war.

5. Railroad and motor vehicle fuel, for which Italy is almost exclusively dependent on UNRRA, is not adequate to all the traffic requirements of the country, although enough for essential purposes. Restricted railroad facilities have been even further limited by the need for reducing speed in order to conserve coal and POL (3). POL is adequate for highway freight traffic but in an effort to conserve UNRRA-imported POL, passenger motor travel has been severely restricted.

6. Rapid strides have been made in rehabilitating the railroads, but even under the most favorable conjuncture of world raw material availability and Italian foreign exchange holdings, at least five years will be required to bring the Italian railroads to a pre-war level. Meanwhile, notable advances in operating techniques are compensating somewhat for the physical handicaps under which railroad operations are conducted.

7. Motor-trucks are in excess of needs and the Italian motor-truck manufacturing industry is reviving, although lack of materials and fuel has retarded that revival. Passenger cars and buses, in very short supply, are also coming off the production lines at a rate also largely governed and limited by lack of material and fuel which can only be obtained from abroad. Salvage operations are continually adding to the coastwise and inland waterways fleets. But shortages of timber and steel plates, frames and girders and beams are rendering repair and replacement very difficult.

8. Restrictions on the use of POL for passenger cars and buses have resulted in the conversion of large numbers of passenger cars for trucking purposes. Simultaneously, large profits have been earned by truckers by the unlawful use of their vehicles for carrying passengers at exorbitant rates. The very short supply of railroad freight wagons has been aggravated by the necessity for converting closed cars into passenger coaches in order to meet part of the heavy demand for passenger service.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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(1) *See Supplement to Vol. 1 No. 27 for Introduction to Survey of Italy's Economy and for Survey of Finance, No. 28 for Survey of Agriculture and Food in Italy and Nos. 30 and 31 for Survey of Italian Industry.*

(2) Sea transport will be dealt with as a separate section of the Foreign Trade Supplement.

(3) Petrol, Oil, Lubricants.

Declassified E.O. 12356 Section 3.3/NND No. 745021

9. Some indication of the work that lies ahead is given by the estimate of the Italian State Railways that rehabilitation of the railway system as a result of war damage will cost over 300,000 million lire, as follows:

State Railways	Thousand million lire
Railroad, bridges, stations, etc., and fixed plant	151.1
Means of traction	41.7
Rolling stock	132.5
Ferryboats, stocks, stores, etc.	42.0
Total I.S.R.	367.3
Private railways	8.7
Estimated total damage	376.0 (1)

(1) In addition the program provides for the expenditure of 46,000 million lire on the development of electrification.

10. The anomalous price structure that characterizes Italian economy generally is characteristic also of the transportation industry and its effects are noteworthy. Railroad rates have increased by much less than prices generally since before the war.

11. Official coastwise-shipping rates have increased by slightly more than rail rates. The advance in motor-truck rates has been the same as, or perhaps slightly greater than that for prices generally. As a result, the demands on the very limited railroad facilities have been proportionately even greater than normal. The large motor-trucking capacity is only partially utilized and much freight that would normally move by rail is not transported at all. Existing wide regional price differences in Italy are generally attributed to the greatly increased transport costs. As to the bulk of the freight that goes by railroad, however, this conclusion is unwarranted. Nor are motor-truck rates sufficiently high to have increased the relative spread between prices in different parts of the country. There are, however, hidden transport costs. Otherwise profitable motor-trucking is not undertaken for fear of hijacking or other forms of pilferage. Black-marketeers use rail passenger facilities for carrying rationed commodities long distances to high priced markets. The breakdown of commercial channels generally throughout Italy has resulted in the reinstitution of the commercial traveller hauling even rationed goods by passenger trains to favorable markets. These influences toward high costs, however, are transitory and will be

All the POL and practically all the coal used by Italian transport is provided by UNRRA. UNRRA has also provided motor vehicles for use in malaria control and housing repair and reconstruction. Three and one-half million dollars worth of bitumen have been programmed for importation by UNRRA for highway reconstruction. In addition UNRRA fuels, and relatively small but important quantities of raw and semi-finished materials, are being used for the manufacture of motor vehicles, and will be used for ship and railroad reconstruction. In the main, however, UNRRA has not contemplated direct participation in the rehabilitation of Italy's transport. Rather, its program has been designed to reactivate Italian industry which will then be able to provide the equipment and materials necessary to the restoration of Italy's transport system.

RAIL TRANSPORTATION

(See Map - Table 1)

General.

13. The great bulk of the railway system in Italy is State-owned and operated. A small kilometrage under State ownership is operated under concession by private interests. A very small kilometrage is privately owned and operated.

14. At the present time the railroads are carrying slightly more than 40 % of the commercial freight hauled by rail in pre-war years. The inclusion of Allied military traffic brings that percentage to above 50 % (see Table 2). It has proved difficult to obtain comparable statistics on pre-war and post-war passenger traffic. But it appears that in 1946, 40 % of the pre-war train kilometers are being run and that passenger train kilometers are only 25 % of pre-war (see also Graph - Table 3). These figures do not, however, indicate the extent of war time destruction and deterioration. Nor do the statistics in Tables 2, 4, 5, and 7 reflect adequately the position of the railways as compared with pre-war years.

15. The advances made by the Italian railways since the end of the war have been remarkable. Every phase of railroading has been improved by application of local ingenuity and by adopting the progressive methods introduced into Italy by the Allied military authorities. Ingenuity alone, however, has been an inadequate substitute for physical facilities. Lack of traction, of freight wagons, of signal facilities and of all of the mass of equipment that comprises a railroad system, has resulted in delayed port clearance, in congestion in the interior,

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Railways	million lire
Railroad, bridges, stations, etc., and fixed plant	151.1
Means of traction	41.7
Rolling stock	132.5
Ferryboats, stocks, spares, etc.	42.0
Total I.S.R.	367.3
Private railways	8.7
Estimated total damage	376.0 (1)

(1) In addition the program provides for the expenditure of 16,000 million lire on the development of electrification.

10. The anomalous price structure that characterizes Italian economy generally is characteristic also of the transportation industry and its effects are noteworthy. Railroad rates have increased by much less than prices generally since before the war.

11. Official coastwise-shipping rates have increased by slightly more than rail rates. The advance in motor-truck rates has been the same as, or perhaps slightly greater than that for prices generally. As a result, the demands on the very limited railroad facilities have been proportionately even greater than normal. The large motor-trucking capacity is only partially utilized and much freight that would normally move by rail is not transported at all. Existing wide regional price differences in Italy are generally attributed to the greatly increased transport costs. As to the bulk of the freight that goes by railroad, however, this conclusion is unwarranted. Nor are motor-truck rates sufficiently high to have increased the relative spread between prices in different parts of the country. There are, however, hidden transport costs. Otherwise profitable motor-trucking is not undertaken for fear of hijacking or other forms of pilferage. Black-marketeers use rail passenger facilities for carrying rationed commodities long distances to high priced markets. The breakdown of commercial channels generally throughout Italy has resulted in the reinstitution of the commercial traveller hauling even unrationed goods by passenger trains to favorable markets. These influences toward high costs, however, are transitory and will be eliminated as soon as political and social conditions become more nearly stable in Italy.

12. UNRRA's direct contribution to the Italian transportation systems consists primarily of coal and POL. for importation by UNRRA for highway reconstruction. In addition UNRRA fuels, and relatively small but important quantities of raw and semi-finished materials, are being used for the manufacture of motor vehicles, and will be used for ship and railroad reconstruction. In the main, however, UNRRA has not contemplated direct participation in the rehabilitation of Italy's transport. Rather, its program has been designed to reactivate Italian industry which will then be able to provide the equipment and materials necessary to the restoration of Italy's transport system.

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15. The advances made by the Italian railways since the end of the war have been remarkable. Every phase of railroading has been improved by application of local ingenuity and by adopting the progressive methods introduced into Italy by the Allied military authorities. Ingenuity alone, however, has been an inadequate substitute for physical facilities. Lack of traction, of freight wagons, of signal facilities and of all of the mass of equipment that comprises a railroad system, has resulted in delayed port clearance, in congestion in the interior, in loss, damage and pilferage to freight and in discomfort and inconvenience to passengers. Freight that should move frequently cannot. Would-be passengers don't travel.

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 1

ITALIAN STATE
RAILWAYS

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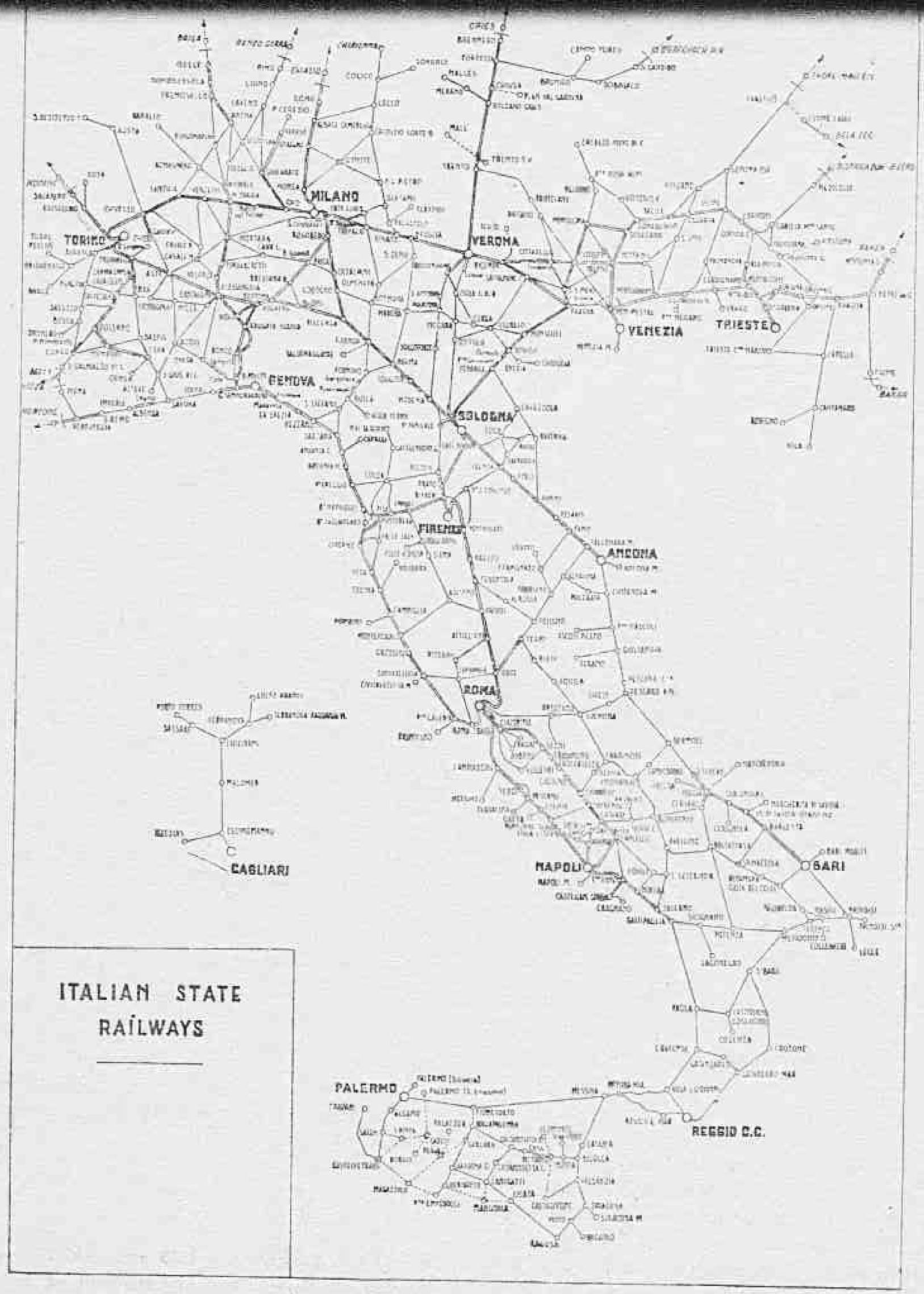

ITALIAN STATE
RAILWAYS

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 2

Italian State Railways

Traffic Operation: Comparative table of train-kilometers

Kilometers

TYPE	MARCH 1939	MARCH 1946			REMARKS
		Civil	Military	Total	
Steam (Passenger)	3,989,000	977,154	88,971	1,066,125	
Electric	4,472,000	1,069,534	111,288	1,180,822	
Oil Fuel	2,808,000	497,715	129,837	627,552	
TOTAL PASSENGER-TRAIN KMS.	11,269,000	2,544,403	330,096	2,874,199	Average speed Pass. Trains 30 KPH.
Steam Freight	2,441,000	919,050	160,600	1,079,650	
Electric	2,651,000	795,805	195,600	991,405	
Oil Fuel	13,000	484,320	117,000	601,320	
TOTAL FREIGHT-TRAIN KMS.	5,105,000	2,199,175	473,200	2,672,375	
GROSS TOTALS KMS.	16,104,000	4,743,578	803,296	5,546,874	Average speed freight trains 18 KPH.
Comparative No. of Trains Run.					
Passenger	139,655	50,562	4,178	54,740	
Freight	64,294	27,860	11,645	39,505	
TOTALS	203,949	78,422	15,823	94,245	

16. Without UNRRA the railroads would have been in an even worse position than they are today. Practically all the fuel and all the lubricants used by the railways in Italy in 1946 are being supplied by UNRRA. Means of providing coal and POL for the railroads after January 1, 1947 still remain to be found. UNRRA has not attempted to import heavy equipment for the railroads, although it is badly needed. Instead UNRRA has provided for the importation of fuels and industrial raw materials for rehabilitating Italian industry generally, and in the expectation that a revival of industry will expedite the repair and restoration of the railroads.

17. The following analysis aims at interpreting the statistics for locomotives, freight cars, and other transport material, so as to show the present status of the railways and to indicate the reconstruction problem that lies ahead.

Traction.

18. A comprehensive and detailed survey of the locomotive situation on the Italian railways will show that it is a major problem for solution. The method of solution is moreover bound up with future policy as tion units—steam engines, electric locos, and Diesel cars —only 3,207 are now actively available. The present availability includes 258 foreign locomotives. In 1939 there were in addition 748 units under repair—in March 1946 there were 3,251. Except for Diesel rail cars the overall traction stock in May 1946 was 5,813 compared with 5,642 in 1939 a net gain of 171, but there are 414 foreign locos in the present stock. The heaviest net loss is seen in Diesel cars—521 in service in 1939 compared with 149 in May 1946. As electric locomotives performed more than 50 % of the traction in 1939 and as the great bulk of the steam locomotives in use in 1939 were very old and destined to be replaced by electric, the war damage was especially serious. Table 4 indicates that approximately 60 % of the pre-war traction is in service, but the condition of these locomotives is such that their total efficiency is considerably below the 60 % level. The railway repair facilities in Italy suffered great damage during the war, and the servicing and repair of locomotives is still a matter of serious concern and difficulty.

Rolling Stock.

Declassified E.O. 12356 Sec. 3.3/NND No. 763021

TYPE	MARCH 1939	Civil	Military	Total	REMARKS
Steam (Passenger)	3,989,000	977,154	88,971	1,066,125	
Electric "	4,472,000	1,069,531	111,288	1,180,822	
Oil Fuel "	2,838,000	197,715	129,837	627,552	
TOTAL PASSENGER-TRAIN KMS.	11,299,000	2,544,103	330,096	2,874,499	Average speed Pass. Trains 30 KPH.
Steam Freight	2,441,000	919,050	160,600	1,079,650	
Electric "	2,651,000	795,805	195,600	991,405	
Oil Fuel "	13,000	484,320	117,000	601,320	
TOTAL FREIGHT-TRAIN KMS.	5,105,000	2,199,175	473,200	2,672,375	
GROSS TOTALS KMS.	16,404,000	4,743,578	803,296	5,546,874	Average speed freight trains 19 KPH.
Comparative No. of Trains Run.					
Passenger	139,655	50,562	4,178	54,740	
Freight	64,294	27,860	11,645	39,505	
TOTALS	203,949	78,422	15,823	94,245	

16. Without UNRRA the railroads would have been in an even worse position than they are today. Practically all the fuel and all the lubricants used by the railways in Italy in 1946 are being supplied by UNRRA. Means of providing coal and POL for the railroads after January 1, 1947 still remain to be found. UNRRA has not attempted to import heavy equipment for the railroads, although it is badly needed. Instead UNRRA has provided for the importation of fuels and industrial raw materials for rehabilitating Italian industry generally, and in the expectation that a revival of industry will expedite the repair and restoration of the railroads.

17. The following analysis aims at interpreting the statistics for locomotives, freight cars, and other transport material, so as to show the present status of the railways and to indicate the reconstruction problem that lies ahead.

Traction.

18. A comprehensive and detailed survey of the locomotive situation on the Italian railways will show that it is a major problem for solution. The method of solution is moreover bound up with future policy as to extension of electrified lines (see para. 41). A comparative review of the traction situation as at June 1939 and May 1946 (Table 4), indicates that of 6,458 traction units—steam engines, electric locos, and Diesel cars—only 3,207 are now actively available. The present availability includes 258 foreign locomotives. In 1939 there were in addition 748 units under repair—in March 1946 there were 3,251. Except for Diesel rail cars the overall traction stock in May 1946 was 5,813 compared with 5,642 in 1939 a net gain of 171, but there are 414 foreign locos in the present stock. The heaviest net loss is seen in Diesel cars—521 in service in 1939 compared with 119 in May 1946. As electric locomotives performed more than 50 % of the traction in 1939 and as the great bulk of the steam locomotives in use in 1939 were very old and destined to be replaced by electric, the war damage was especially serious. Table 4 indicates that approximately 60 % of the pre-war traction is in service, but the condition of these locomotives is such that their total efficiency is considerably below the 60 % level. The railway repair facilities in Italy suffered great damage during the war, and the servicing and repair of locomotives is still a matter of serious concern and difficulty.

Rolling Stock.

19. Table 5 shows the 1939 and 1946 figures of rail coaches, luggage and mail vans and of freight cars together with the repair capacity.

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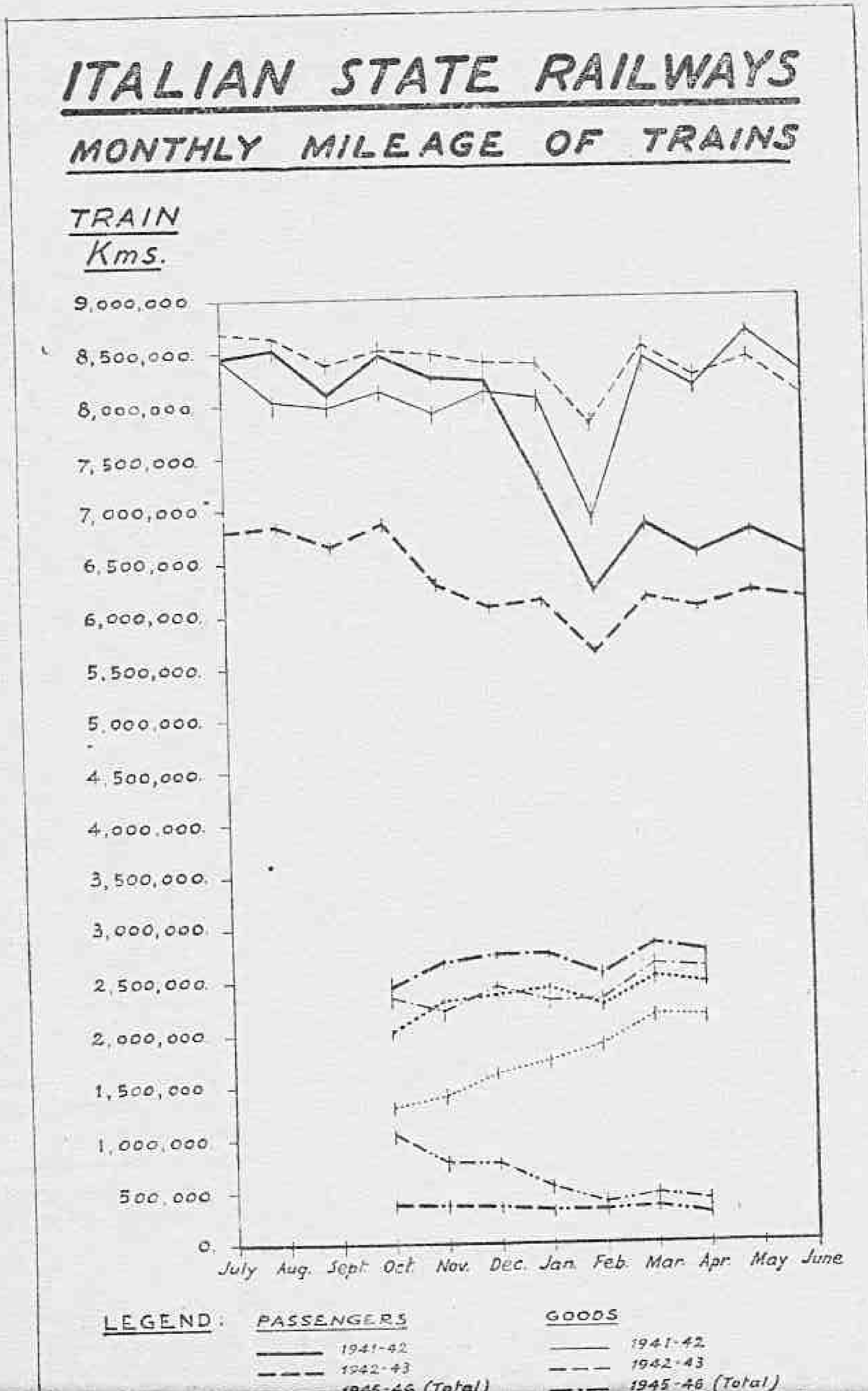
Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 3

ITALIAN STATE RAILWAYS

MONTHLY MILEAGE OF TRAINS



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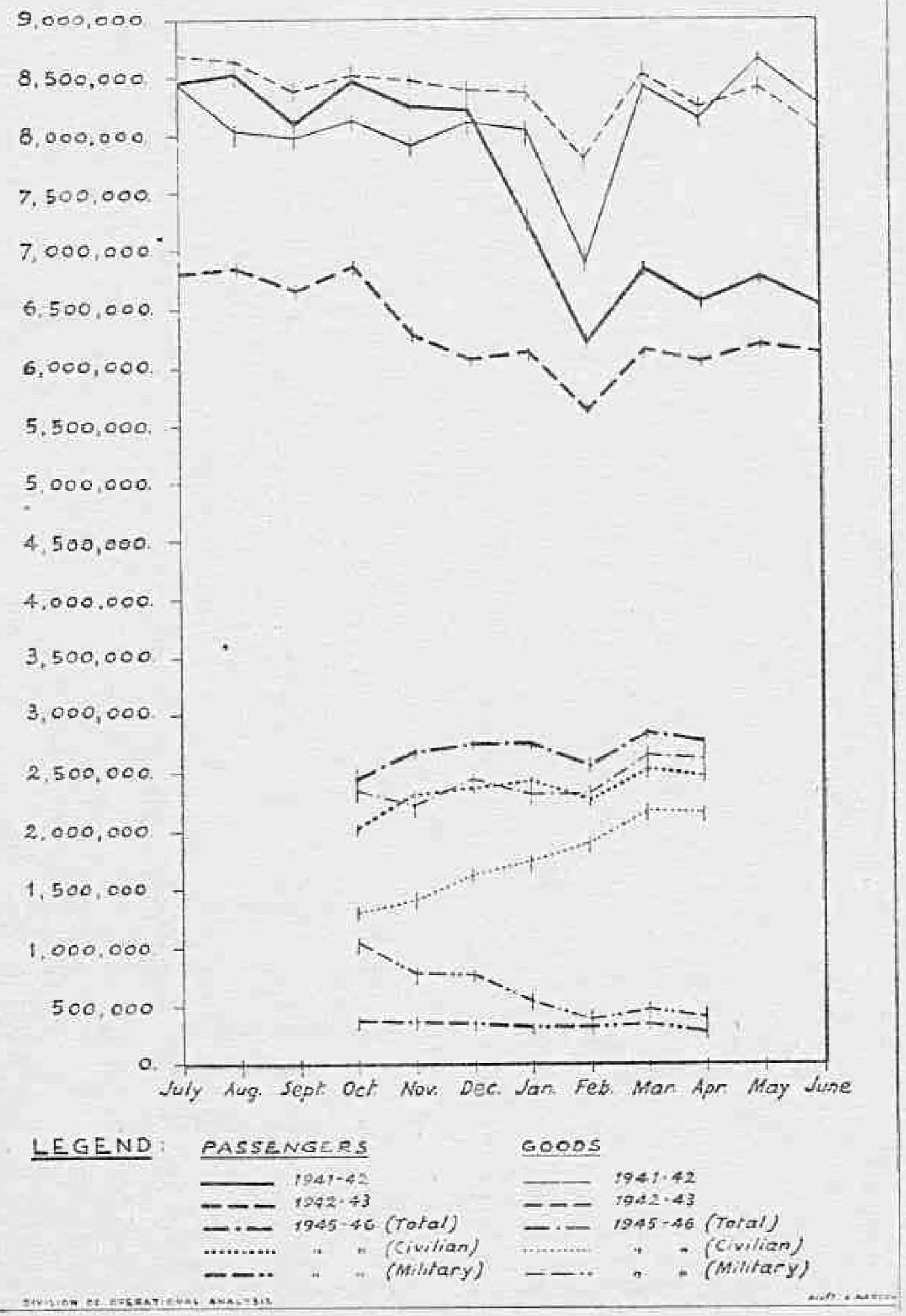
MONTHLY MILEAGE OF TRAINS



DIVISION OF OPERATIONAL ANALYSIS

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 4

Italian State Railways

LOCOMOTIVE SITUATION: 1939 AND 1946

			As at 30th June 1939		As at 31st May 1946	
			No.		No.	No.
STEAM LOCOMOTIVES	IN SERVICE	For ordinary & extraordinary services	2,178	I. S. R. Foreign	1,369 213	1,582
		For shunting	411	I. S. R. Foreign	476 6	482
		Reserve	1,102	I. S. R. Foreign	133 7	140
		TOTAL SERVICEABLE	3,691			2,204
	OUT OF SERVICE	Under repair or awaiting repair	477	I. S. R. Foreign	1,780 134	1,914
		TOTAL AWAITING REPAIR	477			1,914
		TOTAL STEAM	4,168			4,118
ELECTRIC LOCOMOTIVES	IN SERVICE	For ordinary & extraordinary services	1,277	I. S. R. Foreign	822 27	849
		For shunting	67	I. S. R. Foreign	— 5	5
		Reserve	144	—	—	—
		TOTAL SERVICEABLE	1,321			854
	OUT OF SERVICE	Under repair or awaiting repair	153	I. S. R. Foreign	819 22	841
		TOTAL ELECTRIC	1,474			1,695
RAIL MOTOR CARS	IN SERVICE	For ordinary & extraordinary services	521			149
	OUT OF SERVICE	Under repair or awaiting repair	118			496
		TOTAL RAIL MOTOR CARS	639			645

Coaches.

20. Passenger coaching stock total is approximately two thirds of that available pre-war, but the serviceable stock is less than one fourth of the 1939 figure. Reductions in speed have resulted in a further reduction of effective capacity to little more than 10 % of pre-war. The demand for passenger traffic is now even greater than pre-war because of the great reduction in motor car availability (see para. 57) and because the widespread breakdown in commercial relationships in Italy has resulted in a revival of the old institution rebuilding damaged coaches. The workshop facilities suffered much destruction, but the supply of repair materials is the major limiting factor in the rate of repair. Passenger coaches are not only in short supply but are, for the most part, ill equipped. Few coaches have windows, and some are without seats. All passenger trains are very crowded.

Luggage and Mail Vans.

21. The total stock of luggage and mail vans has fallen by 30 %, and over half of the vans on hand are waiting repair. The repair situation is parallel to that for

Declassified E.O. 12356 Section 3.3/NND No. 785021

			As at 30th June 1939		As at 31st May 1945	
			No.		No.	No.
STEAM LOCOMOTIVES	IN SERVICE	For ordinary & extraordinary services	2,178	I. S. R. Foreign	1,369 213	1,582
		For shunting	311	I. S. R. Foreign	176 6	182
		Reserve	1,102	I. S. R. Foreign	133 7	140
		TOTAL SERVICEABLE	3,591			2,204
	OUT OF SERVICE	Under repair or awaiting repair	477	I. S. R. Foreign	1,780 134	1,914
		TOTAL AWAITING REPAIR	477			1,914
		TOTAL STEAM	4,068			4,118
ELECTRIC LOCOMOTIVES	IN SERVICE	For ordinary & extraordinary services	1,310	I. S. R. Foreign	822 27	849
		For shunting	17	I. S. R. Foreign	5	5
		Reserve	144	—	—	—
		TOTAL SERVICEABLE	1,321			854
	OUT OF SERVICE	Under repair or awaiting repair	153	I. S. R. Foreign	818 23	841
		TOTAL ELECTRIC	1,474			1,695
RAIL MOTOR CARS	IN SERVICE	For ordinary & extraordinary services	521			149
	OUT OF SERVICE	Under repair or awaiting repair	118			496
		TOTAL RAIL MOTOR CARS	639			645

Coaches.

20. Passenger coaching stock total is approximately two thirds of that available pre-war, but the serviceable stock is less than one fourth of the 1939 figure. Reductions in speed have resulted in a further reduction of effective capacity to little more than 10 % of pre-war. The demand for passenger traffic is now even greater than pre-war because of the great reduction in motor car availability (see para. 37) and because the widespread breakdown in commercial relationships in Italy has resulted in a revival of the old institution of the commercial traveller carrying his own wares. Stock "awaiting repair" numbers 3,709. Steady although slow, progress is being made in repairing and rebuilding damaged coaches. The workshop facilities suffered much destruction, but the supply of repair materials is the major limiting factor in the rate of repair. Passenger coaches are not only in short supply but are, for the most part, ill equipped. Few coaches have windows, and some are without seats. All passenger trains are very crowded.

Luggage and Mail Vans.

21. The total stock of luggage and mail vans has fallen by 30 %, and over half of the vans on hand are waiting repair. The repair situation is parallel to that for coaches (see para. 20). It is estimated that the demand for rail luggage and mail service is almost as great as pre-war.

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 5

Italian State Railways

ROLLING STOCK SITUATION 1939 & 1946

TYPE ETC.		1939	May 1946	REPAIR POTENTIAL MONTHLY				
					Heavy	Medium	Light	Total
Coaches in Service	I. S. R.	6,350	1,374					
	Foreign		99					
Coaches Awaiting Repair (I. S. R.)		994	3,211					
Coaches Awaiting Repair (Foreign)		-	498					
	Totals	7,344	5,182	I. S. R.	15	112	875	802
Luggage & Mail Vans in Service (I. S. R.)		3,755	1,319	Private Workshops	10	75	65	150
Luggage & Mail Vans in Service (Foreign)		—	181					
Luggage & Mail Vans in Service Awaiting repair (ISR)		745	1,476	Total	25	187	740	952
Luggage & Mail Vans in Service Awaiting Repair (Foreign)		—	152					
	Totals	4,500	3,102					
Freight Cars (I. S. R.)	In Service	125,956 (1)	53,829	I. S. R.	68	875	9,630	10,573
Freight Cars (Foreign)	In Service	—	29,080					
Awaiting repair (I. S. R.)		9,823	24,363	Private Workshops	380	390	285	1,255
" " (Foreign)		—	16,495					
	Totals	135,779 (2)	123,767	Totals	448	1,465	9,915	11,828

(1) This compares with 473,500 wagons owned by French National Railways and 630,300 by the German.
(2) Includes 52,600 covered wagons, 53,800 high-sided open, 14,700 low-sided open and flats and 5,500 special.

Wagons - Freight.

22. Freight wagons in service are now only 66 % of pre-war. Of these about 35 % are the property of other countries and are always in danger of being withdrawn. Although wagon-turn-round time has almost doubled, from six days pre-war to nearly 12 days at present, these cars are now carrying 70 % of pre-war freight, as a result of much heavier and more efficient loading of individual cars than was done pre-war.

Wagon-Turn-Round.

23. The reasons for the increase in wagon-turn-round are various. Many pre-war double lines are single, many

requires shunting of freight trains. The need for conserving short coal supplies has forced a reduction of locomotive speeds.

Wagon Sheets (Tarpaulins).

24. The Italian State Railways formerly owned and used 40,000 sheets, in 1946 only about 3,000 are in existence. Much traffic, which could be carried in open cars and sheeted, must now pass in box cars owing to this shortage. Steps are being taken to improve the supply of sheets from local resources.

Priority Traffic.

25. The inadequate supply of freight cars has led the

Declassified E.O. 12356 Section 3.3/NND No. 785021

Coaches in Service	I. S. R.	6,550	1,374		Heavy	Medium	Light	Total
	Foreign		90					
Coaches Awaiting Repair (I. S. R.)		994	3,211					
Coaches Awaiting Repair (Foreign)		—	498					
	Totals	7,344	5,182	I. S. R.	15	112	675	802
Luggage & Mail Vans in Service (I. S. R.)		3,755	1,319	Private Workshops	10	75	65	150
Luggage & Mail Vans in Service (Foreign)		—	181					
Luggage & Mail Vans in Service Awaiting repair (ISR)		745	1,470	Total	25	187	740	952
Luggage & Mail Vans in Service Awaiting Repair (Foreign)		—	132					
	Totals	4,500	3,102					
Freight Cars (I. S. R.)	In Service	125,956 (1)	83,829	I. S. R.	68	875	9,630	10,573
Freight Cars (Foreign)	In Service	—	29,080	Private Workshops	380	500	385	1,255
Awaiting repair (I. S. R.)		9,823	24,368					
" " (Foreign)		—	16,405					
	Totals	135,779 (2)	123,787	Totals	448	1,485	9,915	11,828

(1) This compares with 473,500 wagons owned by French National Railways and 630,300 by the German.
(2) Includes 52,600 covered wagons, 53,800 high-sided open, 14,700 low-sided open and flats and 5,500 special.

Wagons - Freight.

22. Freight wagons in service are now only 66 % of pre-war. Of these about 35 % are the property of other countries and are always in danger of being withdrawn. Although wagon-turn-round time has almost doubled, from six days pre-war to nearly 12 days at present, these cars are now carrying 70 % of pre-war freight, as a result of much heavier and more efficient loading of individual cars than was done pre-war.

Wagon-Turn-Round.

23. The reasons for the increase in wagon-turn-round are various. Many pre-war double lines are single, many sidings and marshalling yards have had tracks removed for more urgent use elsewhere; long hauls by round-about routes have replaced direct runs, facilities for off-loading wagons have been impaired, and priority traffic requires shunting of freight trains. The need for conserving short coal supplies has forced a reduction of locomotive speeds.

Wagon Sheets (Tarpaulins).

24. The Italian State Railways formerly owned and used 40,000 sheets, in 1916 only about 3,000 are in existence. Much traffic, which could be carried in open cars and sheeted, must now pass in box cars owing to this shortage. Steps are being taken to improve the supply of sheets from local resources.

Priority Traffic.

25. The inadequate supply of freight cars has led the Italian State Railways to follow, to a certain extent, for civil traffic, the military "bidding" system. Under this system wagons are bespoken in advance by prospective loaders and a stringent priority system of essential traffic

Declassified E.O. 12356 Section 3.3/NND No. 783021

is enforced. This system, while effective in protecting the movement of vital commodities, is somewhat cumbersome and sometimes defeats its own object, since certain traffic, and particularly perishables, tends to move by other means. On the whole, however, there seems to be no reasonable alternative so long as loading must be controlled.

26. The current priority list for the supply of freight rail cars is as follows:

(a) Allied and Italian military transports.

(b) UNRRA transports.

(c) Empty wagons to be loaded at ports.

(d) Wheat, barley, corn, flour and other derivatives, powdered milk, condensed milk, coarse salt, oils and food greases.

(e) Meat, poultry and live game, fresh fish, milk and fresh dairy produce.

(f) Medicines and prophylactic material.

(g) Vegetables and orchard products when fresh, and perishables, salt-meats, dry cheeses, jams, canned food, salt fishes.

(h) Livestock for slaughtering, poultry and dead game, eggs.

(i) Sugar, cereals, vegetables and orchard products not included in precedent and respective paras. (d) and (g), vinegar.

(j) Monopoly items (excepting coarse salt) and raw material for their manufacture, salt for pastoral industry and for commercial use.

(k) Paper for newspapers, inks for printing, theatrical items, household implements.

(l) Chemical and natural fertilizers, seeds.

(m) Charcoal, fire-wood, lignites, pit coal and other combustibles, fuels.

(n) Non-edible oils and greases, lubricants in general, soaps, vaselines, chemical products (excluding those mentioned in para. (f), virgin olive husks.

(o) Mineral pyrites in general.

(p) Materials for building construction (priority to glass, lackings and tiles).

(q) Timber in general excluding fire-wood and wood for building construction.

(s) Wine and mineral waters in general.

(t) Goods in general, not included in precedent paragraphs.

Note. Empty containers must be included among the items that they are going to contain. If required by special temporary circumstances, some items, as for example fertilizers during the period of use, may be temporarily advanced in the priority list.

27. It will be noted that UNRRA traffic is given first priority among civilian goods handled by the Italian State Railways. No UNRRA goods have failed to move because of lack of transport, although at times inadequacy of freight cars has delayed the movement of UNRRA supplies.

28. During May, 1946, all traffic offered in priority categories (a) to (f), inclusive (military and UNRRA traffic, empties, cereals, dairy products, meat, coarse salt, edible fats and oils and salt), was handled by the railroads. 90 % of the bids for categories (g) to (j) inclusive, 80 % of category (k), and 60 % of categories (l) to (s), inclusive, were honored. Only 50 % of the bids for category (t), which includes all goods not comprised in the other 19 categories, were accepted.

29. The above percentages are somewhat misleading. It is doubtful for instance whether 10 % of the traffic in categories (g) to (j), inclusive, fails to move because of lack of freight cars. A tendency exists to overbid in those categories and experience has shown that not all bids accepted are in fact bona fide. On the other hand, it is undoubtedly true that some low priority traffic is not offered for movement because of the practical certainty that bids will not be accepted.

30. Thus the Italian State Railways are at present unable to meet all the demands for movement of freight. The departure of Allied military units will ease the situation somewhat. But only a large-scale rehabilitation program will enable the railroads to take care of the substantial increase of traffic that will accompany the economic revival of the country.

Permanent Way.

31. The pre-war length of railroad in Italy compared with other European countries is shown in the following table. It should, of course, be borne in mind that while this gives an indication of the relative availability of rail transport in the countries concerned, an accurate

Declassified E.O. 12356 Section 3.3/NND No. 785021

be no reasonable alternative so long as loading must be controlled.

26. The current priority list for the supply of freight rail cars is as follows:

(a) Allied and Italian military transports.

(b) UNRRA transports.

(c) Empty wagons to be loaded at ports.

(d) Wheat, barley, corn, flour and other derivatives, powdered milk, condensed milk, coarse salt, oils and food greases.

(e) Meat, poultry and live game, fresh fish, milk and fresh dairy produce.

(f) Medicines and prophylactic material.

(g) Vegetables and orchard products when fresh, and perishables, salt-meats, dry cheeses, jams, canned food, salt fishes.

(h) Livestock for slaughtering, poultry and dead game, eggs.

(i) Sugar, cereals, vegetables and orchard products not included in precedent and respective paras. (d) and (g), vinegar.

(j) Monopoly items (excepting coarse salt) and raw material for their manufacture, salt for pastoral industry and for commercial use.

(k) Paper for newspapers, inks for printing, theatrical items, household implements.

(l) Chemical and natural fertilizers, seeds.

(m) Charcoal, fire-wood, lignites, pit coal and other combustibles, fuels.

(n) Non-edible oils and greases, lubricants in general, soaps, vaselines, chemical products (excluding those mentioned in para. (f), virgin olive husks.

(o) Mineral pyrites in general.

(p) Materials for building construction (priority to glass, lackings and tiles).

(q) Timber in general excluding fire-wood and wood for building construction.

(r) Machinery and raw materials needed for textile, chemical, metallurgical, naval and similar industries.

items that they are going to contain. If required by special temporary circumstances, some items, as for example fertilizers during the period of use, may be temporarily advanced in the priority list.

27. It will be noted that UNRRA traffic is given first priority among civilian goods handled by the Italian State Railways. No UNRRA goods have failed to move because of lack of transport, although at times inadequacy of freight cars has delayed the movement of UNRRA supplies.

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29. The above percentages are somewhat misleading. It is doubtful for instance whether 40 % of the traffic in categories (g) to (j), inclusive, fails to move because of lack of freight cars. A tendency exists to overbid in those categories and experience has shown that not all bids accepted are in fact bona fide. On the other hand, it is undoubtedly true that some low priority traffic is not offered for movement because of the practical certainty that bids will not be accepted.

30. Thus the Italian State Railways are at present unable to meet all the demands for movement of freight. The departure of Allied military units will ease the situation somewhat. But only a large-scale rehabilitation program will enable the railroads to take care of the substantial increase of traffic that will accompany the economic revival of the country.

Permanent Way.

31. The pre-war length of railroad in Italy compared with other European countries is shown in the following table. It should, of course, be borne in mind that while this gives an indication of the relative availability of rail transport in the countries concerned, an accurate picture could only be obtained by comparing also the physical quantity and quality of locomotives and rolling stock. Figures on this are not available.

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 6

Length of rail track in European countries (1934)

Country	Length of line in use		per 10,000 inhabitants
	Length	Per sq. Km. of country	
	Km.	Km.	Km.
Italy	23,085	7.4	5.1
Belgium	10,252	33.7	12.4
Bulgaria	3,282	1.1	5.3
Czechoslovakia	13,917	9.9	9.2
Denmark	5,352	12.5	14.6
Eire	4,816	7.0	15.9
Estonia	1,447	3.6	12.8
Finland	5,829	1.5	16.4
France	64,620	11.7	15.4
German - Reich	68,728	14.6	10.3
Austria	8,492	9.8	12.1
Greece	2,686	2.1	1.9
Jugoslavia	16,182	4.1	6.9
Latvia	3,093	4.7	15.9
Lithuania	1,794	3.1	7.2
Luxemburg	543	21.0	17.8
Norway	3,915	1.2	13.6
Low Countries	3,635	10.6	4.3
Poland	21,712	5.8	6.5
Portugal	3,439	3.7	4.8
United Kingdom	32,818	13.6	7.0
Rumania	11,920	4.0	6.3
Spain	16,319	3.2	6.6
Sweden	16,812	3.7	27.0
Switzerland	5,855	14.2	14.1
Turkey *	6,482	0.9	4.3
Hungary *	8,828	9.5	10.0
USSR	81,580	0.4	4.8

* 1933 figures.

Source: *Annuario Statistico Italiano*, Anno 1938.

32. The Italian State Railways' standard of pre-war maintenance was generally high. Road beds are well built and ballasted, and rails are of adequate section. Table 7 illustrates, somewhat superficially, this deterioration of the permanent way between 1939 and March 1946.

33. Although in Table 7 tracks and plants are recorded as being in service, not all tracks and facilities are even in fair condition. The war through Italy passed from the toe and heel to the Pisa-Rimini line: often the rail route ran through the only valley, and suffered accord-

and bridges, usually of a temporary character. The urgent need for reconstruction of rail routes, essential for the movement of military supplies, led to heavy cannibalisation of tracks in sidings and on lines not considered essential to military operations. For instance, the whole of the line from Valrano to Isernia in central Italy was taken up and used elsewhere, the original railbed being used as a highway.

TABLE 7

Comparison of Italian State Railway Permanent way: 1939 and 1946

	1939 (a) Kilometers of track	1946 (March)	Percentage reduction
Steam Traction Lines Operating	12,139	11,253	7.3
Electric Traction Lines Operating	4,841	3,571	26.2
Total Length in Operations (1)	16,980	14,824	12.6

(1) 1,500 kilometers were double tracked, mostly on main routes in north Italy.

	1939 (b) Bridges and tunnels	1945	Percentage reduction
			%
Iron Bridges Serviceable, Nos.	3,275	3,155	3.7
Masonry Bridges Serviceable, Nos.	10,894	9,248	15.0
Tunnels and Bridges Serviceable, Kms.	919	889	3.3

34. Moreover, reconstruction was not based on the future requirements of Italian economy, but on the speed with which a given line could be placed in service, and often changing military conditions resulted in a line with a high economic priority being relegated to a lower position. Long stretches of track have been put to usages which pre-war conditions never required, and which post-war conditions do not warrant. The section between Taranto and Crotone and down to the toe of Italy was pressed into service because a high bridge at Gioia Tauro, on the main line between Naples and Reggio Calabria (for Sicily) had been destroyed. This track is now completely worn out: the repair of the damaged bridge was afforded no military priority because its use would be almost entirely for civilian traffic. The old steam route between Naples and Rome via Frosinone, relieved by direct electrified route via Formia, was speedily repaired by the military authorities. It has heavy gradients and several stretches of short light rails, which restrict both speed and weights. On this line,

Declassified E.O. 12356 Section 3.3/NND No. 785021

Italy	28,935	7.4	5.1
Belgium	10,252	33.7	12.1
Bulgaria	3,282	1.1	3.3
Czechoslovakia	13,917	3.9	9.2
Denmark	5,352	12.5	11.6
Eire	4,816	7.0	15.0
Estonia	1,147	3.0	12.8
Finland	5,829	1.5	16.4
France	64,620	11.7	15.1
German Reich	68,728	14.6	10.3
Austria	8,192	9.8	12.1
Greece	2,686	2.1	4.0
Jugoslavia	10,182	4.1	6.9
Latvia	3,093	4.7	15.9
Lithuania	1,791	3.1	7.2
Luxembourg	343	21.0	17.8
Norway	3,915	1.2	13.6
Low Countries	3,035	10.6	4.3
Poland	21,712	5.6	6.5
Portugal	3,439	3.7	4.8
United Kingdom	32,816	13.6	7.0
Romania	11,920	4.0	6.3
Spain	16,319	3.2	6.6
Sweden	16,812	3.7	27.0
Switzerland	5,855	13.2	14.1
Turkey *	6,482	0.9	4.3
Hungary *	8,828	9.5	10.0
USSR	81,580	0.4	1.8

* 1933 figures.

Source: *Annuario Statistico Italiano*, Anno 1938.

32. The Italian State Railways' standard of pre-war maintenance was generally high. Road beds are well built and ballasted, and rails are of adequate section. Table 7 illustrates, somewhat superficially, this deterioration of the permanent way between 1939 and March 1946.

33. Although in Table 7 tracks and plants are recorded as being in service, not all tracks and facilities are even in fair condition. The war through Italy passed from the toe and heel to the Pisa-Rimini line; often the rail route ran through the only valley, and suffered accordingly. Apart from German destruction in the retreat and the effects of Allied bombing, the urgent necessity for the Allies was to re-establish means of rail transport. This resulted in the hasty reconstruction of tracks Italy was taken up and used elsewhere, the original railbed being used as a highway.

TABLE 7

Comparison of Italian State Railway Permanent way 1939 and 1946

	1939	1946 (March)	Percentage reduction
	(a) Kilometers of track		%
Steam Traction Lines Operating	12,130	11,253	7.3
Electric Traction Lines Operating	4,811	3,571	26.2
Total Length in Operations (1)	16,380	14,824	12.6

(1) 1,500 kilometers were double tracked, mostly on main routes in north Italy.

	1939	1945	Percentage reduction
	(b) Bridges and tunnels		%
Iron Bridges Serviceable, Nos.	3,275	3,159	3.7
Masonry Bridges Serviceable, Nos.	10,894	9,248	15.9
Tunnels and Bridges Serviceable, Kms.	919	889	3.3

34. Moreover, reconstruction was not based on the future requirements of Italian economy, but on the speed with which a given line could be placed in service, and often changing military conditions resulted in a line with a high economic priority being relegated to a lower position. Long stretches of track have been put to usages which pre-war conditions never required, and which post-war conditions do not warrant. The section between Taranto and Crotone and down to the toe of Italy was pressed into service because a high bridge at Gioia Tauro, on the mail line between Naples and Reggio Calabria (for Sicily) had been destroyed. This track is now completely worn out; the repair of the damaged bridge was afforded no military priority because its use would be almost entirely for civilian traffic. The old steam route between Naples and Rome via Frosinone, relieved by direct electrified route via Formia, was speedily repaired by the military authorities. It has heavy gradients and several stretches of short light rails, which restrict both speed and weights. On this line, as on many others, military repairs took place during the dry summer, with the result that fill-ins were used over dried river beds and no culvert drainage constructed. Although work has been in hand during the

Declassified E.O. 12356 Section 3.3/NND No. 785031

past summer, many of the bridges and tracks still in service must undergo permanent reconstruction before heavy traffic can be carried.

35. Tracks in the north did not perhaps suffer so much damage and cannibalization, because the nature of the surrender enabled some protection to be given. But the north is interspersed with rivers and practically every Po crossing was destroyed. Much of the precious double tracking is now single, and in many cases military construction resulted in the reconstructed track being placed in the centre to make full use of existing ballast. This means that double tracking cannot be laid without taking up the existing track, so that for months operational checks will continue on practically every main line where double tracking is in progress.

Rail System Communications, Signalling and Telegraphs.

36. The comparative position regarding communications as at 31 December 1935 and 1939 is shown in Table 8.

TABLE 8

Rail System Communications, Signalling and Telegraphs
(for general postal communications see Part Two)

	1939	1915
Telegraph Lines K. M. S.	50,600	35,190
Serviceable Telegraph Points	7,800	4,474
Telephone Lines K. M. S.	53,900	40,180
Serviceable Telephone Points	17,180	11,301
Serviceable Automatic Block KMS	399	88
Semi-Automatic Blocks K.M.S.	3,237	1,310
Serviceable Block Points K.M.S.	890	329

37. Before the war the Italian signalling and communication system had reached a high standard of efficiency. Based mainly on the British semaphore or color-aspect, it also included the European station block system, whereby all station area movements were under the control of one official. The general use of hydraulic and electric power for signalling had its post-war repercussions, noticeably at the many level crossings previously power-operated from signal cabins and now manually controlled locally. On many lines, station to station block working is necessary, and the absence of adequate signalling and communications has reduced speeds and efficient operation control considerably. In

Goods carried by I. S. R.

38. As an indication of the amount of goods traffic on the Italian railways, the total carried in the year ended 30 June 1939 was 54.4 million tons. For some main items of goods the figures were as follows:

	1938-39 Metric tons
Coal	6,627,919
Steel, pig-iron, etc.	3,565,859
Cement	2,641,863
Cereals	2,156,014
Phosphates	1,482,784
Lignites	1,402,961
Coke	1,323,034
Pyrites	1,223,167
Timber (for construction)	1,190,383
Marble and stones	982,231
Wine (internal and export)	820,721
Foodstuffs	680,517
Sugar	390,465
Refractory earth	372,016
Dried fruit, vegetables, potatoes	368,619
Sand	367,862
Sugar beet	278,197
Carburants	235,694
Charcoal	224,449
Fuel wood	217,744
Sulphur	206,503
Oil, butter and fats	168,239
Olive husks for soap	139,556
Fertilizers (azotic)	129,311
Fruits and vegetables	109,866
Soda (Solvay Co.)	81,460
Chalk	76,844
Rags, jute, and cellulose	57,810
	27,191

Declassified E.O. 12356 Section 3.3/NND No. 759001

surrender caused the destruction of 8 north is interspersed with rivers and practically every Po crossing was destroyed. Much of the precious double tracking is now single, and in many cases military construction resulted in the reconstructed track being placed in the centre to make full use of existing ballast. This means that double tracking cannot be laid without taking up the existing track, so that for months operational checks will continue on practically every main line where double tracking is in progress.

Rail System Communications, Signalling and Telegraphs.

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TABLE 8

Rail System Communications, Signalling and Telegraphs
(for general postal communications see Part Two)

	1939	1945
Telegraph Lines K. M. S.	50,500	35,190
Serviceable Telegraph Points	7,890	4,474
Telephonic Lines K. M. S.	53,600	40,480
Serviceable Telephone Points	17,180	11,301
Serviceable Automatic Block KMS	299	86
Semi-Automatic Blocks K.M.S.	3,257	1,310
Serviceable Block Points K.M.S.	890	329

37. Before the war the Italian signalling and communication system had reached a high standard of efficiency. Based mainly on the British semaphore or color-aspect, it also included the European station block system, whereby all station area movements were under the control of one official. The general use of hydraulic and electric power for signalling had its post-war repercussions, noticeably at the many level crossings previously power-operated from signal cabins and now manually controlled locally. On many lines, station to station block working is necessary, and the absence of adequate signalling and communications has reduced speeds and efficient operation control considerably. In such places as Rome, Naples, and the towns of the north, power operated points and signals have been restored as absolute essentials, but the shortage of colored glass will delay restoration of efficient signalling on many lines.

	1938-39 Metric tons
Coal	6,027,919
Steel, pig-iron, etc.	3,505,859
Cement	2,641,863
Cereals	2,156,014
Phosphates	1,482,784
Lignites	1,402,961
Coke	1,323,034
Pyrites	1,223,167
Timber (for construction)	1,190,333
Marble and stones	982,231
Wine (internal and export)	820,721
Foodstuffs	680,517
Sugar	390,165
Refractory earth	372,916
Dried fruit, vegetables, potatoes	368,619
Sand	307,862
Sugar beet	278,107
Carburants	235,004
Charcoal	224,449
Fuel wood	217,741
Sulphur	206,503
Oil, butter and fats	168,219
Olive husks for soap	139,538
Fertilizers (azotic)	129,311
Fruits and vegetables	109,866
Soda (Solvay Co.)	81,460
Chalk	76,844
Rags, jute, and cellulose	57,810
Salt	27,191
Fresh and frozen meat	15,144
Chemical fertilizers	7,238

Declassified E.O. 12356 Section 3.3/NND No. 785021

RATES AND FARES

39. (*a*) Rail fares for passengers have increased since 1938. They stand in 1946 at eight times the 1938 rates for first class travel and six times for second and third class travel. The comparison is as follows:

TABLE 9

Rail fares (in lire) for passengers: 1938 and 1946

Distance in kilometers	1938			1946		
	Class			Class		
	1st	2nd	3rd	1st	2nd	3rd
50	33	22	14	264	132	84
100	63	43	26	504	258	156
250	156	101	60	1,200	606	360
500	263	177	104	2,104	1,062	624
1000	417	280	165	3,336	1,680	990

(*b*) As regard goods, freight rates in 1946 are 9.6 times higher overall than the 1938 rates. The following table shows the rates for five important items of goods for a distance of 100 and 500 kilometers. A comparison is also made with the rates for these commodities in 1946 (1938=100).

TABLE 10

Railway goods rates (in lire per metric ton) for certain commodities: 1938 and 1946

	1938		1946		Index showing 1946 increase over 1938 (1938 = 100)	
	Rates for		Rates for		Rates for	
	100 Kms	500 Kms	100 Kms	500 Kms	100 Kms	500 Kms
Wheat	28.61	99.62	297.84	935.92	1,040	939
Coal	26.10	85.72	261.76	823.44	1,000	961
Gasoline	56.65	218.18	553.04	2,021.88	976	928
Non-wrought iron in bars	36.85	141.35	366.56	1,349.52	995	955
Cement	30.59	105.51	315.12	1,028.08	1,030	974

(*c*) These increases are substantially lower than the increase in currency circulation increase (about 20 times and 16,500 million lire in 1945-46. Furthermore, extraordinary expenditure (for reconstruction of lines, equipment and buildings destroyed or damaged on account of the war) amounted to 3,065 million lire in 1944-45 and 21,655 in 1945-46.

For the 1946-47 financial year the operational deficit is estimated at 6,000 million lire and the extraordinary expenditure for reconstruction purposes at 54,000 million lire.

PERSONNEL

40. The following were the number of employees in the Italian State Railways in 1939 and 1946:

	June 1939	March 1946
Regular employees	119,312	111,311
Temporary employees	18,768	87,043
TOTAL	138,080	198,354

There are over 60,000 more employees than pre-war. This is in the main due to war contingencies, and the staff cannot perhaps be regarded as so efficiently trained as before the war. A reduction in the temporary staff is inevitable and it is understood that a decree to give effect to a reduction is being considered by the Ministry of Transport.

ELECTRIFICATION

41. Between 1939 and 1943, electrification of the Italian State Railways was extended and the kilometrage operating by electric power increased from 4,841 to 5,600. This electrification covered the dense traffic areas and, although in 1939 only one-third of the total lines was electrified, these carried well over 50 % of all traffic. Apart from the systematic cutting and removal of overhead cables, many electrical installations and power plants suffered heavy damage. Before the war, electrification saved Italy an estimated 1,800,000 tons of coal per annum and the full resumption of the electric traction will, therefore, be of great economic importance. The chief delay in re-electrification is the shortage of transformers and rectifiers and damage to sub-stations.

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 9

Rail fares (in lire) for passengers: 1938 and 1946

Distance in kilometers	1938			1946		
	Class			Class		
	1st	2nd	3rd	1st	2nd	3rd
50	33	22	14	264	132	84
100	63	43	26	504	258	156
250	150	101	60	1,200	606	360
500	263	177	104	2,104	1,062	624
1000	417	280	165	3,336	1,680	990

(*b*) As regard goods, freight rates in 1946 are 9.6 times higher overall than the 1938 rates. The following table shows the rates for five important items of goods for a distance of 100 and 500 kilometers. A comparison is also made with the rates for these commodities in 1946 (1938=100).

TABLE 10

Railway goods rates (in lire per metric ton) for certain commodities: 1938 and 1946

	1938		1946		Index showing 1946 increase over 1938 (1938 = 100)	
	Rates for		Rates for		Rates for	
	100 Kms	500 Kms	100 Kms	500 Kms	100 Kms	500 Kms
Wheat	28.64	98.62	297.84	935.92	1,040	939
Coal	26.19	85.72	261.70	823.44	1,000	961
Gasoline	56.65	218.18	553.04	2,024.88	976	928
Non-wrought iron in bars	36.85	141.35	360.56	1,349.52	995	955
Cement	30.59	105.51	315.12	1,028.08	1,030	974

(*c*) These increases are substantially lower than the currency circulation increase (about 20 times over pre-war). The existing rates and fares are not economically sound and railways operations are a drain on the Italian Treasury. The operational deficit was 8,500 million lire in 1944-45 deficit is estimated at 6,000 million lire and the extraordinary expenditure for reconstruction purposes at 51,000 million lire.

PERSONNEL

40. The following were the number of employees in the Italian State Railways in 1939 and 1946:

	June 1939	March 1946
Regular employees	119,312	111,311
Temporary employees	18,768	87,013
TOTAL . .	138,080	198,384

There are over 60,000 more employees than pre-war. This is in the main due to war contingencies, and the staff cannot perhaps be regarded as so efficiently trained as before the war. A reduction in the temporary staff is inevitable and it is understood that a decree to give effect to a reduction is being considered by the Ministry of Transport.

ELECTRIFICATION

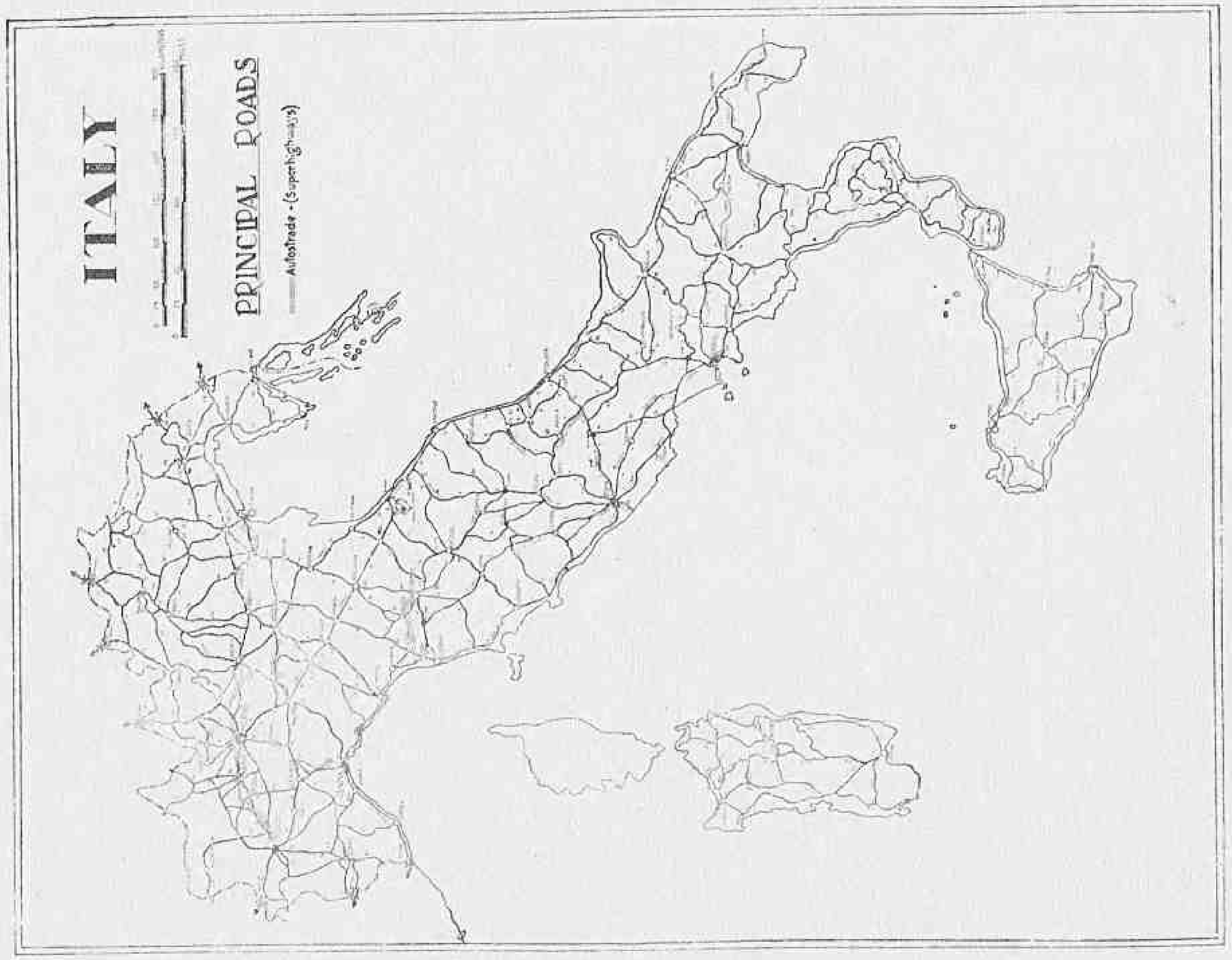
41. Between 1939 and 1943, electrification of the Italian State Railways was extended and the kilometrage operating by electric power increased from 4,841 to 5,600. This electrification covered the dense traffic areas and, although in 1939 only one-third of the total lines was electrified, these carried well over 50 % of all traffic. Apart from the systematic cutting and removal of overhead cables, many electrical installations and power plants suffered heavy damage. Before the war, electrification saved Italy an estimated 1,800,000 tons of coal per annum and the full resumption of the electric traction will, therefore, be of great economic importance. The chief delay in re-electrification is the shortage of transformers and rectifiers and damage to sub-stations, together with a scarcity of copper.

42. The following note illustrates the economic interrelation of electrification and coal supply:

Declassified E.O. 12356 Section 3.3/NND No. 785021

0389

Declassified E.O. 12356 Section 3.3/NND No. 785021



0390

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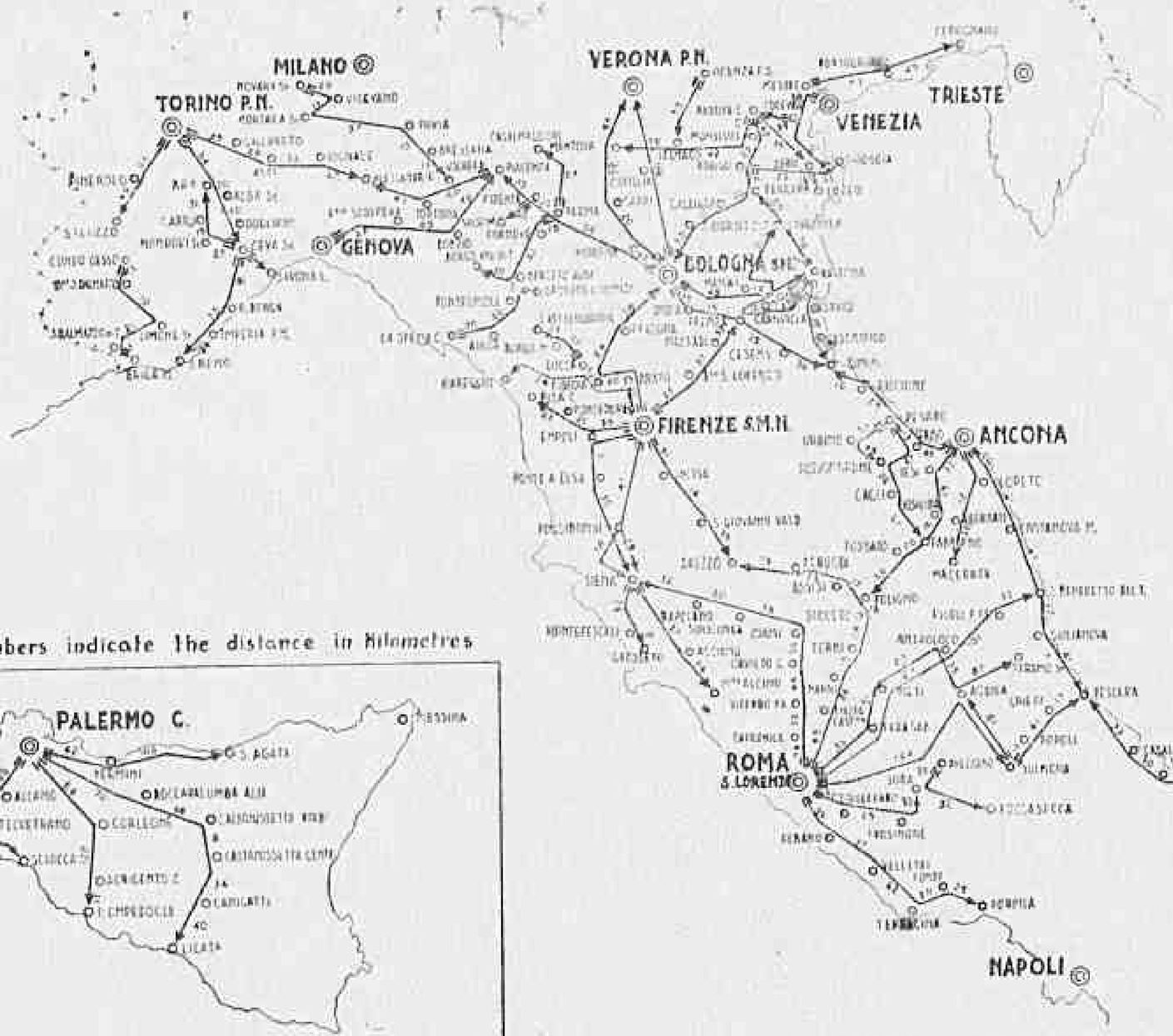
ROADS IN ITALY ON WHICH THE ITALIAN STATE RAILWAYS HAD A ROAD TRUCK SERVICE FOR GOODS IN MAY 1946



The numbers indicate the distance in kilometres

TABLE 15

0391

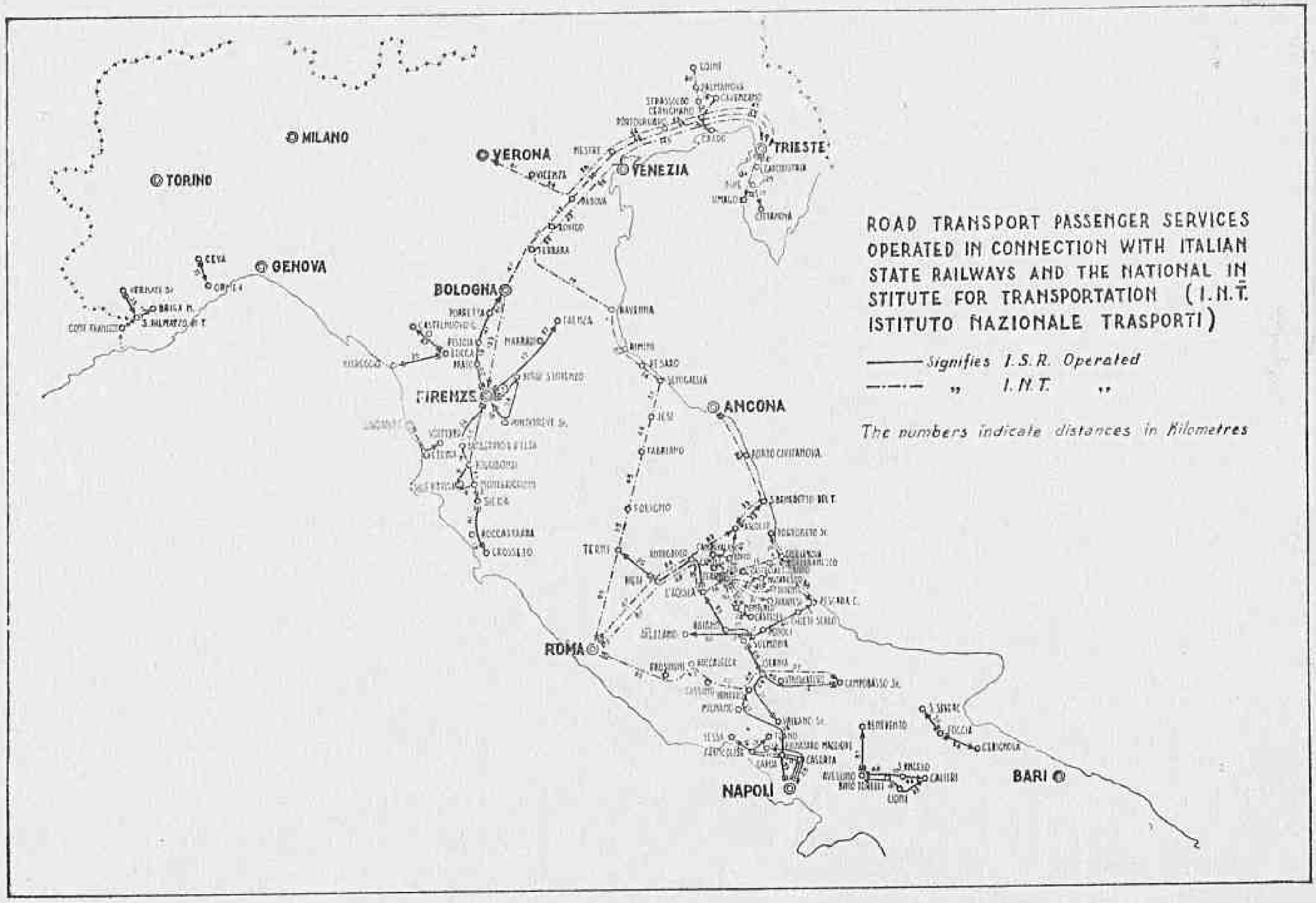
Declassified E.O. 12356 Section 3.3/NND No. 785021

ROADS IN ITALY ON WHICH THE ITALIAN STATE RAILWAYS HAD A ROAD TRUCK SERVICE FOR GOODS IN MAY 1946

The numbers indicate the distance in Kilometres

0392

Declassified E.O. 12356 Section 3.3/NND No. 785021



ROAD TRANSPORT PASSENGER SERVICES OPERATED IN CONNECTION WITH ITALIAN STATE RAILWAYS AND THE NATIONAL INSTITUTE FOR TRANSPORTATION (I.N.T. ISTITUTO NAZIONALE TRASPORTI)

——— *Signifies I.S.R. Operated*

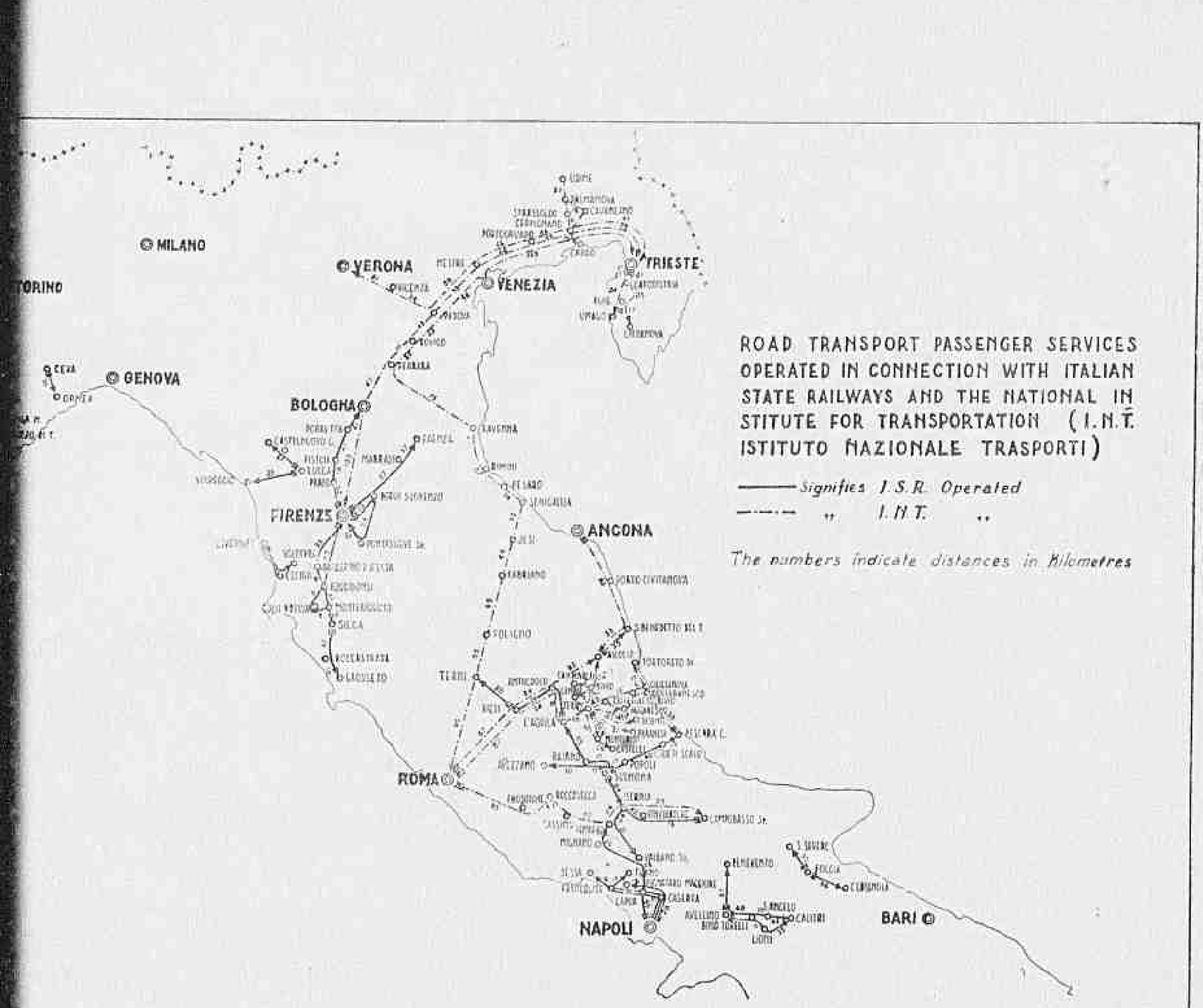
—·—·— " *I.N.T.* "

The numbers indicate distances in Kilometres

TABLE 18

0393

Declassified E.O. 12356 Section 3.3/NND No. 785021



ROAD TRANSPORT PASSENGER SERVICES OPERATED IN CONNECTION WITH ITALIAN STATE RAILWAYS AND THE NATIONAL INSTITUTE FOR TRANSPORTATION (I.N.T. ISTITUTO NAZIONALE TRASPORTI)

——— *Signifies I.S.R. Operated*

—·—·— " *I.N.T.* "

The numbers indicate distances in Kilometres

Study of the Effect of Railway Electrification on Coal Consumption and on requirements of copper.

(a) Copper required to electrify 1 kilometre of railway (single line):—

	Kgs.
1 Km. of main line	2,000
1 ,, ,, sidings	2,583

For 1 kilometre of track the following is the average requirement:—

	Kgs.
1 Km. of main line	2,000
0.4 ,, ,, sidings	1,033
0.2 ,, ,, feeders in stations	400
TOTAL	3,433

Thus, for every kilometre of single track electrified, 3 tons of copper are required.

(b) It is not possible to correlate the amount of copper required for high tension lines to kilometres of track as these do not always follow the railway.

(c) The high tension lines are in fairly good condition and are chiefly made of steel aluminium, which can be made in Italy.

(d) Coal consumption on the I.S.R. for the year 1941-42 was as follows:—

	Tons
Main line running	2,061,026
Shunting	333,058
TOTAL	2,394,084

which is equivalent to 26.73 kgs. per train kilometre.

(e) The coal consumption naturally varies over each section of the line due to the density of the traffic and the grade of the line.

(f) The average weight of steam hauled trains per locomotive was 302 tons.

(g) Total kilometres of track (including double line) steam operated is 11,400 Kms.
Total train kilometres (steam) run during 1941-42 was 89,561,538 (steam hauled).
This gives a traffic density of 7,856 trains yearly or 215 daily per kilometre of track.

(h) The average weight of electrically hauled trains is 301 tons per locomotive (i.e. 83 tons more than steam hauled trains).
Total train kilometres (electric) run in 1941-42 was 89,144,486.
Total length of track operated electrically 5,463 kilometres.
This gives traffic density of 16,554 trains yearly or 45 trains daily per kilometre of track.

(i) The importation of 1,000 tons of copper will electrify 200 Kms. of track and thus save the running of 1,571,290 steam train Kms. each train Km. requires 26.73 Kgs. of coal.
There is thus normally a saving of 42,000 tons of coal.

(j) The figure of 42,000 tons is also obtained by taking the total consumption of coal at 2,394,084 tons for 11,400 kilometres

I.S.R. Reconstruction Plans.

43. The Italian State Railways have prepared a comprehensive plan for reconstruction, divided into five parts: (a) lines and stations, (b) electric services, (c) signal and safety installations, (d) rolling stock and repair shops, and (e) warehouse supplies. Each is divided into four phases, with the exception of that for signal and safety installations which is divided into five phases. The whole program is designed to be carried through in 10 years.

(a) *Line and Station Reconstruction.*

The phases in the plan are as follows:

Phase I: The main north-south and east-west lines, those serving the principal maritime ports and those to other countries. These lines carried 63 % of pre-war traffic. This phase also includes the larger passenger and goods stations and frontier stations.

Phase II: Less important main lines which carried 25 % of pre-war traffic.

Phase III: The lines of more local character which connect the country towns with provincial capitals.

Phase IV: The remainder of the system.

(b) *Electric Services.*

The phases in the plan proposed are:

Phase I: Hydro-electric power stations and circuits (but at this stage without the duplication of wiring necessary for absolute reliability) and the most important lines. In this and the latter phases priority will be governed by the necessity to repair first those lines which have heavy gradients and long tunnels, balancing this with the desirability of early repair of the lines which have suffered the least damage.

Phases II-IV: The secondary main lines to the least important lines as in the case of line and station reconstruction.

(c) *Signal and Safety Installations.*

These installations are phased according to their degree of first importance, e.g. telegraph or train control, or of less importance, e.g. those which are not indispensable, but the use of which gives better service. The importance of the lines or station which they serve is also taken into account.

(d) *Rolling Stock and Repair Shops.*

Declassified E.O. 12356 Section 3.3/NND No. 785021

1 Km. of main line	3,600
1 ,, ,, sidings	2,500

For 1 kilometre of track the following is the average requirement:—

	Kgs.
1 Km. of main line	3,600
0.4 ,, ,, sidings	1,000
0.2 ,, ,, feeders in stations	400
Tons.	5,000

Thus, for every kilometre of single track electrified, 5 tons of copper are required.

(b) It is not possible to correlate the amount of copper required for high tension lines to kilometres of track as these do not always follow the railway.

(c) The high tension lines are in fairly good condition and are chiefly made of steel aluminium, which can be made in Italy.

(d) Coal consumption on the I.S.R. for the year 1941-42 was as follows:—

	Tons
Main line running	2,081,423
Shunting	313,058
Total	2,394,481

which is equivalent to 26.73 kgs. per train kilometre.

(e) The coal consumption naturally varies over each section of the line due to the density of the traffic and the grade of the line.

(f) The average weight of steam hauled trains per locomotive was 302 tons.

(g) Total kilometres of track (including double line) steam operated is 11,100 Kms.
Total train kilometres (steam) run during 1941-42 was 89,561,539 (steam hauled).
This gives a traffic density of 7,856 trains yearly or 215 daily per kilometre of track.

(h) The average weight of electrically hauled trains is 391 tons per locomotive (i.e. 89 tons more than steam hauled trains).
Total train kilometres (electric) run in 1941-42 was 89,444,486.
Total length of track operated electrically 5,403 kilometres.
This gives traffic density of 16,554 trains yearly or 45 trains daily per kilometre of track.

(i) The importation of 1,000 tons of copper will electrify 200 Kms. of track and thus save the running of 1,571,200 steam train Kms. each train Km. requires 26.73 Kgs. of coal.
There is thus normally a saving of 42,000 tons of coal.

(j) The figure of 42,000 tons is also obtained by taking the total consumption of coal at 2,394,081 tons for 11,100 kilometres of track which gives 240 tons per kilometre or 42,000 for 200 kilometres.

(k) This saving is of course based on the assumption that the electric current will be obtained from hydro-electric plants.

divided into four phases, with the exception of that for signal and safety installations which is divided into five phases. The whole program is designed to be carried through in 10 years.

(a) *Line and Station Reconstruction.*

The phases in the plan are as follows:

Phase I: The main north-south and east-west lines, those serving the principal maritime ports and those to other countries. These lines carried 63 % of pre-war traffic. This phase also includes the larger passenger and goods stations and frontier stations.

Phase II: Less important main lines which carried 25 % of pre-war traffic.

Phase III: The lines of more local character which connect the country towns with provincial capitals.

Phase IV: The remainder of the system.

(b) *Electric Services.*

The phases in the plan proposed are:

Phase I: Hydro-electric power stations and circuits (but at this stage without the duplication of wiring necessary for absolute reliability) and the most important lines. In this and the latter phases priority will be governed by the necessity to repair first those lines which have heavy gradients and long tunnels, balancing this with the desirability of early repair of the lines which have suffered the least damage.

Phases II-IV: The secondary main lines to the least important lines as in the case of line and station reconstruction.

(c) *Signal and Safety Installations.*

These installations are phased according to their degree of first importance, e.g. telegraph or train control, or of less importance, e.g. these which are not indispensable, but the use of which gives better service. The importance of the lines or station which they serve is also taken into account.

(d) *Rolling Stock and Repair Shops.*

Locomotives, both electric and steam, and all types of freight and passenger stock are phased for reconstruction in accordance with the importance and estimated requirements of traffic. This part of the program

Declassified E.O. 12356 Section 3.3/NND No. 785021

includes phased plans for the reconstruction of 13 locomotive and wagon repair shops, the provision or repair of machinery and equipment for 64 shops and of tools for 80 shops.

(c) *Warehouse Supplies.*

This program is based on the regaining of the 1939 position, and proposes that stocks of machinery, timber, etc., shall be at the 1939 level at the end of Phase III, when fuel stocks will be 85 % complete. Stocks of fuel are to be completed at the end of Phase IV.

PRIVATE RAILWAYS

General.

44. The correct title for private railways in Italy is "Railways in Concession from the State to Private Industry," for few are privately owned. They are in fact railways operated by private concerns, totally or in part on their own permanent way, for transportation of passengers and freight. The construction and operation are a concession from the State, usually for a period of 70 years. At the end of the concession the State becomes owner of the lines, fixed plant and equipment, and may purchase rolling stock and other movable equipment. These lines are in the main efficient in operation and direction, serving areas which would otherwise be limited in transportation facilities. Some of them tackle considerable gradients and serve as feeders to the I.S.R., such as the Spoleto-Norcia electrified narrow gauge line which serves the fertile valley of the river Nera, bringing produce and passengers to the I.S.R. line at Spoleto. Others are competitive, to some degree, as the Rome-Nord between Rome and Viterbo, whilst others, such as the heavily patronised Rome-Ostia Lido service, have opened new ground and secured much traffic.

Organisation.

45. For administrative purposes, the country is divided into 18 Compartimenti (including Sicily and Sardinia) in each of which is a branch office of the Ispettorato Generale della Motorizzazione Civile e dei Trasporti in Concessione (Inspector General of Civil Motor Transport and of Transport Concessions). The Ispettorato Generale Headquarters is a sub-section of the Ministry of Transport and it is directly concerned with all forms of transport "in concession from the State."

attached to tickets sold or by other payments, but in few cases does the return equal the subsidy.

Management.

47. Many of these lines are operated locally by a manager, but controlled by a holding concern with a head office elsewhere. For instance, the Società Italiana Strade Ferrate del Mediterraneo (Italian Mediterranean Railway) with Head Office in Rome, is the holding body for 14 companies operating in southern Italy, many of which are not connected physically.

Reconstruction.

48. The Sud-Est system in the heel of Italy was the only private line of military importance. Lack of military importance prejudiced repair facilities of other lines. They were in the main left to their own devices, and have been hard pressed in securing materials for reconstruction. Private railways in the battle areas, such as Bologna, Siena and on the East Coast received heavy damage, but many of them have been able to arrange temporary repairs for parts of their systems. Wood fuel is often used where steam traction is employed.

49. In October 1944, Decree 346 was published giving private railways the opportunity of borrowing State money for reconstruction purposes. The loan terms required a stringent submission of details of damage and included a form of mortgage on rolling stock. This applied to Italian Government controlled territory only and did not include the area covered by the Allied Military Government, but by a further Decree of 8 January 1946, i.e. immediately after the northern provinces had been returned to Italian Government control, provision was made for similar facilities in the north with the exception of the province of Udine and of Venezia Giulia. The total amounts advanced to March 1946 in central and southern Italy were 258,941,038 lire.

EXTRA-URBAN-TRAMWAYS

50. Italy has developed an extra-urban form of rail transport, which is also "in concession" and under control of the Ispettorato Generale della Motorizzazione Civile e Trasporti in Concessione. The lines run alongside ordinary highways for almost their entire length. Their service is public for freight and passengers. They are constructed and operated in concession from the State, and also have concessions from the ground owners. The duration of such concessions coincide, and on

Declassified E.O. 12356 Section 3.3/NND No. 785091

(e) *Warehouse Supplies.*

This program is based on the regaining of the 1939 position, and proposes that stocks of machinery, timber, etc., shall be at the 1939 level at the end of Phase III, when fuel stocks will be 85 % complete. Stocks of fuel are to be completed at the end of Phase IV.

PRIVATE RAILWAYS

General.

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Financial Structure.

46. There is a State subsidy to such railways, based on an agreed sum per worked kilometre, and in most cases a return to the State is made through taxed stamps

manager, but controlled by a holding concern with a head office elsewhere. For instance, the Società Italiana Strade Ferrate del Mediterraneo (Italian Mediterranean Railway) with Head Office in Rome, is the holding body for 14 companies operating in southern Italy, many of which are not connected physically.

Reconstruction.

48. The Sud-Est system in the heel of Italy was the only private line of military importance. Lack of military importance prejudiced repair facilities of other lines. They were in the main left to their own devices, and have been hard pressed in securing materials for reconstruction. Private railways in the battle areas, such as Bologna, Siena and on the East Coast received heavy damage, but many of them have been able to arrange temporary repairs for parts of their systems. Wood fuel is often used where steam traction is employed.

49. In October 1944, Decree 346 was published giving private railways the opportunity of borrowing State money for reconstruction purposes. The loan terms required a stringent submission of details of damage and included a form of mortgage on rolling stock. This applied to Italian Government controlled territory only and did not include the area covered by the Allied Military Government, but by a further Decree of 8 January 1946, i.e. immediately after the northern provinces had been returned to Italian Government control, provision was made for similar facilities in the north with the exception of the province of Udine and of Venezia Giulia. The total amounts advanced to March 1946 in central and southern Italy were 258,941,033 lire.

EXTRA-URBAN-TRAMWAYS

50. Italy has developed an extra-urban form of rail transport, which is also "in concession" and under control of the Ispettorato Generale della Motorizzazione Civile e Trasporti in Concessione. The lines run alongside ordinary highways for almost their entire length. Their service is public for freight and passengers. They are constructed and operated in concession from the State, and also have concessions from the ground owners. The duration of such concessions coincide, and on termination all fixed plants and equipment of the lines become the property of the road owners where they have provided financial support for up-keep. In cases where no financial support has been given, special agreements

Declassified E.O. 12356 Section 3.3/NND No. 759021

are drawn up whereby the owner of the line must remove all fixed plant and equipment—which remain his property, as does all rolling stock. State supervision is maintained over construction, safety of operation, fares, timings, etc. The exact definition of a line as a railway or tramway is made at the time concessions are granted.

51. There are 111 standard gauge and 51 narrow gauge extra-urban tramway systems in Italy, totalling 678.259 km. of steam traction and 1,537.942 of electric traction. They link many villages and outlying areas with market or larger towns, and often run for considerable distances. In some cases railways and extra-urban tramways are combined to provide a further length of through traffic. In central areas considerable damage occurred during the war, but the light nature of the tracks has in the main permitted partial resumption of services on restricted power with limited vehicles.

TRANSPORTATION - ROAD
(See Road Map-Table 11)

General.

52. Italy had in 1939, 178,281 Km. of roads as follows:—

	Km.	
State roads	21,349	(main trunk roads)
Provincial routes	41,493	(secondary roads)
Communal roads	115,448	(secondary roads)

Italy has 1 Km. of roads for about half a square Km. of land surface. The road system of Italy is well constructed and developed and the whole system is in use. The road communications in the North are better than in the South. There are main two-way roads which cross the Alps (i) from Switzerland at Simplon, (ii) from France at Ventimiglia and Modane; (iii) from Austria at the Brenner Pass.

53. The road transport available in Italy for the movement of goods is comparatively satisfactory. This is true particularly for the number of load carrying vehicles and tonnage lift available. Facilities are at present above requirements and it is anticipated that this condition will continue indefinitely until the surplus is absorbed by the development of an export market for Italian trucks and the normal replacement and junking of less efficient units.

54. The map in Table 12 indicates the roads on which the Italian State Railways have motor-truck services for goods. These serve as an auxiliary and feeder to the railway service. The road service was initiated in 1939 and was substantially increased in 1945 when a large number of motor-trucks provided by the Allied Commission was received. These additional trucks were also used as substitutes for rail services interrupted as a result of war damage.

The map in Table 13 shows the regular road passenger services maintained by road motor vehicles operated by the Italian State Railways and the National Transportation Institute (I.N.I. - Istituto Nazionale Trasporti) which is associated with the Italian State Railways. These services serve as an auxiliary to the rail passenger service.

Load - Carrying Road Vehicles

TABLE 14

Classes of Vehicles	Number of Vehicles		Increase or Decrease		Carrying Capacity in Quintals (2)		Increase or Decrease	
	1939	1946	No.	Percentage	1939	1946	Quintals	Percentage
(*a*) IN OPERATION								
Less than 20 quintals . . .	55,514	68,118	+ 12,604	+ 22	180,751	309,385	+ 128,634	+ 27
20 to 40 quintals	20,897	25,014	+ 4,117	+ 19	663,897	763,697	+ 99,800	+ 15
Over 40 quintals	13,182	12,514	— 668	— 5	775,102	743,800	— 31,302	— 4
(*b*) HELD BY A.R.A.R. (Azienda Rilievo Alienazioni Residuati) (1)								
ITALIAN MAKE — tonnage	—	10,000	+ 10,000		—	200,200	+ 200,200	
ALLIED MAKE — breakdown not available	—	13,020	+ 13,020	—	—	180,406	+ 180,406	

Declassified E.O. 12356 Section 3.3/NND No. 760031

ions are granted.

51. There are 114 standard gauge and 51 narrow gauge extra-urban tramway systems in Italy, totalling 678.259 km. of steam traction and 1.537.942 of electric traction. They link many villages and outlying areas with market or larger towns, and often run for considerable distances. In some cases railways and extra-urban tramways are combined to provide a further length of through traffic. In central areas considerable damage occurred during the war, but the light nature of the tracks has in the main permitted partial resumption of services on restricted power with limited vehicles.

TRANSPORTATION - ROAD

(See Road Map-Table 11)

General.

52. Italy had in 1939, 178,281 Km. of roads as follows:—

	Km.	
State roads	21,340	(main trunk roads)
Provincial routes	41,493	(secondary roads)
Communal roads	115,448	(secondary roads)

France at Ventimiglia and Modane: (iii) from Austria at the Brenner Pass.

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Load - Carrying Road Vehicles

TABLE 14

Classes of Vehicles	Number of Vehicles		Increase or Decrease		Carrying Capacity in Quintals (2)		Increase or Decrease	
	1939	1946	No.	Percentage	1939	1946	Quintals	Percentage
(*a*) IN OPERATION								
Less than 20 quintals	55,514	68,118	+ 12,604	+ 22	480,751	609,385	+ 128,634	+ 27
20 to 40 quintals	20,897	25,014	+ 4,117	+ 19	663,897	763,697	+ 99,800	+ 15
Over 40 quintals	13,182	12,514	— 668	— 5	775,102	743,800	— 31,302	— 4
(*b*) HELD BY A.R.A.R. (Azienda Rilievo Alienazioni Residuati) (1)								
ITALIAN MAKE — tonnage	—	10,000	+ 10,000		—	200,200	+ 200,200	
ALLIED MAKE — breakdown not available	—	13,020	+ 13,020	—	—	160,406	+ 160,406	
Total	89,593	128,666	+ 39,073	+ 44	1,919,750	2,477,488	+ 557,738	+ 29

(1) Italian government agency for reception and disposal of allied military surplus.
(2) One quintal is one-tenth of metric ton.

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55. Table 14 shows by tonnage capacity groups, the comparative truck figures for 1939 and 1945. As is evident both total number and total carrying capacity are considerably higher at present than in 1939. More specifically, the census of light and medium trucks shows a substantial increase both in number and capacity while heavy truck availability has declined. Gains in light trucks are due mainly to the transformation of a large number of passenger cars into load-carrying vehicles.

56. Low maintenance and efficiency levels of the operating units constituting the vehicle census modify the generally favourable impression, since high operating costs do, to some extent, limit the utilization. This, however, is a temporary situation since more efficient vehicles are now being offered for sale than the market will absorb.

57. In contrast, passenger cars and buses on public services have undergone a heavy reduction in comparison with pre-war figures and are in very short supply. The general level of operating efficiency in these categories is extremely low. New units and replacements required, both in complete vehicles and part assemblies, will provide an expanding market for several years.

58. POL supply provided by UNRRA imports is, on the whole, in reasonable accord with transport requirements for essential commodity hauling. The ostensible deficiency in allocations to private cars and bus routes must to a great extent be made up by illegal diversions of fuel from other consignees, the net result being passenger circulation which appears to be in excess of essential needs.

Load-Carrying Vehicles.

59. The situation as regards load carrying vehicles is as follows:

	No.
In circulation 1939	89,593
In circulation 1946	105,646
Available but not in circulation - 1946 . .	23,020
Total load carrying potential - 1946 . . .	128,666

60. Table 15 shows the number and carrying capacity of load carriers as at 31 March 1946. Figures include vehicles owned by private trucking firms, as registered by Ente Nazionale Autotrasporti Cose (E.N.A.C.), those operated by Government Agencies such as the Italian

TABLE 15

Road vehicles: Number and carrying capacity
31 March 1946

	Number	Carrying Capacity Quintals
(a) IN OPERATION		
Gasoline trucks	72,598	1,021,565
Diesel trucks	17,037	750,680
Other systems (Methane, producer gas)	16,011	344,637
TOTAL	105,646	2,116,882
(b) HELD BY ARAR		
Italian trucks	10,000	200,200
Allied trucks	13,020	160,406
GRAND TOTAL	128,666	2,477,488

Passenger Cars and Buses.

61. The passenger car position pre-war and in 1946 is as follows:

Passenger cars 1939	287,962
Passenger cars 1946	97,709

62. 53,195 permanent circulation permits (of three months' validity) were issued in the first quarter of 1946 to private owners. The balance of passenger cars is covered by (a) official Government permits, (b) temporary permits (normally of 10 day's validity or less), and (c) cars that are in illegal circulation. As a result of inadequate road controls a large number fall into category (c).

63. The number of buses operating on regular passenger lines was 6,928 in 1939 and 3,830 in 1946. Of the latter 1,803 were run on gasoline, 1,727 on diesel oil and 300 on methane or producer gas.

Motor-Cycle Trucks.

64. There were approximately the same number of motor cycle trucks in 1946 as pre-war. The numbers were: 1939, 12,960; 1946, 12,237.

Trailers.

65. The number of trailers has increased from 7,118 in 1939 to 9,067 in 1946.

Motor Cycles and Bicycles.

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57. In contrast, passenger cars and buses on public services have undergone a heavy reduction in comparison with pre-war figures and are in very short supply. The general level of operating efficiency in these categories is extremely low. New units and replacements required, both in complete vehicles and part assemblies, will provide an expanding market for several years.

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Total load carrying potential - 1946 . . .	128,666

60. Table 15 shows the number and carrying capacity of load carriers as at 31 March 1946. Figures include vehicles owned by private trucking firms, as registered by Ente Nazionale Autotrasporti Cose (E.N.A.C.), those operated by Government Agencies such as the Italian State Railways and the Ministry of Transport, and vehicles held by the Italian Government originating from Allied military surplus and captured enemy material.

	Number	Capacity Quintals
(*a*) IN OPERATION		
Gasoline trucks	72,598	1,024,565
Diesel trucks	17,037	750,680
Other systems (Methane, producer gas)	16,011	341,637
TOTAL	105,646	2,116,882
(*b*) HELD BY ARAR		
Italian trucks	10,000	200,200
Allied trucks	13,020	160,106
GRAND TOTAL	128,666	2,477,188

Passenger Cars and Buses.

61. The passenger car position pre-war and in 1946 is as follows:

Passenger cars 1939	287,962
Passenger cars 1946	97,709

62. 53,195 permanent circulation permits (of three months' validity) were issued in the first quarter of 1946 to private owners. The balance of passenger cars is covered by (a) official Government permits, (b) temporary permits (normally of 10 day's validity or less), and (c) cars that are in illegal circulation. As a result of inadequate road controls a large number fall into category (c).

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Motor-Cycle Trucks.

64. There were approximately the same number of motor cycle trucks in 1946 as pre-war. The numbers were: 1939, 12,960; 1946, 12,237.

Trailers.

65. The number of trailers has increased from 7,418 in 1939 to 9,067 in 1946.

Motor Cycles and Bicycles.

66. There is a sharp fall in the number of motor cycles on the road as compared with pre-war. The figures are: 1939, 149,490; 1946, 40,648. (The number of bicycles in use in Italy in 1938 was 5 million.)

Declassified E.O. 12356 Section 3.3/NND No. 765021

Prime Movers.

67. The number of prime movers in 1946 is 1,100. No corresponding figures are available for 1939.

Tires.

68. The overall tire situation in Italy is bad, particularly in large truck sizes such as 38×9, 42×9, 10.50×24 and small passenger car sizes. Shortages in these groups are especially critical, because these are not standard American and British sizes and are on limited production in the U.S. and U.K. Sizes within the range of tires which were standard equipment in American and British Armies are available in sufficient numbers in Italy, although distribution and allocation difficulties have prevented a satisfactory spread of stocks on hand.

69. Tube deficiency is much more critical than tire deficiency, since the shortages extend throughout the entire size range. The solution to the tire and tube problems is the importation of sufficient quantities of raw materials to enable Italian manufacturers to produce the complete range of sizes required by the vehicles in operation in Italy.

70. *Import of Tires.* The UNRRA program for 1946 includes the provision of raw materials for manufacture of tires in Italian factories but does not call for importation of the completed product.

71. A direct order from the Italian Government for 26,000 motor-truck tires, commissioned in the United States, has been delivered in part (11,500). These are being distributed by the Italian Government through the Ministries of Industry and Commerce and of Transport.

72. *Military Surplus of Tires.* Surpluses from Allied military sources are being transferred to the Italian Government through its receiving agency, A.R.A.R. (Azienda Rilievo Alienazioni Residuati). A.R.A.R. had in mid-1946 disposed of 37,000 tires of all sizes and expects to take over about 316,000 more. Sizes expected are mainly 10.50×20, 10.50×16, 7.50×20 and 6.00×16. These tires will all have to be inspected, categorized and in many cases repaired prior to release for distribution.

73. *Indigenous Production.* Production by local tire manufacturers is dependent upon the reception of raw materials (1). The UNRRA program of imports for 1946 covers all materials required to utilize existing plant capacity for an expected production of:—

600,000 tires and tubes for trucks and buses.

Spare Parts.

74. Spare parts stocks for trucks and cars of Italian make are improving both in availability and pricing. No serious difficulties are encountered in obtaining spares, although prices are still at such a high level that consumption is below normal.

75. Spare parts for vehicles of Allied origin, which constitute approximately 10 % of the country's operational lift, have been in short supply. However, the Italian Government has received from American and British surplus disposal a stock (estimated worth $8,000,000) which is being classified for distribution. It is anticipated that these spares will on release meet practically all general maintenance and repair requirements.

Italian Vehicle Production.

76. Fulfilment of the manufacturing program of Italian factories is dependent upon imported supplies of raw materials and coal which are included in the UNRRA program for 1946. Planned production for the year 1946 is:

	No.
Heavy trucks (over 6 tons)	16,000
Medium trucks (3 to 6 tons)	18,000
Passenger cars	19,000
Delivery vans	16,000
Heavy trailers	15,000
Medium trailers	9,000

77. To date, production of Italian motor vehicles has been well below schedule. In April 1946, 823 trucks of all sizes were produced.

Fuel.

78. Distribution of fuel to load carrying vehicles is effected through the Italian Government truck control agency (E.N.A.C.), which allocates fuel requirements for the haulage of first priority essential commodities and, for lower priority operations, issues a monthly quota to all trucks, in proportion to carrying capacity. Localized and temporary POL shortages have occurred but POL supply has not, in general, been an efficient limiting factor in essential road movement.

79. Private cars holding circulation permits receive fuel through Provincial Fuel Offices and the average allocation is 40 litres each car per month. Bus lines

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68. The overall tire situation in Italy is bad, particularly in large truck sizes such as 38×9, 12×9, 10.50×24 and small passenger car sizes. Shortages in these groups are especially critical, because these are not standard American and British sizes and are on limited production in the U.S. and U.K. Sizes within the range of tires which were standard equipment in American and British Armies are available in sufficient numbers in Italy, although distribution and allocation difficulties have prevented a satisfactory spread of stocks on hand.

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72. *Military Surplus of Tires.* Surpluses from Allied military sources are being transferred to the Italian Government through its receiving agency, A.R.A.R. (Azienda Rilievo Alienazioni Residuati). A.R.A.R. had in mid-1946 disposed of 37,000 tires of all sizes and expects to take over about 316,000 more. Sizes expected are mainly 10.50×20, 10.50×16, 7.50×20 and 6.00×16. These tires will all have to be inspected, categorized and in many cases repaired prior to release for distribution.

73. *Indigenous Production.* Production by local tire manufacturers is dependent upon the reception of raw materials (1). The UNRRA program of imports for 1946 covers all materials required to utilize existing plant capacity for an expected production of:—

600,000 tires and tubes for trucks and buses.
380,000 ,, ,, ,, ,, passenger cars.
30,000 ,, ,, ,, ,, motor-cycles.

(1) See Industry Part 2 - Rubber para 351 - Supplement to Economic Notes Vol. 1, No. 31, 16 August 1946.

that consumption is below normal.

75. Spare parts for vehicles of Allied origin, which constitute approximately 10% of the country's operational lift, have been in short supply. However, the Italian Government has received from American and British surplus disposal a stock (estimated worth $8,000,000) which is being classified for distribution. It is anticipated that these spares will on release meet practically all general maintenance and repair requirements.

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79. Private cars holding circulation permits receive fuel through Provincial Fuel Offices and the average allocation is 40 litres each car per month. Bus lines obtain fuel from the Ministry of Transport in proportion to operational mileage and Government truck pools and the Italian State Railways draw monthly bulk allocations.

Declassified E.O. 12356 Section 3.3/NND No. 785091

80. Table 16 shows the fuel issues from February to May 1946:

TABLE 16

Gasoline and Diesel Oil Motor Issues in quintals: 1946

1946	Passenger Cars	Buses	Civilian Trucks	Italian State Railways	Total
			GASOLINE		
February	26,354	12,118	90,867	11,067	140,406
March	33,600	13,398	98,706	14,778	160,482
April	36,786	13,512	97,895	14,192	162,385
May	36,800	13,512	97,895	14,192	162,399
				Total. . .	625,672
			DIESEL OIL		
February	2,724	13,368	89,626	10,781	96,499
March	3,585	16,351	73,378	11,805	105,719
April	3,755	18,000	73,166	11,505	106,426
May	3,000	18,000	73,166	11,505	105,671
				Total. . .	414,315

Black Market.

81. Black market transactions in fuel and tires are particularly active. Large quantities of both items are available and originate with pilferage of military stores, depots, captured enemy materials dumps and illegal diversions from authorised distribution channels.

82. The majority of the purchases of black market fuel and tires is made by individuals and firms whose operations have no recognized legal status. These consist of three main groups:

(a) Truckers engaged in black market activities involving road movement of essential rationed commodities, such as olive oil, the movement and release of which are entirely under Government control.
(b) Truckers transporting luxury or speculative goods for which fuel is not legally allocated.
(c) Private motorists using black market fuel and tires for pleasure motoring, sport and unauthorised passenger hauling.

83. UNRRA has emphasized that the Italian Government should effectively prohibit the circulation of outlaw trucks and non-essential private cars in order to reserve all supplies of fuel and rubber for the maintenance of essential services,

unless the permit plan was replaced by a more efficient system for controlling vehicle movement and POL allocation.

Condition of Highway System.

Road Surfaces.

85. On the whole road surfaces are in fairly good condition although military traffic and delayed maintenance have aggravated normal deterioration.

86. South of the Appenines a total of 105,350 Kms. require maintenance repairs, as follows:—

State roads	6,230 Kms.
Provincial roads	23,060 ..
Communal roads	75,060 ..

No consolidated figures are available for Northern Italy.

Road Bridges.

87. Many bridges destroyed during the war have not yet been replaced and traffic is often subject to diversion. The following is an estimate of road bridges destroyed during the war:

	In use 1938	Destroyed
Steel bridges	805	630
Bridges other than steel . .	22,670	12,930

The above figures include all bridges, even those of very small span: in Southern Italy approximately 70 % are of a span less than 10 feet. This percentage is thought to apply to those in the North also.

Value of War Damage to Roads and Bridges.

88. The Italian Government estimates the value of war damage to roads and road bridges at 130,300 million lire.

Reconstruction Plan for Highways and Bridges.

89. The Italian Government reconstruction plan for 1946 is as follows:—

(a)	Repair of highways:	
	State roads	about 3,000 Kms.
	Provincial roads	.. 1,000 ..
	Communal roads	.. 3,900 ..
(b)	Repair of bridges on:	No.
	State roads	600
	Provincial roads	350
	Communal roads	720

90. UNRRA has recommended for Italy to implement

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Declassified E.O. 12356 Section 3.3/NND No. 785021

1946	Passenger Cars	Buses	Civilian Trucks	Italian State Railways	Total
			GASOLINE		
February	26,554	12,118	90,867	11,067	140,606
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82. The majority of the purchases of black market fuel and tires is made by individuals and firms whose operations have no recognized legal status. These consist of three main groups:

(a) Truckers engaged in black market activities involving road movement of essential rationed commodities, such as olive oil, the movement and release of which are entirely under Government control.

(b) Truckers transporting luxury or speculative goods for which fuel is not legally allocated.

(c) Private motorists using black market fuel and tires for pleasure motoring, sport and unauthorised passenger hauling.

83. UNRRA has emphasized that the Italian Government should effectively prohibit the circulation of outlaw trucks and non-essential private cars in order to reserve all supplies of fuel and rubber for the maintenance of essential services.

84. Recent agitation for the abolition of circulation permits has been opposed strongly by the UNRRA Italian Mission, which refused to agree to the proposal

85. On the whole road surfaces are in fairly good condition although military traffic and delayed maintenance have aggravated normal deterioration.

86. South of the Appenines a total of 105,550 Kms. require maintenance repairs, as follows:—

State roads	6,230 Kms.
Provincial roads	23,660 "
Communal roads	75,660 "

No consolidated figures are available for Northern Italy.

Road Bridges.

87. Many bridges destroyed during the war have not yet been replaced and traffic is often subject to diversion. The following is an estimate of road bridges destroyed during the war:

	In use 1938	Destroyed
Steel bridges	305	630
Bridges other than steel . .	22,670	12,930

The above figures include all bridges, even those of very small span: in Southern Italy approximately 70 % are of a span less than 10 feet. This percentage is thought to apply to those in the North also.

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88. The Italian Government estimates the value of war damage to roads and road bridges at 130,300 million lire.

Reconstruction Plan for Highways and Bridges.

89. The Italian Government reconstruction plan for 1946 is as follows:—

(a)	Repair of highways:	
	State roads	about 3,030 Kms.
	Provincial roads	" 1,000 "
	Communal roads	" 3,900 "
(b)	Repair of bridges on:	No.
	State roads	600
	Provincial roads	350
	Communal roads	720

90. UNRRA has programmed for Italy, to implement highway rehabilitation, 100,000 tons of asphalt at an estimated cost of $3,500,000, excluding freight, for road repair and maintenance.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

TRANSPORTATION - COASTAL SHIPPING

Traffic.

91. Before the war, nearly a million tons monthly of freight or 12 % of all Italian freight traffic was carried in coasters and motor schooners plying between Italian ports. (1) The present capacity of these vessels for coastwise shipping is only about 200,000 tons monthly. War damage and lack of maintenance account for only a part of the reduction. Actually the registered tonnage of the existing coastal fleet is about 80 % of pre-war. But 25 % of the vessels is still in Allied hands. 50 % is employed in Italian foreign trade, mainly within the Mediterranean area, and in returning to their homes released Italian prisoners of war. Accordingly only 25 % of the present fleet or 20 % of the pre-war registered tonnage, is available for coastwise traffic.

War Damage.

92. Sinkings, other war damage, and confiscation in foreign ports resulted in the loss of 560 ships. More than 100 of these have been salvaged. Many of these vessels have already returned to service and all are expected to be in service by the end of 1947.

Restoration of Pre-War Coastal Operations.

93. Timber, steel plates, frames, girders, beams and other essentials for shipbuilding and ship repair, are all in scarce supply and are definite deterrents to the restoration of pre-war coastal shipping operations. It is planned to use part of the UNRRA imported semi-finished steel for these purposes, but the major part of the importation of raw and semi-finished materials for the rehabilitation of the coastal fleet must be financed by the Italians themselves. Considerable quantities of tugs and barges have been or will be purchased by the Italian Government from military surplus, but these will be used to expedite port-operations rather than directly to add to the coastal fleet.

94. Complete withdrawal of the Allied military from Italy and conclusion of the peace treaty will result in doubling the present effective coastal fleet. An equivalent addition will result when repatriation of Italian prisoners of war from Africa is completed. But coastal vessels will continue for sometime, in trade between Mediterranean countries, to substitute partially for Italy's merchant fleet almost wholly destroyed or lost during the war.

Freight Rates.

95. Maximum freight rates have been established by the Ships Management Committee (COGENA - Comitato Gestione Navi). At present they are some ten times as great as those prevailing before the war. Despite the reduction of the coastal fleet, however, rates lower than those set by COGENA are frequently charged in order to keep vessels in full time operation. Very high insurance rates add still further to the difference between pre-war and present costs to shippers in the coastal trade.

Organization.

96. Schooners and coasters are privately operated. Those over 300 tons are, however, controlled as to cargo hauled and rates charged by COGENA. Shippers desiring to employ such vessels are required to submit their bids to the relevant Ministries (e.g. Ministry of Industry and Commerce for coal and industrial raw materials and products, and the High Commissioner for Food for foodstuffs). The Ministries then submit those bids rated according to their priority preferences to COGENA which allocates tonnage.

TRANSPORTATION - RIVER AND CANAL

Traffic.

97. Before the war approximately 5 million tons annually of freight, or roughly five % of the total, was carried on the lakes, canals and navigable rivers of Italy.

(1) The following is the order of importance of the larger Italian ports according to the quantity of goods discharged in 1939:

Port	Commodities	Port	Commodities
Genoa	Coal, coke, grain, metals	Piombino	Iron ore, coal
		Finme	POL, metals, phospates
Venice	Coal, coke, POL.		
Savona	Coal, coke, POL.	Palermo	Coal, coke.
Trieste	POL., coal, coke.	Bari	POL., Coal, coke.
Naples	Coal, coke, POL.	Augusta	Coal, coke.
Leghorn	Coal, coke, POL.	Catania	" "

Declassified E.O. 12356 Section 3.3/NND No. 785021

freight or 12 % of all Italian freight traffic was carried in coasters and motor schooners plying between Italian ports. (1) The present capacity of these vessels for coastwise shipping is only about 200,000 tons monthly. War damage and lack of maintenance account for only a part of the reduction. Actually the registered tonnage of the existing coastal fleet is about 80 % of pre-war. But 25 % of the vessels is still in Allied hands, 50 % is employed in Italian foreign trade, mainly within the Mediterranean area, and in returning to their homes released Italian prisoners of war. Accordingly only 25 % of the present fleet or 20 % of the pre-war registered tonnage, is available for coastwise traffic.

War Damage.

92. Sinkings, other war damage, and confiscation in foreign ports resulted in the loss of 560 ships. More than 100 of these have been salvaged. Many of these vessels have already returned to service and all are expected to be in service by the end of 1947.

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(1) The following is the order of importance of the larger Italian ports according to the quantity of goods discharged in 1938:

Port	Commodities	Port	Commodities
Genoa	Coal, coke, grain, metals	Piombino	Iron ore, coal
		Fiume	POL, metals, phosphates
Venice	Coal, coke, POL.		
Savona	Coal, coke, POL.	Palermo	Coal, coke.
Trieste	POL, coal, coke.	Bari	POL, Coal, coke.
Naples	Coal, coke, POL.	Ancona	Coal, coke.
Leghorn	Coal, coke, POL	Catania	» »
		Messina	» »
Civita-Vecchia	Coal, coke.	Cagliari	» » , POL.
Bagnoli	Iron ore, coal.		
Spezia	POL, coal, coke.		

94. Complete withdrawal of the Allied military [illegible] Italy and conclusion of the peace treaty will result in doubling the present effective coastal fleet. An equivalent addition will result when repatriation of Italian prisoners of war from Africa is completed. But coastal vessels will continue for sometime, in trade between Mediterranean countries, to substitute partially for Italy's merchant fleet almost wholly destroyed or lost during the war.

Freight Rates.

95. Maximum freight rates have been established by the Ships Management Committee (COGENA - Comitato Gestione Navi). At present they are some ten times as great as those prevailing before the war. Despite the reduction of the coastal fleet, however, rates lower than those set by COGENA are frequently charged in order to keep vessels in full time operation. Very high insurance rates add still further to the difference between pre-war and present costs to shippers in the coastal trade.

Organization.

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TRANSPORTATION - RIVER AND CANAL

Traffic.

97. Before the war approximately 3 million tons annually of freight, or roughly five % of the total, was carried on the lakes, canals and navigable rivers of Italy. Statistics on traffic presently handled on these 2,000 kilometres of inland waterways are unreliable, but indicate that only one % of Italy's reduced traffic is thus carried.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

War Damage and Present Status.

98. War damage to the inland waterways was extensive. The bulk of the locks and bridges were destroyed. The presence of wrecks has further impeded transportation. Failure to carry out dredging on the upper reaches of the Po River has rendered it impassable for large boats. Upwards of 60 % of the prewar tonnage of tugs and barges were sunk. Shore installations were heavily damaged and equipment destroyed or stolen.

99. Rehabilitation of the inland waterway system has been carried out vigorously, mainly by private firms. Locks have been repaired at a rapid rate, the bulk of the wrecks have been raised. Within a year, the navigability of the waterways should be nearly on a pre-war basis. The bulk of the sunk barges and tugs have been raised and a large percentage found serviceable. The prospects for early completion of the repair of barges and for building new ones are good. But the shortage of tugs will remain acute for many months.

Organization.

100. Before the war, ownership and operation of inland waterway vessels were normally separate. Operators paid the owners 70 % of the freight charges and assumed all expenses connected with operation. In order to enforce the priority system established by the Allied Military Government during the war, the National Association for Inland Navigable Waterways (A.N.N.I. - Associazione Nazionale Navigazione Interna) was established. This agency has been continued by the Italian Government and controls the allocation and movement of all barges of more than 50 tons.

PART TWO - COMMUNICATIONS

General.

101. This report summarizes the pre-war situation of communications in Italy with reference, so far as possible, to present conditions; further information is also given on the rehabilitation program prepared by the Italian Post Office Department for the period 1946 to 1950.

102. "Communications" includes the following sections: (A) Mail Service, (B) Telegraph Service, (C) Telephone Service, (D) Cable Service (Submarine cables), (E) Wireless Service. Section (E) is concerned with Buildings which represent a very considerable part of the Communications investment and which were severely damaged during the war.

103. The programmed appropriations as specified in the paragraphs headed "Rehabilitation Program" of each Section concern the modernization of existing plants, in addition to appropriations for repair of war damage.

The five year Rehabilitation Program is estimated to cost 38,850 million lire (1) of which the Rehabilitation of State undertakings would be 6,775 million lire.

The total war damage to communications is estimated by the Italian Government at 8,800 million lire to State property and 6,200 million lire to privately owned.

(A) *MAIL SERVICE*

104. The mail service in the pre-war period operated satisfactorily. There was a need for more modern equipment and some deficiencies existed in the organisation. However, after a decline of activity from 1930-31, the mail service made steady progress and dealt, through some 11,500 post offices, with a peak of 2,850 million letters in 1938-39 and a movement of 15,000,000 postal

War Damage.

105. The severe damage to Post Administration buildings (see para. 138) following war action and pilferage by Germans considerably reduced the efficiency of the mail service. The amount of war damage may be estimated at about 660 million lire (in 1946 value).

Rehabilitation Program.

106. An appropriation of 500 million lire was programmed in the budgets 1946-50 for the modernization of equipment.

(B) *TELEGRAPH SERVICE*

107. The efficiency of the telegraph service in the pre-war period was unsatisfactory owing to the obsolete type of most of the apparatus and of the transmission systems so that the traffic could not reach the speed attained by modern equipment. Consequently traffic was diverted to more progressive systems of communication, such as the telephone. The average traffic in pre-war years was about 30-33,000,000 telegrams a year.

108. The length of the telegraph aerial line was about 31,000 Kms. in 1939-40 (corresponding to a total length of wire of 343,000 Kms.) representing only a slight increase in comparison with the period 1929-30.

109. Substantial progress was attained with the adoption on the National Cable of harmonic telegraphy, which allows several contemporaneous transmissions on the same circuit and therefore considerably speeds up

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Declassified E.O. 12356 Section 3.3/NND No. 785011

the Po River has rendered it impassable for large boats. Upwards of 60 % of the prewar tonnage of tugs and barges were sunk. Shore installations were heavily damaged and equipment destroyed or stolen.

99. Rehabilitation of the inland waterway system has been carried out vigorously, mainly by private firms. Locks have been repaired at a rapid rate, the bulk of the wrecks have been raised. Within a year, the navigability of the waterways should be nearly on a pre-war basis. The bulk of the sunk barges and tugs have been raised and a large percentage found serviceable. The

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(1) 1945 value.

War Damage.

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Rehabilitation Program.

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108. The length of the telegraph aerial line was about 31,000 Kms. in 1939-40 (corresponding to a total length of wire of 313,000 Kms.) representing only a slight increase in comparison with the period 1929-30.

109. Substantial progress was attained with the adoption on the National Cable of harmonic telegraphy, which allows several contemporaneous transmissions on the same circuit and therefore considerably speeds up the traffic. As yet this system has but limited use in Italy (58 circuits out of 2,600 circuits, the majority of which are of obsolete type).

Declassified E.O. 12356 Section 3.3/NND No. 785021

110. A separate system, the "Wheatstone System," connected Rome with the main centres of Italy for the contemporaneous transmission of State and newspaper agencies' telegrams: the total length of the relative circuits is about 8,500 Kms. in brass wire, and 1,500 Kms. in iron wire. The "Wheatstone System" was equipped with 200 "Wheatstone" apparatuses.

111 The main system was equipped in 1940 with 19,381 apparatuses (in comparison with 12,064 in 1920), of which only 1,381 were of high speed type, 65 of them being used for international transmission. In the 1940 figures are included 180 teleprinting machines which however were not used for automatic transmission by which traffic efficiency can be increased.

112. The number of telegraph offices of first and second grade was 147 in 1939: that of the branch offices about 10,000.

War Damage.

113. The percentage of aerial telegraph lines damaged or destroyed is about 35 %, valued at 4,500 million lire. The National Cable was not severely damaged. By adding the damage to the apparatus and the pilferage of materials in warehouses, the total war damage amounts to about 4,900 million lire, roughly 10 % of the value of the Italian telegraphic system.

Rehabilitation Program.

114. Notwithstanding the necessity for immediate strict economy, a substantial modernization of the whole equipment is absolutely necessary in order to meet traffic requirements with efficient and profitable operation.

115. The plan of modernization should take into consideration several aspects of the service, from the diffusion of high frequency and harmonic transmission systems to a complete re-planning of the line system (necessitated by the high degree of damage) to a large use of telephone lines for telegraphy. The plan should range from (a) the adoption of the most modern apparatus to (b) the adoption of telegraph switchboards which allow an increased use of the apparatus, and (c) the introduction of the "facsimile" (picture transmission) and the transmission of telegrams direct to subscriber by telephone. A wide adoption of the microwaves radio linkage is visualized and may represent a revolution both in the telegraph and telephone fields.

116. The rehabilitation plan would make use of the telegraphic system of semi-permanent type installed by the Allies.

117. Such a rehabilitation plan would require an ap-

(C) *TELEPHONE SYSTEM*

(See Map-Table 19)

118. The Italian telephone system includes:—

(a) The Italian State system for international long distance calls and long distance calls between the capitals of regions or provinces.

(b) The Concession system for local calls and long distance calls within the region that each concessioned concern supervises.

119. The number of telephones installed pre-war in Italy compared with some other countries is shown in Table 17.

TABLE 17

Numbers of Telephones in Italy as compared with some other countries: 1937

	Thousands of telephones installed	Population in thousands	No. of Persons per telephone
Italy	611.3	42.919	70
France	1,552.6	41,907	27
Germany	3,623.7	79,800	22
United Kingdom	3,018.7 (1)	47,486	16
United States of America	19,453.0	122,775	6

(1) Installed by the Postal Service.

(a) *Italian State System.*

120. The Italian State telephone system is supervised by A.S.S.T. (Azienda di Stato per i Servizi Telefonici). The National Cable runs for 3,514 Kms. including the submarine section. The cable was equipped with 44 amplifying stations, 3,700 amplifiers and 90,435 Pupin Units. The total length of circuits of the National Cable line is about 241,773 Kms. (86.25 %). The aerial line is about 30,000 Km. and the high frequency line about 8,500 Kms. long.

121. The total system includes 1,021 circuits of which 360, 190, and 31 respectively are on the cable, aerial and high frequency systems. This includes the national section of the International telephonic system with 122 circuits of a total length of circuits of 25,000 Kms.

122. The National Cable is also used (see paras. 103

Declassified E.O. 12356 Section 3.3/NND No. 785021

Kms. in iron wire. The "Wheatstone System" was equipped with 200 "Wheatstone" apparatuses.

111. The main system was equipped in 1940 with 19,381 apparatuses (in comparison with 12,064 in 1920), of which only 1,381 were of high speed type, 65 of them being used for international transmission. In the 1940 figures are included 130 teleprinting machines which however were not used for automatic transmission by which traffic efficiency can be increased.

112. The number of telegraph offices of first and second grade was 147 in 1939; that of the branch offices about 10,000.

War Damage.

113. The percentage of aerial telegraph lines damaged or destroyed is about 35 %, valued at 1,500 million lire. The National Cable was not severely damaged. By adding the damage to the apparatus and the pilferage of materials in warehouses, the total war damage amounts to about 4,900 million lire, roughly 40 %, of the value of the Italian telegraphic system.

Rehabilitation Program.

114. Notwithstanding the necessity for immediate strict economy, a substantial modernization of the whole equipment is absolutely necessary in order to meet traffic requirements with efficient and profitable operation.

115. The plan of modernization should take into consideration several aspects of the service, from the diffusion of high frequency and harmonic transmission systems to a complete re-planning of the line system (necessitated by the high degree of damage) to a large use of telephone lines for telegraphy. The plan should range from (a) the adoption of the most modern apparatus to (b) the adoption of telegraph switchboards which allow an increased use of the apparatus, and (c) the introduction of the "facsimile" (picture transmission) and the transmission of telegrams direct to subscriber by telephone. A wide adoption of the micro-waves radio linkage is visualized and may represent a revolution both in the telegraph and telephone fields.

116. The rehabilitation plan would make use of the telegraphic system of semi-permanent type installed by the Allies.

117. Such a rehabilitation plan would require an appropriation of about 2,500 million lire (1) in the budgets 1946-50.

(1) 1945 value.

(a) The Italian State system for international long distance calls and long distance calls between the capitals of regions or provinces.

(b) The Concession system for local calls and long distance calls within the region that each concessioned concern supervises.

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121. The total system includes 1,021 circuits of which 300, 190, and 31 respectively are on the cable, aerial and high frequency systems. This includes the national section of the International telephonic system with 122 circuits of a total length of circuits of 25,000 Kms.

122. The National Cable is also used (see paras. 103 to 113) for super-combined and harmonic telegraphy by the various State Departments and for the transmission of high quality music by RAI (Radio Audizioni Italia) (see para. 135).

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

123. The quantity of long distance traffic ranged from 4,500,000 units (conversation of three minutes) in 1926 to about 10,400,000 unities in 1939-40, of which about 1,342,000 were international long distance calls. (The greatly increased use of the service shows that the system has proved efficient.)

(b) *Concessioned Concerns System.*

124. The following are the concessioned concerns which are checked by the A.S.S.T.:—

— STIPEL (Società Telefonica Internazionale Piemontese e Lombarda) for Piedmont and Lombardy.
— TELVE (Società Telefonica delle Venezie) for Venetia.
— TIMO (Società Telefonica Italiana Medio Orientale) for Emilia, Marche, Umbria, Abruzzi and Molise.
— TETI (Società Telefonica Tirrena) for Liguria, Tuscany, Lazio and Sardinia.
— SET (Società Esercizi Telefonici) for Campania, Puglie, Lucania, Calabria and Sicily.

125. The franchise of local and regional long distance services, decided in 1926, made possible a very rapid increase and modernization of the existing equipment. That is confirmed by the following figures showing the condition of the equipment in 1940 in comparison with 1926:

TABLE 18

Number of telephone switchboards in Italy and length of circuits: 1926 and 1940

		1926	1940
Automatic switchboards . .	No.	15	857
Operation capacity in number of switchboards . . .	»	55,860	555,877
Numbers connected . .	»	41,517	430,494
Non-Automatic switchboards .	»	2,217	4,185
Operation capacity in number of switchboards . . .	»	123,108	107,511
Numbers connected . . .	»	92,257	60,338
Length of local circuits: .	Km./pair (1)	1,029,704	261,172
» » long distance cable circuits . . .	» »	96,188	—
Length of long distance aerial line circuits	» »	100,807	53,077
Length of the long distance line	Km.	23,814	16,592

126. The long distance traffic by the Concessioned Concerns has made steady and rapid progress from 5.000,000 unities in 1926 to 33,000,000 in 1940.

War Damage.

127. War damage to the State telephone system may be estimated as follows:—

		Million lire (1936)
Cable system	20 %	5,840
Amplifying stations	53 %	
Switchboards for long distance calls	57 %	180
Aerial line system.	33 %	560
High frequency system . . .	35 %	
		6,580

128. The total war damage to the concessioned concerns system amounts to about 8,700 million lire (1946).

Rehabilitation Program.

129. The rehabilitation plan takes full account of the existing efficiency of equipment and will be limited to the maximum introduction of modern improvements, particularly in the rehabilitation of amplifying stations (most of which are damaged) and to a wide introduction of microwaves radio linkage. Technical details will be arrived at after a careful study of the experience of the last five years (see paras. 103 to 113).

130. For the State system the program provides for an appropriation of 2,000 million lire in the budget for 1946-50. For the extension of the modern concessioned concerns system about 30,000 million lire will also be necessary (lire in 1946 value).

(D) *CABLE SERVICE*

(Submarine Cables)

131. The Italian cable system includes:—

(a) The State cable system of about 200 cables in 1939 with a total length of 7,500 Kms.

(b) The Concessioned Italcable system in 1940 of 15 cables with a total length of 22,000 Kms. connecting seven different countries of West and

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Length of long distance aerial line circuits . . .	» »	100,807	53,077
Length of the long distance line	Km.	23,814	16,592

(1) Km/pair means the length of the sections of the line multiplied by the number of pairs of conductors, which changes from section to section.

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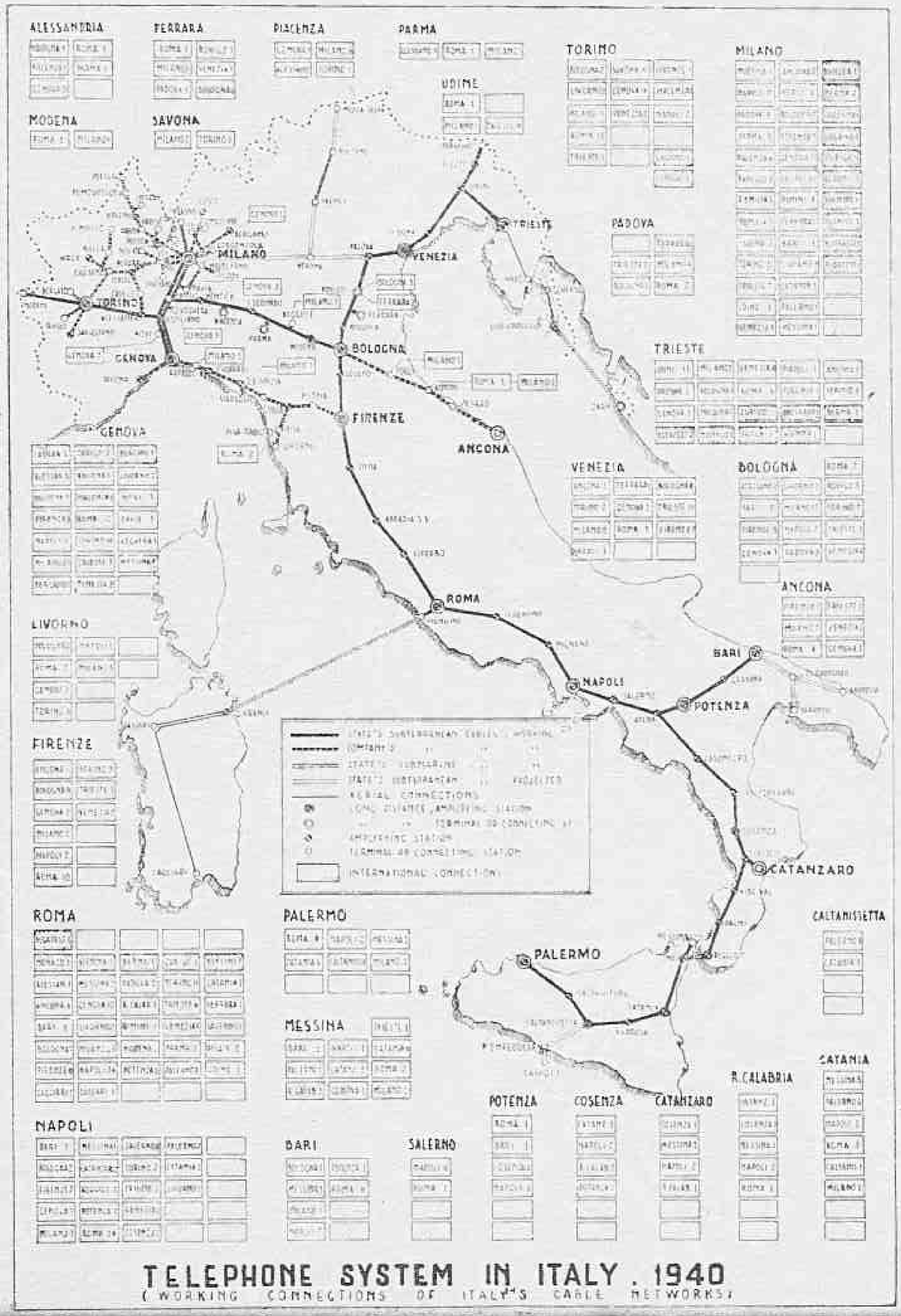
(b) The Concessioned Italcable system in 1940 of 15 cables with a total length of 22,000 Kms. connecting seven different countries of West and North Europe and North and South America. The traffic amounted in 1939 to 904,000 telegrams containing 16 million words.

Declassified E.O. 12356 Sec. 3.3/NND No. 785001

TABLE 18



Declassified E.O. 12356 Section 3.3/NND No. 785021

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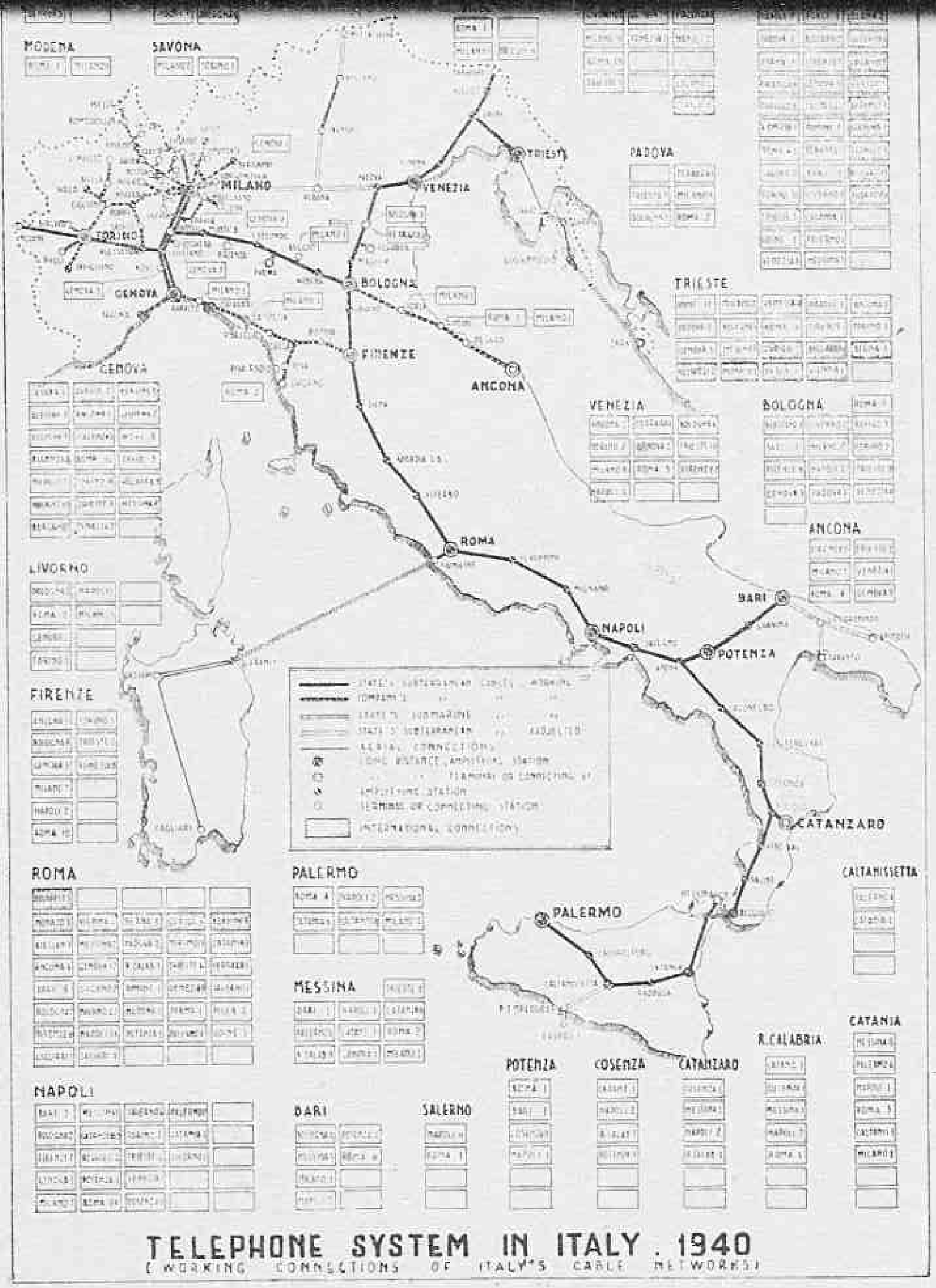

TELEPHONE SYSTEM IN ITALY . 1940

(WORKING CONNECTIONS OF ITALY'S CABLE NETWORKS)

War Damage.

132. The State cable system is somewhat damaged due to lack of maintenance rather than war action. The system was severely affected owing to pilferage by the Germans of a considerable amount of various materials, valued at 100 million lire. The repair of the State cable system will require an expenditure of about 60 million lire.

The Italian Government has estimated at 760 million lire the total war damage to State and concessioned cable services.

Rehabilitation Program.

133. The main lines of a rehabilitation plan for the State system have not been determined. It is to be expected that the radio linkage with the ultra-short and micro-waves system (which has proved to be quite reliable at all hours of the day and in all seasons) will in some cases supplant the cable system (see paras. 103 to 125). It is important to underline that the last improvements in this field allow several communications on the same carrier.

134. The situation of the Concessioned Italcable system will depend on future international agreements and on the position of Italy following the peace treaty. No appropriation has been programmed for the improvement of the Italcable system. The rehabilitation of the State cable system forms part of the program covering the rehabilitation of the radio service (see para. 137).

(E) *RADIO SERVICE*

135. The pre-war radio service included:—

(a) The State radio system for communication with ships and between fixed points. In 1940 the State radio system disposed of the following main centres:

(i) The transmitting centre of Coltano—equipped with 12 transmitters with a total output of 357 Kw.—linked by cable to the receiving centre of Nodica—for communication with ships and between fixed points. In the period 1936-37 the traffic with ships reached a peak of about 7 million words a year; in the period 1938-39 the traffic was reduced to about 5 million words; in 1940 the traffic between fixed points was about 12 million words (mainly with Italian East Africa).

(ii) The transmitting coastal centres of Naples,

(iii) The transmitting centre of Fiumicino (Rome), equipped with a transmitter for an output of 5 Kw. for communication with Sardinia and other smaller centers and generally used for communications with the islands.

(b) The concessioned Italoradio system (which in 1942 was absorbed by Italcable) was equipped with 13 transmitters with a total output of 710 Kw. In 1938 the traffic was about 18 million words during the year.

(c) The concessioned firm S.I.R.M. system—which supervised the equipment and operation of radio sets aboard ships.

(d) The Broadcasting system conceded to E.I.A.R. (Ente Italiano Audizioni Radiofoniche), which after 1943 changed its name to R.A.I. (Radio Audizioni Italia), was equipped in 1942 with 34 medium wave transmitters having a total output of 850 Kw. and 10 short wave transmitters with a total output of 132 Kw. The system was completed by a complex cable line for high quality transmission of music (see National Cable - para. 122). This line is designed to carry to the transmitting stations the three different and contemporaneous programs which can be played in any town of the country. The broadcasting system has modern equipment, including 66 auditories of high acoustic quality and 15 mobile plants for records and transmissions of all kinds. The system was in all details as efficient as any modern broadcasting system in the world. Two experimental television transmitters were installed in 1940, one in Rome and the second in Milan; each transmitter had an output of 0.5 Kw. for television and 2 Kw. for sound. Both transmitters, which comprised very complex equipment, operated for a very short period only, owing to the war.

War Damage.

136. The centres of Coltano and Radio Fiumicino were completely destroyed by the Germans with a total damage of about 660 million lire. The damage to the Italcable plants is estimated at about 240 million lire; the damage to S.I.R.M. was severe because most of the Italian merchant ships were sunk. The broadcasting system was also severely damaged; about 30 transmitters were destroyed or removed and no information is available regarding 10 oversea transmitters; most of the "antennae" were mined and the most of spare materials

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valued at 100 million lire. The repair of the State cable system will require an expenditure of about 60 million lire.

The Italian Government has estimated at 760 million lire the total war damage to State and concessioned cable services.

Rehabilitation Program.

133. The main lines of a rehabilitation plan for the State system have not been determined. It is to be expected that the radio linkage with the ultra-short and micro-waves system (which has proved to be quite reliable at all hours of the day and in all seasons) will in some cases supplant the cable system (see paras. 103 to 125). It is important to underline that the last improvements in this field allow several communications on the same carrier.

134. The situation of the Concessioned Italcable system will depend on future international agreements and on the position of Italy following the peace treaty. No appropriation has been programmed for the improvement of the Italcable system. The rehabilitation of the State cable system forms part of the program covering the rehabilitation of the radio service (see para. 137).

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(ii) The transmitting coastal centres of Naples, Genoa and Fiume—of low output power—with a very moderate traffic exclusively with ships.

(b) The concessioned ItaloRadio system (which in 1942 was absorbed by Italcable) was equipped with 13 transmitters with a total output of 710 Kw. In 1938 the traffic was about 18 million words during the year.

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War Damage.

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Declassified E.O. 12356 Sec. 3.3/NND No. 785001

smitters could operate having a total output of 129 Kw. in addition to two short wave transmitters for a total output of 100 Kw. At present 19 medium wave transmitters with a total power of Kw. 264 are in service in addition to the two short wave transmitters. By using dismantled materials recovered in North Italy and materials now available on the market, it is expected that during 1946 the number of operating medium wave transmitters will be increased to 28 having a total power of 340 Kw. and short wave transmitters to 3 with a total power of 150 Kw.

Rehabilitation Program.

137. The general lines of the existing State system will remain unchanged. It has not yet been decided whether the centre at Coltano will be rebuilt there or in Rome. Details of the rehabilitation plan are to be studied in the light of the progress in technique and the enlargement of plants expected to take place in the future. At the moment, a provisional appropriation of 300 million lire is programmed in the budgets for 1946-50.

138. As regards the Broadcasting system, the rehabilitation plan provides for the installation in the next five years of three medium transmitters in Rome, two of them of high power and five short wave transmitters, at least two of which would be in Rome. Much of the pilfered equipment has been recovered in Alto Adige and the details of the rehabilitation plan for this section will depend partly on the use that can be made of this material.

139. No provision has been made for television additional to the experimental plants in Milan and Rome which, after being removed by the Germans, were recovered and assembled in Turin.

135. In connection with the above, an appropriation of 350 million lire is programmed in the budgets of 1946-50.

(F) *BUILDINGS*

140. The real estate of the Italian State Administration of Communications amounted in 1939 to about 352 million lire and that of concessioned concerns to 235 million lire. i.e a total of 587 million lire, equal to 11,700 million lire in 1946 value.

War Damage.

141. Most of the buildings were severely damaged following war action and the damage suffered by the State Administration and concessioned concerns has been estimated by the Italian authorities at 2,500 million lire (Communications) and 3,600 million lire (concessioned concerns), i. e. a total of 6,100 million lire.

Rehabilitation Program.

142. The rehabilitation of buildings is obviously of first priority in the rehabilitation program but any temporary or provisional solution is not possible. The program provides for an appropriation of 450 and 1,050 millions respectively for the buildings of the State Administration and concessioned concerns, i.e. a total of 1,500 million lire (in 1945 value).

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CONTENTS

1. UNRRA Fifth Council Plans For 1947
2. Wheat Amassing Campaign
3. UNRRA Imports in July
4. UNRRA Helps Fishing Trade
5. Movements of Ships

UNRRA FIFTH COUNCIL PLANS FOR 1947

UNRRA's work will continue through other bodies, although UNRRA, as an organization, will come to an end within the next few months. During its two-week session at Geneva the Fifth Council discussed the procedure for transferring its activities to the new and permanent bodies that have come, or are coming, into being under the auspices of the United Nations.

But it must be emphasized that the Council's resolutions to effect this transfer are recommendations, and not mandates; and that the new permanent organizations to which it is proposed to transfer many of UNRRA's functions are still in embryonic form, or do not exist at all.

Economic Aid

The Council recognized that difficulties, including lack of foreign exchange, might be experienced in 1947 by liberated countries in securing the basic essentials of life, particularly food and supplies for agricultural production. Such difficulties, it pointed out, might result in hardship and suffering in some countries unless prompt international action was taken by the General Assembly of the United Nations.

The Council has, therefore, recommended that the General Assembly should forthwith establish, or designate, some agency to review the needs of these countries in 1947 for financing (to the extent that they cannot otherwise [illegible]) urgent imports of basic materials after

In regard to supplies already programmed by UNRRA, the Council recommended that the Administration should make every effort to complete procurement and shipments against approved programs of operation by the dates already specified. Where, however, the shipment of certain supplies by the dates specified is not possible, the Administration is authorized to arrange for such procurement and shipment to receiving countries—in Europe after the end of 1946, and in the Far East after 31 March, 1947. But it should complete operations as early thereafter as possible.

To ensure the maximum use by liberated countries of their own resources, the Council has recommended that the Food and Agriculture Organization, at its forthcoming meeting in Copenhagen, should consider the special problem of these liberated countries, with a view to providing the maximum technical assistance in the speedy re-establishment of agricultural production.

Future of Lire Fund

By the terms of a resolution on the Lire Fund (and similar funds in other receiving countries), the Council has recommended that the functions and responsibilities of UNRRA in regard to the utilization of such funds for relief and rehabilitation work should be transferred at the appropriate time to the United

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The Council has, therefore, recommended that the General Assembly should forthwith establish, or designate, some agency to review the needs of these countries in 1947 for financing (to the extent that they cannot otherwise be met) urgent imports of basic materials after the termination of UNRRA programs, and make recommendations on the financial assistance that might be required as a result of foreign exchange difficulties.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

Program for Displaced Persons

It is not known at what date the International Refugee Organization can begin operations in respect of Displaced Persons. But, in the view of the Council, it is desirable that the work of UNRRA should not cease until the International Refugee Organization, or some appropriate interim organization, is able to take over the work. The Administration is, therefore, authorized to continue its various operations until they are undertaken by the I.R.O., by an interim commission or by any other appropriate body, provided that none of these operations shall be continued by the Administration after 30 June, 1947.

Operations Continue Till June

A fund is to be set aside from the resources of the Administration to continue these operations until 30 June, 1947, on a scale of cost not exceeding that of its present operations. The Administration, with the approval of the Central Committee, may transfer to its successors the whole or part of this fund, or the whole or part of its records, files, equipment or other property relating to its operations with respect to Displaced Persons; and may arrange for the transfer of any of its personnel. The Council hopes that this transfer will take place as soon as possible, and that the I.R.O. will begin operations at the earliest possible date.

To bring its work into closer harmony with that of the International Refugee Organization, the Administration is given authority to apply the principles embodied in the draft constitution of the I.R.O., and to extend or adjust its work to cover any of the categories of persons defined in that draft constitution.

Repatriation is Main Task

Stressing the importance of repatriating and restoring to useful and productive lives in their homelands as many Displaced Persons as possible, the Council has laid down that repatriation is to be regarded as UNRRA's main task in this sphere of operations. The Administration is to facilitate the dissemination of information about home conditions in the countries to which people are to be repatriated.

All UNRRA personnel who discourage repatriation are to be removed, and only such voluntary agency personnel will be admitted to camps as undertake *not* to discourage it.

Social Welfare Services

The Council has recommended that UNRRA's social welfare services (exclusive of those relating to Displaced Persons) should be transferred to the United Nations. Rehabilitation of children and adolescents in countries which were the victims of aggression is considered to be of paramount importance. It is recognized, however, that national rehabilitation programs cannot be carried into effect without imports of certain types of food and equipment, as well as reciprocal arrangements for technical services.

The Council has, therefore, recommended that such assets as the Central Committee may determine to be available after the completion of UNRRA's work should be used for the benefit of children and adolescents. It has suggested that an International Children's Fund should be created, to which these assets would be transferred, together with any gifts for this purpose, and for general child health purposes, that may be made by governments, voluntary agencies or individuals. A Standing Committee of the Council is to be set up to prepare recommendations, in agreement with the Economic and Social Council of the United Nations.

World Health Organization

UNRRA will consult with the Interim Commission of the World Health Organization, with a view to transferring to the Commission as soon as practicable the duties and functions entrusted to the Administration by the International Sanitary Convention of 1944, as well as such other functions of UNRRA in the field of health as the World Health Organization, or its Interim Commission, may be willing to undertake.

UNRRA will also transfer to the World Health Organization, or its Interim Commission, records, equipment, material and personnel, and—subject to the approval of the Central Committee—such funds as may be

0421
Declassified E.O. 12356 Section 3.3/NND No. 785021

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UNRRA will also transfer to the World Health Organization, or its Interim Commission, records, equipment, material and personnel, and—subject to the approval of the Central Committee—such funds as may be necessary for the performance of the transferred functions, provided no other resources are available.

0422
Declassified E.O. 12356 Section 3.3/NND No. 785021

In adjourning the Geneva session of the Fifth Council on 16 August, it was agreed that a further session should be convened not later than the end of November, subject, however, to the possible decision of the Central Committee to postpone the Council meeting to a later date.

WHEAT AMASSING CAMPAIGN

This year's amassing campaign has yielded more than 1,880,408 tons of wheat up to 15 August, thanks to vigorous action on the part of the Government, and the co-operation and public spirit shown by the majority of the farmers. This figure represents 79 per cent. of the target figure for the country as a whole, and compares with 2,016,836 tons amassed up to the same date in 1943, which was a particularly good year, and 548,356 tons last year, when, owing to drought and war, returns were exceptionally bad.

The best deliveries have been made in Marche, Umbria, and Lazio, which have all exceeded the present government target figure, and from Emilia and Tuscany, which have both amassed more than 90 per cent. The lowest amassing figures, according to returns up to 15 August, are reported from Venezia Tridentina (1.8 per cent.) and Liguria (11 per cent.)—where, however, it must be taken into consideration that the harvest is relatively late—and from Sicily (27.9 per cent.) and Calabria (39.5 per cent.)

Target Will Be Achieved

In spite of the failure of certain districts to deliver their quota, the figure for the country as a whole may be regarded as satisfactory, and there is reasonable hope that the national target of 2,379,800 tons will be achieved. The Government and the local authorities are maintaining their pressure throughout the country, and the premiums originally offered for early amassing are still being paid. The period was progressively extended until 10 August. From 10 August onwards premiums will be paid to those producers who, within eight days after the completion of threshing, agree with

given considerable publicity in the Italian and foreign press; but while these disturbances have undoubtedly been grave, the total effect upon Italy's grain amassing campaign is not considered to be great.

Trouble has, for instance, occurred in Veneto, but already this region has delivered 71 per cent. of the target figure fixed in the ammassi program. Lombardy and Piedmont, where there have been demonstrations and police intervention, had by 15 August, achieved 56 per cent. and 50 per cent. of their respective ammassi targets. On the other hand, the ammassi campaign is progressing very slowly in Venezia Tridentina where, however, it must be remembered that harvesting is late since much of the wheat is grown at high altitudes. But as its total target figure amounts to no more than 2,930 tons, the effect upon Italy in general is negligible.

Sicily Amasses Nearly 50,000 Tons

In Sicily, the position is complicated, owing to the combined effect of political cross-currents and an economic situation which provides exceptional openings for black market trade both within the island and at ports outside the island. It must be emphasized, however, that in spite of difficulties, some 49,669 tons have already been amassed of the total target figure of 178,000 tons.

This represents approximately 28 per cent. of what the grain producers in the island should have delivered. Low as this percentage is, it is, nevertheless, a substantial improvement on last year's figure, when, in spite of every effort, only a little more than 17 per cent. of the estimated quantity available for collection was, in fact, delivered to the people's granaries.

UNRRA IMPORTS IN JULY

UNRRA-imported supplies arriving in Italian ports during July totalled 711,000 metric tons, plus an estimated 100,000 tons of petroleum products, imported through military channels on UNRRA account, and paid for from UNRRA funds. This is the largest monthly tonnage which has arrived since April

0423
Declassified E.O. 12356 Section 3.3/NND No. 785031

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This year's amassing campaign has yielded more than 1,880,408 tons of wheat up to 15 August, thanks to vigorous action on the part of the Government, and the co-operation and public spirit shown by the majority of the farmers. This figure represents 79 per cent. of the target figure for the country as a whole, and compares with 2,016,836 tons amassed up to the same date in 1943, which was a particularly good year, and 548,556 tons last year, when, owing to drought and war, returns were exceptionally bad.

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Ammassi riots in various parts of the mainland, and particularly in Sicily, have been considered to be great.

Trouble has, for instance, occurred in Veneto, but already this region has delivered 71 per cent. of the target figure fixed in the ammassi program. Lombardy and Piedmont, where there have been demonstrations and police intervention, had by 15 August, achieved 56 per cent. and 50 per cent. of their respective ammassi targets. On the other hand, the ammassi campaign is progressing very slowly in Venezia Tridentina where, however, it must be remembered that harvesting is late since much of the wheat is grown at high altitudes. But as its total target figure amounts to no more than 2,930 tons, the effect upon Italy in general is negligible.

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The heaviest share of the July imports, namely 584,000 tons, goes to Italy's industrial

0424
Declassified E.O. 12356 Section 3.3/NND No. 759021

rehabilitation. In addition to the 100,000 tons of petroleum products, 173,000 tons of coal were delivered at Italian ports. Steel and manganese ore imports totalled 3,600 tons, crude rubber 2,200 tons, asbestos 2,400 tons, chemicals (including rubber processing materials) 1,500 tons and refined copper 900 tons. Medical and sanitation supplies imported during July amounted to 430 tons.

Wheat imports amounted to 103,300 tons with a further 58,800 tons (wheat equivalent) of other bread cereals and grain products. Other food items imported were 20,950 tons of sugar (including corn syrup), 8,900 tons of edible fats, 2,800 tons of pulses, 3,100 tons of meat, meat preparations and fish, and 980 tons of milk products.

Agricultural Rehabilitation

Agricultural rehabilitation accounted for 13,300 tons, which included 8,600 tons of fertilizer (nitrates and phosphates), 3,800 tons of blister copper (for the manufacture of pesticide), 194 tons of tinplate (for food preserving), 175 tons of seed and 103 tons of pesticides.

Under textiles, clothing and footwear (totalling 4,700 tons) were 2,300 tons of raw cotton, 1,994 tons of miscellaneous footwear materials, 192 tons of hides and skins, and 118 tons of composition and rubber soling.

In addition to the above imports, UNRRA also provided shipping and incidental handling services in connection with imports not on the UNRRA program. These imports consisted of 24,150 tons of wheat, a gift to Italy from Argentina, and 157 tons of clothing contributed by donors overseas.

UNRRA HELPS FISHING TRADE

An average drop of 1,000 per cent. in the price of cotton twine, and 300 to 800 per cent. in fishing net prices is the latest example of what can be achieved through UNRRA rehabilitation efforts and economic co-operation in Italy.

soared as war damage and normal depreciation whittled down the nation's fishing equipment. What cotton-twine remained, was mostly held in Northern Italy where price levels averaged 6,000 lire per kilogram while in Southern Italy, with virtually no spinning mills, prices reached 10,000 lire per kilogram. Prices throughout Italy now average 600-1,200 lire per kilogram.

Downward Trend Begins

The tide began to turn with the import of 170 tons of cotton by the Allied Commission, and the prospects of resumed access to normal sources. Hoarded stocks re-appeared and prices started to decrease. This trend was sharply accentuated with the arrival of 300 tons of UNRRA-imported raw cotton destined for the fishing industry. The Italian Ministry of Agriculture handed the cotton over to the FARP (Fondazione Assistenza Rifornimenti Pesca, a non-profit making body controlled by the Ministry of Agriculture) which allocated it to the spinning mills in North Italy.

A further difficulty which arose in connection with the financing of the industrial processing has now been settled. As the FARP was unable to pay for the raw cotton —which, like all UNRRA-imported supplies, is placed on sale by Italian agencies and the proceeds then paid into the Lire Fund— the spinning factories agreed to pay for it themselves on assurance from the FARP that the finished products, viz. the twine, would be purchased by the net factories for manufacture into nets.

Agreement Reached

Agreement has now been reached. The 300 tons of raw cotton will all be manufactured into twine which the net factories will then make into nets. Hence, fishermen can now place orders either direct with the net factories or with the FARP. They will be charged prices varying from 1,400 to 4,000 lire per kilogram (according to size of mesh, twine, etc.) as against price levels which had reached 12,000 lire per kilogram two years ago.

« ECONOMIC SURVEY » SUPPLEMENT

0428
Declassified E.O. 12356 Sec. 3.3/NND No. 785041

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Before the war, cotton twine for fishing nets was sold at between 20 and 30 lire a kilogram. Imports then ceased, the existing stocks were diverted from civilian purposes and demand

Italy now average 600-1,200 lire per kilogram.

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« ECONOMIC SURVEY » SUPPLEMENT

The Supplement published with this week's issue of Economic Notes *deals with Transport and Communications.*

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(AUGUST 10 - 16 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Jose Bonifacio	Genoa	10 August	UNRRA	General	2,258
F. Scott Fitzgerald	Naples	" "	"	Nitrates	7,721
Hobart Victory	Brindisi	" "	"	General	6,837
Zealand	Genoa	11 "	"	"	280
Wesleyan Victory	Venice	" "	"	"	4,576
Horace Luckenbach	Savona	12 "	"	Cotton	5,317
				Sugar	5,650
Jericho Victory	Naples	" "	"	General	1,519
Joseph Gale	Genoa	" "	Commercial	"	3,800
John F. Schmeltzer	Venice	" "	UNRRA	Maize	8,366
Fort Carillon	Messina	" "	"	Wheat	8,648
Winfred Smith	Naples	13 "	"	General	6,198
Louis MacLane	Venice	" "	It. Program	Maize	8,281
Reuben Tipton	Genoa	14 "	UNRRA	General	2,991
Fort Yukon	Venice	" "	"	"	897
Highflyer	"	" "	"	"	6,667
Fernebo	Genoa	15 "	Commercial	Cotton	1,600
Alma Victory	Leghorn	" "	UNRRA	General	6,292
Salvador Bran	Castellammare	" "	"	Cereals	8,204
Luigi Nola	Genoa	16 "	It. Program	Pyrites	1,420

LATEST COAL SHIPMENTS

(AUGUST 10 - 16 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Mary Pickersgill	Bari	10 August	United States	UNRRA	8,341
Julian Dubuque	Venice	" "	" "	"	8,392
Francis Culkin	Savona	" "	" "	"	8,051
Stad Haarlem	Bagnoli	11 "	Germany	"	7,608
David Huger	Venice	" "	United States	"	8,245
Wansford	Savona	" "	Germany	"	7,600
Benjamin French	"	" "	United States	"	8,268
Spriugbjorn	Genoa	" "	Germany	"	3,870
John Quick	Venice	12 "	United States	"	8,652
William Blount	Savona	" "	" "	"	7,920
M. E. Comerford	Genoa	" "	" "	"	1,020
Thomas Nelson	"	" "	" "	"	8,910
Nandi	Savona	13 "	Germany	"	2,609
Pelorum	Genoa	" "	"	"	7,400
David Yulee	Venice	" "	United States	"	8,197
John Abell	Catania	" "	" "	"	8,380
William Edwards	Genoa	" "	" "	"	8,290
Donald Holland	Venice	14 "	" "	"	8,592
Stephen W. Kearney	Civitavecchia	" "	" "	"	9,053
David Galliard	Ancona	" "	" "	"	4,500
Albert Burleson	Bari	" "	" "	"	8,383
Julien Poydras	Civitavecchia	" "	" "	"	3,729
William Phips	Piombino	" "	" "	"	4,500
Henry Adams	Palermo	15 "	" "	"	8,511
George Wilson	Genoa				8,832

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Zealand	Genoa	11 "	"	"	280
Wesleyan Victory	Venice	" "	"	"	4,576
Horace Luckenbach	Savona	12 "	"	Cotton	5,317
Jericho Victory	Naples	" "	"	Sugar	5,650
Joseph Gale	Genoa	" "	Commercial	General	1,519
John E. Schmeltzer	Venice	" "	UNRRA	"	3,800
Fort Carillon	Messina	" "	"	Maize	8,366
Winfred Smith	Naples	13 "	"	Wheat	8,648
Louis MacLane	Venice	" "	It. Program	General	6,198
Reuben Tipton	Genoa	14 "	UNRRA	Maize	8,281
Fort Yukon	Venice	" "	"	General	2,991
Highflyer	"	" "	"	"	897
Fernebo	Genoa	15 "	Commercial	"	6,667
Alma Victory	Leghorn	" "	UNRRA	Cotton	1,600
Salvador Brau	Castellammare	" "	"	General	6,292
Luigi Nola	Genoa	16 "	It. Program	Cereals	8,204
				Pyrites	1,420

LATEST COAL SHIPMENTS

(AUGUST 10 - 16 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Mary Pickersgill	Bari	10 August	United States	UNRRA	8,341
Julian Dubuque	Venice	" "	" "	"	8,392
Francis Gulkin	Savona	" "	" "	"	8,051
Stad Haarlem	Bagnoli	11 "	Germany	"	7,608
David Huger	Venice	" "	United States	"	8,245
Wansford	Savona	" "	Germany	"	7,600
Benjamin French	"	" "	United States	"	8,268
Springbjorn	Genoa	" "	Germany	"	3,870
John Quick	Venice	12 "	United States	"	8,652
William Blount	Savona	" "	" "	"	7,920
M. E. Comerford	Genoa	" "	" "	"	4,020
Thomas Nelson	"	" "	" "	"	8,910
Nandi	Savona	13 "	Germany	"	2,609
Pelorum	Genoa	" "	"	"	7,400
David Yulee	Venice	" "	United States	"	8,197
John Abell	Catania	" "	" "	"	8,380
William Edwards	Genoa	" "	" "	"	8,290
Donald Holland	Venice	14 "	" "	"	8,592
Stephen W. Kearney	Civitavecchia	" "	" "	"	9,053
David Galliard	Ancona	" "	" "	"	4,500
Albert Burleson	Bari	" "	" "	"	8,383
Julien Poydras	Civitavecchia	" "	" "	"	3,729
William Phips	Piombino	" "	" "	"	4,500
Henry Adams	Palermo	15 "	" "	"	8,511
George Walton	Genoa	" "	" "	"	8,832
Joshua Slocum	"	" "	" "	"	3,796
Joseph Holmes	Venice	" "	" "	"	3,952
Smith Thompson	Catania	16 "	" "	"	3,568
Ameriki	Savona	" "	" "	"	8,644
Pheaux II	"	" "	" "	"	9,202
Orbis	"	" "	" "	"	5,348

Declassified E.O. 12356 Section 3.3/NND No. 785021

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August 16, 1946

Vol. I, No. 31

ECONOMIC NOTES

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

CONTENTS

1. Medical Aid to Italy
2. UNRRA Shipping in Italian Ports
3. Movements of Ships

MEDICAL AID TO ITALY

In addition to the steady flow of medical supplies which UNRRA is bringing into the country, a preliminary sum of 18,850,000 lire —part of a far-reaching plan for nation-wide medical rehabilitation—has now been allocated to the High Commissariat for Public Health and Hygiene.

The Italian Government and UNRRA Italy Mission have agreed that this sum be taken from the Lire Fund and used for the work of Provincial Medical Officers, many of whom have been immobilised during the last two years by lack of transport and other handicaps, to the detriment of national health throughout the country.

Use of Lire Fund

This latest allocation from the Lire Fund to medical purposes is additional to the sums which have already been drawn from that Fund for the betterment of national health, in implementation of the agreement signed between the Italian Government and UNRRA in January 1946, whereby the net proceeds of the sale of UNRRA-imported supplies shall be used for such relief and rehabilitation purposes in

	Lire
Manufacture of hospital linen from imported raw cotton	400,000,000
Sardinia malaria eradication	300,000,000
Malaria control, Latina Province	7,500,000

A list of public health projects which, if approved, will involve the allocation of considerable sums from the Lire Fund, has been submitted to the Lire Fund by the High Commissioner for Public Health and Hygiene.

Fourth General Distribution

This week sees the completion of the third general distribution of medical supplies (see *Economic Notes* No. 23 of 21 June, 1946) amounting to 521 tons, valued at over 560,000 dollars (£140,000 sterling) and the commencement of the fourth general distribution.

Amounting to some 600 tons, the first part of the fourth general distribution consists of hospital supplies, and includes blankets, bathrobes and pyjamas, surgical dressing and equipment, surgeon's gloves, 75 tons of absorbent cotton, 380 tons of toilet, laundry and soft soap, about 12,000 syringes and the same number of needles and 43,000 tubes of suture material. There is also a considerable quantity

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The following are the items which have already been allocated:—

	Lire
Manufacture of hospital linen from imported raw cotton	400,000,000
Sardinia malaria eradication	300,000,000
Malaria control, Latina Province	7,500,000

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Special distribution of narcotic drugs, insulin and liver extract (total value 21,427 dollars or

0430

Declassified E.O. 12356 Section 3.3/NND No. 785001

150

1231

£5.357 sterling), were completed according to schedule during July. In July, also, 20,000 vials of penicillin were distributed to 90 provinces, in Sicily, Sardinia and the mainland of Italy.

The re-opening of the Regina Margherita Hospital at Messina was marked by an inaugural ceremony on 4 August at which the Acting High Commissioner for Sicily and other Italian authorities were present, together with the UNRRA Regional Director and Regional Medical Officer, and the Deputy Chief of Mission and the Director of Health from UNRRA Headquarters. The re-opening of the hospital, which has been requisitioned many times, was made possible by the allocation of an UNRRA 200-bed hospital unit. UNRRA sheeting material had also arrived, and about 110 patients are already hospitalized.

Complete Hospital Units

Another 200-bed hospital unit was delivered to the Civil Hospital, Dolo (Venezia). Five 40-bed hospital units were delivered to the following institutions: Civil Hospital, Fidenza (Parma); Civil Hospital, Palermo; Palazzo Adriano, Palermo; Sanatorium Serraino Vulpitta, Trapani; Agrigento Civil Hospital, Licata (Sicily); Ospedale Isolamento, Trapani (Sicily). The latter two divide one 40-bed hospital unit between them.

Distribution of the remaining twenty-one 40-bed hospital units and other hospital equipment such as furniture, surgical instruments and kitchenware are being planned and executed during August. In addition, laboratory units were delivered in July to the Sicilian Provincial Laboratories of Messina, Catania and Caltanissetta.

The distribution plan for 95 UNRRA ambulances has been approved. The ambulances will remain the property of the Italian Government, but will be assigned to the Medici Provinciali for use by specified hospitals and medical institutions in the provinces.

Tuberculosis Control

The following X-ray units were installed by UNRRA technicians during July: Civil Hospital, Pilla (Siena); Tubercular Sanatorium, Guerrini (Pesaro). With the delivery of a further unit to the Civil Hospital at Minturno this week, the assignment of the fourteen X-ray units imported into Italy by UNRRA is now complete.

UNRRA Scholarships

A practical instance of UNRRA's long-term policy for the promotion of national self-help was the departure from Naples on 4 August, of 27 Italian graduate nurses who have received UNRRA scholarship for four months' study in the United States. The nurses—among whom were three nuns—came from Sicily and every other part of Italy and have been selected by the Directors of 27 different institutions. One of the requirements attached to the scholarship is that each nurse, on her return to Italy, shall give a year of service to the Italian people, imparting to others the knowledge she has acquired abroad. The group is divided between those who will study the teaching of public health and those who will study teaching methods as applied to the nursing of the sick.

A scheme for Nation-wide disinfestation of hospitals, orphanages, institutions and jails is rapidly assuming final form. The plan will be carried out by Italian personnel, with UNRRA technicians acting in an advisory capacity. It is hoped that by 1 September engineers and equipment will be on site and operations will be ready to start. At a conference between the Italian authorities and the sanitary engineers of the Health Division, it was agreed to use 20 tons of 100 per cent. DDT and 500 sprayers for this program.

UNRRA SHIPPING IN ITALIAN PORTS

The selection of Italian ports for discharge of UNRRA supplies imported for Italy's relief and rehabilitation has been one of the major problems in the Administration's task.

UNRRA policy in this connection has been dictated by three main factors. Firstly, the choice of ports whose facilities are most adjacent to the areas for which the cargo is intended, in order to ensure relatively the best

0431
Declassified E.O. 12356 Section 3.3/NND No. 745021

Italy.

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Another 200-bed hospital unit was delivered to the Civil Hospital, Dolo (Venezia). Five 40-bed hospital units were delivered to the following institutions: Civil Hospital, Fidenza (Parma); Civil Hospital, Palermo; Palazzo Adriano, Palermo; Sanatorium Serraino Vulpitta, Trapani; Agrigento Civil Hospital, Licata (Sicily); Ospedale Isolamento, Trapani (Sicily). The latter two divide one 40-bed hospital unit between them.

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UNRRA policy in this connection has been dictated by three main factors. Firstly, the choice of ports whose facilities are most adjacent to the areas for which the cargo is intended, in order to ensure relatively the best and fastest distribution possible under the circumstances. It is obvious that, with demand

0432
Declassified E.O. 12356 Section 3.3/NND No. 759021

so far in excess of supply, any delay in moving goods inland—especially when foodstuffs are concerned—might well have serious consequences.

A second factor which influences shipping decisions is the railway accommodation available. Clearance of port warehouses depends largely on the efficiency of the railway system serving the ports. Congestion of that system may substantially affect the usefulness of a port at a given moment.

The Financial Onus

The third consideration is the speed with which the vessel can be completely unloaded; this directly affects the amount of dollars and sterling paid out of UNRRA's international shipping fund.

A further aspect to which UNRRA attaches importance is—with the other considerations being relatively equal—the possibility of relieving unemployment in port towns, where large sections of the population have been deprived of their livelihood as a result of the sharp shrinkage in sea-borne trade. Most of Italy's foreign trade used to be handled through the many ports located along her 5,300 miles of coastline. Large sections of the population have consequently been cut off from their normal wage-earning source for close on six years.

Ports Still Unsafe

A point to be borne in mind when comparing the respective merits of Italy's ports is the fact that many of the minor harbours have never officially been declared safe for shipping. Only lately have the Allied military authorities allowed civilian shipping to use some of the harbours, and ship-owners are in some cases still unwilling to have their ships put in at certain west-coast ports.

Sincere efforts have been made by UNRRA to use the small ports, and shipping has often been diverted from the larger ones, with this end in view. But this brings up the question of shipping costs previously mentioned. Higher charges on UNRRA's ocean freight funds mean less money available for relief and rehabilitation supplies. Facilities at many of the tons per day. The penalty for slower discharge is 1,700 dollars per day. Diversions may entail heavy expenditure, as freight is usually charged on the ship's full cargo and for the whole run, irrespective of any partial unloadings during the journey. Thus, unloading part of an 8,000-ton vessel's cargo, say, in Naples, and the balance at Trapani, would involve payment on the full amount of cargo for the Naples-Trapani run, amounting to several thousand dollars.

To overcome this difficulty, Italian schooners and coasters have been used for coastwise shipping wherever possible.

Use of Minor Ports

The following figures show the tonnage discharged at some of the minor ports in July: Ancona 24,400 tons; Crotone 8,800; Messina 3,600; Catania 21,200; Siracusa 2,800; Piombino 19,100; Civitavecchia 42,300; Torre Annunziata 22,900; Castellammare 10,500; Salerno 10,800; Reggio Calabria 8,700; Cagliari 16,500; Brindisi 12,100.

The choice of a ship's port destination is a matter for close co-operation between UNRRA and the Italian agencies. With slight exceptions, all UNRRA shipping—including coal and food—goes into the ports designated by the Italian authorities.

It is to be hoped that the possibility of port reconstruction and a general improvement in world trade will soon afford Italy's dockers and other port workers the opportunities they have long been denied.

« ECONOMIC SURVEY » SUPPLEMENT

The Supplement attached to this week's issue of Economic Notes *contains the second section on Italian industry, dealing with Food Processing, and the Textile, the Iron and Steel, and other industries. The Supplement also has textual revisions of paragraphs which have appeared in previous Supplements.*

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Declassified E.O. 12356 Section 3.3/NND No. 735021

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MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(AUGUST 3 - 9 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Sveti Duje *	Venice	2 August	It. Program	Phosphates	5,720
Fylingdale	Savona	3 "	" "	Caolin	1,648
Stig Gorthon	Genoa	" "	Commercial	General	2,900
Vulcania	Naples	" "	UNRRA	Sausages	22
Southwestern Victory	"	4 "	" "	General	6,636
Harold O. Wilson	"	" "	" "	"	9,008
Tyson Lykes	Genoa	5 "	Commercial	"	6,669
James D. Trask	Venice	" "	UNRRA	Corn	8,366
Kendall Fish	Genoa	6 "	" "	General	2,416
Jonathan Wort	Venice	" "	" "	"	6,754
Swan Point	Leghorn	7 "	It Program	Caolin	5,773
Nora	Bagnoli	8 "	" "	Phosphates	530

* *Advice received too late for inclusion in last week's shipping list.*

LATEST COAL SHIPMENTS

(AUGUST 3 - 9 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Katharine Sherwood	Savona	3 August	United States	UNRRA	8,834
Prinz Andrej	Genoa	4 "	Germany	"	8,629
Dalmore	Savona	" "	United Kingdom	"	6,596
Nelson Andrich	Genoa	5 "	United States	"	8,224
Thomas Hayward	Palermo	" "	" "	"	4,209
	Reggio C.	9 "	" "	"	4,000
David A. Curry	Savona	5 "	" "	"	8,265
Nelson Dingley	Genoa	6 "	" "	"	8,395
Fjeld	Savona	" "	United Kingdom	"	4,309
James Bowje	Venice	" "	United States	"	3,429
Lucius Fairchild	"	" "	" "	"	4,463
Walker D. Hines	Bagnoli	7 "	" "	"	8,782
Wallace Farrington	Genoa	8 "	" "	"	3,930
Vernon Kellog	Savona	" "	" "	"	8,660
Johann Printz	"	" "	" "	"	8,134
Henry Brown	"	" "	" "	"	8,673
Milton Foreman	"	9 "	" "	"	8,491
David Galliard	Venice	" "	" "	"	8,272
James Couper	"	" "	" "	"	6,642
Giacomo C.			Germany		7,115

0435

Declassified E.O. 12356 Section 3.3/NND No. 740301

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Sveti Duje *	Venice	2 August	It. Program	Phosphates	5,720
Fylingdale	Savona	3 "	" "	Caolin	4,648
Stig Gorthon	Genoa	" "	Commercial	General	2,900
Vulcania	Naples	" "	UNRRA	Sausages	22
Southwestern Victory	"	4 "	" "	General	6,636
Harold O. Wilson	"	" "	" "	"	9,008
Tyson Lykes	Genoa	5 "	Commercial	"	6,669
James D. Trask	Venice	" "	UNRRA	Corn	8,366
Kendall Fish	Genoa	6 "	" "	General	2,416
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James Couper	"	" "	" "	"	6,642
Giacomo C.	"	" "	Germany	"	7,115
William Phips	Genoa	" "	United States	"	4,120

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

INDUSTRY

(Part II continued)

(For the first section of this Survey of Italian industry, containing an introduction, Part One general) and Part Two (motive power industries - coal and fuel - and the chemical and allied industries see Supplement to "Economic Notes," Vol. I, No. 30, 9 August, 1946) (1)

FOOD PROCESSING

Introduction.

203. This brief survey of the present situation of the food processing industry is limited to its more important branches. The importance of the food processing industry before the war is indicated by the following figures of exports in 1937, when 380,000 persons were employed:

	Thousands of lire
Cheese (hard and soft)	224,000
Preserved fruit, dried and fresh vegetables (including tomato paste)	227,000
Macaroni	50,000
Preserved meats	54,000
Edible olive oil	146,000
Wines and vermouth	271,000

Generally speaking, the war damage suffered by the food processing industry has been almost completely repaired and the capacity of the plants is nearly equal to their pre-war capacity. However, the factories are working at a very reduced rate as a consequence of the shortage of Italian agricultural products. In normal times Italian processed food products contributed to the export trade but this is now impossible, partly because of the domestic food shortage and partly because of the high cost of agricultural products. As a result of high prices, the reduced production is sufficient to meet the very low effective domestic demand, and sometimes even to exceed it, although this does not mean that nutritional needs are being met. Normally, the main imported raw materials for food processing are coal and tin plate (or tin for manufacturing of plate). Other necessary imported materials are cocoa, fresh fish, oil seeds and some minor products. During the present emergency imports of sugar and meat are also necessary.

Sugar.

204. For the period from August to October 1946, the scheduled production of 56 sugar factories, 12 of which have been totally or partially re-equipped after having been damaged by the war, amounts to 250,000 tons of sugar. Their production capacity is over half a million tons (430,000 tons were produced in 1942). As an insurance against coal shortage, many plants are fitting fuel oil burners to their boilers, and the allocation of coal has been reduced to 175,000 tons. As a conservative estimate, 280,000 tons of sugar can be expected from the 1946 harvest of sugar beets. With an availability of 230,000 tons of sugar it should be possible to distribute, till the 1947 crop, a monthly ration of 300 grams per consumer, and to give 50,000 tons to the food processing industry.

Cheese and Butter.

205. In the pre-war period, cheese production amounted to 200,000 tons per year and butter production to 45,000 tons per year. This was processed from 25,500,000 litres of milk. The pre-war average export of cheese amounted to 30,000 tons per year. For 1946 the estimated cheese production of 4,304 industrial plants (with a total capacity of 230,000 tons of cheese) amounts to 110,000 tons, and the butter production of 4,264 industrial plants is estimated at 24,000 tons. This heavy reduction is caused by the shortage of milk, which is due to the destruction of livestock and the shortage of fodder. As a result of the high cost of milk for industrial use (30 lire per litre), the production of cheese and butter for free sale exceeds the demand. There is a real, if minor, surplus for export of "pecorino" (Roman and Sardinian cheese) (2). Because this cheese did not meet the taste of a large proportion of the Italian population, especially in Northern Italy, it was in the past exported in considerable quantities, particularly to the USA for the emigrated Italians. Out of a production of 20,000 tons of this cheese, 5,000 tons could be exported without depriving the internal market. Also, cheese of high quality and cost, such as Parmesan cheese could be exported in exchange for other foodstuffs of wider consumption and lower cost. Apart from 20,000 tons of coal, raw material imports for this cheese production are limited to rennet, which can be obtained through commercial exchange with Switzerland, France, Denmark and Holland.

Declassified E.O. 12356 Section 3.3/NND No. 760021

Introduction.

203. This brief survey of the present situation of the food processing industry is limited to its more important branches. The importance of the food processing industry before the war is indicated by the following figures of exports in 1937, when 330,000 persons were employed:

	Thousands of lire
Cheese (hard and soft)	224,000
Preserved fruit, dried and fresh vegetables (including tomato paste)	227,000
Macaroni	50,000
Preserved meats	54,000
Edible olive oil	146,000
Wines and vermouth	274,000

Generally speaking, the war damage suffered by the food processing industry has been almost completely repaired and the capacity of the plants is nearly equal to their pre-war capacity. However, the factories are working at a very reduced rate as a consequence of the shortage of Italian agricultural products. In normal times Italian processed food products contributed to the export trade but this is now impossible, partly because of the domestic food shortage and partly because of the high cost of agricultural products. As a result of high prices, the reduced production is sufficient to meet the very low effective domestic demand, and sometimes even to exceed it, although this does not mean that nutritional needs are being met. Normally, the main imported raw materials for food processing are coal and tin plate (or tin for manufacturing of plate). Other necessary imported materials are cocoa, fresh fish, oil seeds and some minor products. During the present emergency imports of sugar and meat are also necessary.

Sugar.

201. For the period from August to October 1946, the scheduled production of 56 sugar factories, 12 of which have been totally or partially re-equipped after having been damaged by the war, amounts to 250,000 tons of sugar. Their production capacity is over half a million tons (430,000 tons were produced in 1942). As an insurance against coal shortage, many plants are fitting fuel oil burners to their boilers, and the allocation of coal has been reduced to 175,000 tons. As a conservative estimate, 280,000 tons of sugar can be expected from the 1946 harvest of sugar beets. With an availability of 280,000 tons of sugar it should be possible to distribute, till the 1947 crop, a monthly ration of 300 grams per consumer, and to give 50,000 tons to the food processing industry.

Cheese and Butter.

205. In the pre-war period, cheese production amounted to 200,000 tons per year and butter production to 15,000 tons per year. This was processed from 25,500,000 litres of milk. The pre-war average export of cheese amounted to 30,000 tons per year. For 1946 the estimated cheese production of 4,804 industrial plants (with a total capacity of 230,000 tons of cheese) amounts to 116,000 tons, and the butter production of 4,261 industrial plants is estimated at 24,000 tons. This heavy reduction is caused by the shortage of milk, which is due to the destruction of livestock and the shortage of fodder. As a result of the high cost of milk for industrial use (30 lire per litre), the production of cheese and butter for free sale exceeds the demand. There is a real, if minor, surplus for export of "pecorino" (Roman and Sardinian cheese) (2). Because this cheese did not meet the taste of a large proportion of the Italian population, especially in Northern Italy, it was in the past exported in considerable quantities, particularly to the USA for the emigrated Italians. Out of a production of 20,000 tons of this cheese, 5,000 tons could be exported without depriving the internal market. Also, cheese of high quality and cost, such as Parmesan cheese could be exported in exchange for other foodstuffs of wider consumption and lower cost. Apart from 20,000 tons of coal, raw material imports for this cheese production are limited to rennet, which can be obtained through commercial exchange with Switzerland, France, Denmark and Holland.

(1) See Supplement to Vol. I No. 27 for Introduction to Survey of Italy's Economy and for Survey of Finance, and No. 28 for Survey of Agriculture and Food in Italy.

(2) Pecorino cheese is made from ewes milk.

0438
Declassified E.O. 12356 Section 3.3/NND No. 759001

Condensed and Powdered Milk. Baby Food.

206. The 19 Italian factories producing condensed and powdered milk, have a capacity of over 35,000 tons per year and an average production of 20,000 tons. The factories can process in 1946, on the basis of available milk (about 1,000 hectolitres per day) about 12,000 tons of condensed or powdered milk. However, this production is subject to the availability of 3,000 tons of imported or domestic sugar. (The last allocation of domestic sugar amounting to 900 tons, was made in September 1945.) Limited quantities of evaporated milk are shipped by tank cars from North Italy to centres of consumption where local milk is in short supply (Genoa, Florence, Rome). As for production of dietetic baby foods, 17 factories with a capacity of over 10,000 tons per year, can produce 6,000 tons of products, subject to the availability of 3,600 tons of barley and wheat, 2,200 tons of sugar and 200 tons of edible fats.

Chocolate.

207. On the basis of the supply of 3,000 tons of cocoa beans included in the 1946 UNRRA program, the Italian chocolate industries can produce in 1946 8,000 tons of chocolate, against a normal pre-war production of 13,000 to 14,000 tons per year. The capacity of the 200 factories is over 50,000 tons per year. Other imports of cocoa, above the UNRRA program, have been scheduled by the Italian Government (e.g. 1,500 tons from France and Spain).

Fruit Processing.

208. The Italian fruit processing plants have always worked at a reduced rate because of the shortage and high cost of sugar. The number of jam factories in operating condition is 226. They have a capacity of 180,000 tons, and a normal pre-war (1939-1940) production exceeding 120,000 tons. Fruit pulp has always been available in excess of requirements. The stockpile left from the production of preceding years is estimated at 50,000 tons, which may be increased to 120,000 tons after the next crop. In the first half of 1946 the factories were to process 8,500 tons of sugar, to be used for producing 18,000 tons of jam. 2,500 tons of high-priced sugar substitutes (concentrated grape juice, etc.) were also used. During the second six months of 1946, the sugar stockpiles of the factories will be depleted, unless an allocation of imported sugar, which is not yet scheduled, is received. It is estimated that the factories could process, during the last half of 1946, more than 20,000 tons of sugar, with a further production of 40,000 tons of jam. Most of the jam will be packed in glass jars. A small part will be packed in tin cans, if these are available. For an additional production of about 2,000 tons of fruit in syrup, 400 tons of tin plate and 360 tons of sugar will be necessary.

Vegetables Processing.

209. Italy has 303 factories producing tomato paste and peeled tomatoes. They have a capacity of more than 130,000 tons and had an average pre-war production of 90,000 tons. For the 1946 season a production of 65,000 tons of concentrated tomato paste can be expected. Either glass or wood (especially barrels) can be used for packing. 1,500 tons of tin plate from the UNRRA import program of 4,000 tons for the first half of 1946, together with reclaimed tin plate, were programmed to be used for canning 10,000 tons of tomato products. A production of 3,000 tons of peeled tomatoes is also scheduled involving the use of 900 tons of allocated and reclaimed tin plate. The production of dried vegetables, since the demand for military supplies and export to Germany ceased, has dropped to almost negligible quantities due to lack of coal. Italy has 133 factories producing preserved vegetables (peas, fresh green beans, crab apples, pickled and vinegar-seasoned vegetables) with a capacity of 30,000 tons. For 1946 the estimated production is 10,000 tons; 5,000 tons of this will be canned, using an allocation of reclaimed tin plate. The rest will be packed in barrels or glass jars.

Fish Preserving.

210. The 107 fish-preserving plants (including eight plants in the Istria district) have a capacity of 55,000 tons (excluding hors d'oeuvres and mixed fish and vegetables preserves). They will work at a very reduced rate in 1946, due to the shortage and high cost of fresh fish and the lack of tin plate. It is estimated that 2,500 tons of fresh fish will be canned, using 500 tons of tin plate imported by UNRRA. The total 1946 production is estimated at 5,000 tons of canned fish, including sardines and anchovies, fished in territorial waters (since there will not be the usual importation of salted fish for processing from Spain and Portugal) with a total use of 900 tons of tin plate, either imported or reclaimed. There is also a scheduled import from Turkey of bonito fish for processing. This salmon type product should yield 2,000 tons of canned fish and will need 360 tons of tin plate. Imported raw material is not required for the manufacture of salted fish, which is normally packed in barrels. It is estimated that 116 small factories (with a production capacity of 20,000

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Declassified E.O. 12356 Section 3.3/NND No. 748001

able milk (about 1,000 hectolitres per day) about 12,000 tons of condensed or powdered milk. However, this production is subject to the availability of 3,000 tons of imported or domestic sugar. (The last allocation of domestic sugar amounting to 900 tons, was made in September 1945.) Limited quantities of evaporated milk are shipped by tank cars from North Italy to centres of consumption where local milk is in short supply (Genoa, Florence, Rome). As for production of dietetic baby foods, 17 factories with a capacity of over 10,000 tons per year, can produce 6,000 tons of products, subject to the availability of 3,600 tons of barley and wheat, 2,200 tons of sugar and 200 tons of edible fats.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

TEXTILE INDUSTRY

THE INDUSTRY AS A WHOLE

Pre-war Situation.

211. The textile industries in Italy occupy a vital position in Italy's economy. In 1938 they gave employment (with allied industries) to 633,000 people, that is about 14 % of the whole industrial population. The number of firms engaged in these industries was about 3,000.

212. Until 1934 the plants were primarily engaged in processing imported raw cotton and wool. In successive years there was a progressive shift toward synthetic fibers in a vain hope of assuring self-sufficiency. The total value of the output of the textile factories was estimated at about 11,000 million lire in 1938—of which 8,000 million lire were in goods and 3,000 million lire represented the value of wages and other operational services. Exports reached an average figure of about 3,000 million lire. Total Italian exports were valued at 10,000 million lire in the same year.

213. The domestic consumption of textile goods was affected by the low standard of living—which in the pre-war period limited the per-capita consumption to 6.45 Kgs. in 1935 compared with 9 Kgs. for Germany, 20 Kgs. for UK, and 12.65 for US. The various fibers contributed to Italian consumption as follows:

	Kgs.
Cotton	2.72
Wool	0.73
Artificial fibers	1.00
Hemp, silk, flax & jute	2.00
	6.45

The War-time period.

214. During the war there were few official figures of the output of the textile industries and it is difficult to arrive at an approximate evaluation of the textile products made available to civilian consumers. The production of cotton manufactured goods decreased rapidly from 1939. In 1944 the quantity produced was only 9.3 % of the 1938 total, and in 1945 production

TABLE 23

Italian Cotton Goods Production 1938-46

YEAR	Cotton spinning production	
	Thousand Kgs.	Index
1938	178,443	100.0
1939	191,738	107.5
1940	177,546	99.5
1941	115,440	64.7
1942	76,121	42.7
1943	48,921	27.4
1944	16,555	9.3
1945	10,009	5.6
1946 January	3,091	20.8 (1)
February	4,152	27.9
March	5,152	34.7
April	7,248	48.7

(Source: Italian Cotton Institute).

216. The proportion of cotton fiber consumed decreased during the war, falling from 61.4 % of the total fibers used in 1939 to scarcely 7.5 % in 1944. The use of rayon increased proportionately, until in 1944 it represented in value 76.2 % of the total (2); the quality of the goods produced deteriorated accordingly.

217. As for artificial textile fibers (rayon, staple, lanital, waste), the following figures, supplied by C.I.A.I. (3), have been used to obtain an indication of the trend since 1938.

TABLE 24

Production of Artificial Fibers 1938-45

	Production Thousands of Kgs.	Index 1938-100	1946	Production	Index
1938	126,516	100	Jan.	679	6.4 (1)
1939	145,500	115	Feb.	807	7.6
1940	178,200	141	Mar.	1,198	11.4
1941	203,700	161	Apr.	1,688	16.0
1942	154,104	122	May	2,613	24.8
1943	109,380	86	June	3,379	32.0
1944	32,916	26			
1945	3,720	2.9			

(1) Monthly indexes are calculated in tables 23 and 24 on the

Declassified E.O. 12356 Section 3.3/NND No. 745021

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215. The production of cotton goods in Italy from 1938 has been as follows:

	Thousand Kgs.	Index
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1940	177,546	99.5
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1944	32,916	26			
1945	2,720	2.9			

(1) Monthly indexes are calculated in tables 23 and 24 on the 1938 monthly average production.

(2) This is only a proportional value, as, in actual quantity, the use of rayon has also decreased (60 million Kg. in 1939 to 12.6 million Kg. in 1944).

(3) Consiglio industriale per l'Alta Italia. (North Italy Industrial Council).

0421
Declassified E.O. 12356 Section 3.3/NND No. 785021

218. The ration cards issued by the end of 1941 were based on the points system and, including also shoes, made it practically impossible for people to have sufficient points to replace such vital items as overcoats, blankets, shirts, woolen socks, leather footwear, etc.

219. So many ration points were requested for these goods that the average customer could get only one of them. The textile ration cards began to be offered on the black market at various prices, and by September 1943 the average price was about 1,000-1,200 lire per card. (Each card was worth 120 points. A man's overcoat needed from 80 to 100 points; a pair of pyjamas 30 points, etc.). Furthermore, the points were expendable only by quarters (30 points per quarter). It is therefore clear that for the last four years the average Italian consumer was obliged to live on his old peacetime wardrobe, which never was very large.

220. An extensive survey, carried out by the Allied Commission during the last quarter of 1944 in liberated Italy (south of the Gothic line), confirmed that the wardrobe of the Italian people was in very bad shape and that the apparent luxury of some people in the large cities was only a parade and one of the most striking proofs of past maldistribution. The textile industry, mainly concentrated in the North, did not suffer substantial war damage. Only the cotton mills around Naples (Cotoniere Meridionali) and the woolen mills around Prato (Tuscany) were severely hit, and even these have been repaired and are now at almost pre-war capacity.

The Present Situation.

221. From the summer of 1942 textile production for civilian purposes was very low. The goods produced in Northern Italy during the German occupation were of such a poor grade that even the most needy people, who were able to buy, were not interested in the supplies available.

222. When, after the liberation of Northern Italy, stocks of these finished goods, estimated at between 75,000 and 100,000 tons, entered the market, notwithstanding the high consumer need, they were not sold.

223. The low purchasing power of the average people, the very poor quality of the goods and the prospects of future availability of real cotton and woolen textiles, accounted for the lack of purchasers and led to a sudden and drastic fall in prices (1) (about 50 % in some cases) while the stocks remained in the hands of the manufacturers, wholesalers and retailers.

224. In May and June 1946 prices of textile goods were still quite high. Producers and distributors were anxious to avoid a downward trend of prices and lack of liquid funds hindered the disposal of the new output, produced with the first allotments of imported cotton and wool under the FEA and YT programs (2).

225. Cotton and wool were also becoming available under commercial "lavorazioni per conto" arrangements between Italian manufacturers and foreign businessmen. Under these agreements the manufacturers were producing quantities of finished goods (yarns and cloth) for account of foreign concerns who paid the Italian producers "in kind," i.e. with a certain quantity of raw materials for each unit of finished products delivered to them.

226. At the same time the low income population, while in dire need of textiles, is in no position to pay the prices asked by manufacturers, who hope to unload on the domestic market the "losses" sustained in selling abroad at international prices.

227. Moreover, the average Italian wage earner is hard put to it to make ends meet for food alone—it costs him virtually his entire salary to purchase sufficient supplementary food (over and above the low ration) to feed his family and himself. Under these conditions the average Italian cannot afford to replace worn clothing and household linen. Hospitals and institutions, short of funds because the State is operating on a budget in heavy deficit, have to go without sheets and other essentials.

The UNRRA Program.

228. With this situation in mind, the revised UNRRA textile imports program during 1946 includes only 34,000 tons for cotton and about 22,000 tons of wool (scoured), which correspond roughly to 0.75 Kg. of cotton and 0.50 Kg. of wool per capita i.e. respectively only 27 % and 69 % of the pre-war average consumption. Considering the need to replace worn-out clothing and the increase of population, this production is still well below average needs. Output will be supervised from the raw material to the finished product and distribution of UNRRA provided goods will be organized so as to make the clothing available to the most needy groups first. Distribution will be effected

(2) The supply program of the FEA (U.S. Foreign Economic Administration), was based on the former military relief program and a program of essential imports for second half 1945 submitted by the Italian Government. The YT Program of Italian imports

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Declassified E.O. 12356 Section 3.3/NND No. 760021

219. So many ration points were requested for these goods that the average customer could get only one of them. The textile ration cards began to be offered on the black market at various prices, and by September 1943 the average price was about 1,000-1,200 lire per card. (Each card was worth 120 points. A man's overcoat needed from 80 to 100 points; a pair of pyjamas 30 points, etc.) Furthermore, the points were expendable only by quarters (30 points per quarter). It is therefore clear that for the last four years the average Italian consumer was obliged to live on his old peacetime wardrobe, which never was very large.

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223. The low purchasing power of the average people, the very poor quality of the goods and the prospects of future availability of real cotton and woolen textiles, accounted for the lack of purchasers and led to a sudden and drastic fall in prices (1) (about 50 % in some cases) while the stocks remained in the hands of the manufacturers, wholesalers and retailers.

(1) This situation is characteristic of the cotton industry; a similar situation prevails in the woolen industry, though in a less acute form.

and wool under the FEA and YT programs (2).

225. Cotton and wool were also becoming available under commercial "lavorazioni per conto" arrangements between Italian manufacturers and foreign businessmen. Under these agreements the manufacturers were producing quantities of finished goods (yarns and cloth) for account of foreign concerns who paid the Italian producers "in kind," i.e. with a certain quantity of raw materials for each unit of finished products delivered to them.

226. At the same time the low income population, while in dire need of textiles, is in no position to pay the prices asked by manufacturers, who hope to unload on the domestic market the "losses" sustained in selling abroad at international prices.

227. Moreover, the average Italian wage earner is hard put to it to make ends meet for food alone—it costs him virtually his entire salary to purchase sufficient supplementary food (over and above the low ration) to feed his family and himself. Under these conditions the average Italian cannot afford to replace worn clothing and household linen. Hospitals and institutions, short of funds because the State is operating on a budget in heavy deficit, have to go without sheets and other essentials.

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(2) The supply program of the FEA (US Foreign Economic Administration), was based on the former military relief program and a program of essential imports for second half 1945 submitted by the Italian Government. The YT Program of Italian imports financed through foreign exchange mainly available to the Italian Government as a result of the U. S. Troop Pay fund.

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Declassified E.O. 12356 Section 3.3/NND No. 785001

through welfare organizations, cooperative societies and the normal commercial channels. The Italian Government and the public are anxious to have cotton and woolen goods made available to all Italians, regardless of their purchasing power. This is in line with the UNRRA policy.

229. The jute in the 1916 program is imported for the manufacture of sacks, essential for agricultural products, and will release raw hemp for more appropriate uses.

230. Two thousand tons of cotton imported under the 1945 program, equally divided between the UNRRA Divisions for Health and Displaced Persons, were put into production in the early part of the year. The schedule of production was delayed by an acute shortage of power during the winter months which affected all industries. Thirty-five firms shared in this work and produced about 10 million square meters of finished cloth. Thus a much needed addition has been made to the depleted supplies of the Italian hospitals. Many necessary items of clothing were made up in the Displaced Persons Division workshops.

THE COTTON INDUSTRY

231. The cotton industry is the largest in the textile group. The pre-war equipment of the cotton industry was as follows:

(a) Number of spinning spindles 5,450,000
" " doubling " 1,000,000
" " looms 136,000

(b) Location:

	Spinning Spindles %	Doubling Spindles %	Looms %
Lombardy	48	42	68
Piedmont	27	27	21
Veneto	13	13	3
Liguria	4	7	1
Central Italy	5	6	5
Southern Italy	3	5	

(c) Employees numbered approximately 216,000, of whom 75 % were women.

(d) Cotton imports for the average of 1934-38 were approximately 152,500 tons per year. Principal sources of supply were the United States (62 %), Egypt (18 %), India (17 %), Sicily and other

Cotton yarn 176,740 tons (average 1929-38)
" goods 123,070 " (" 1935-38)

(f) The pre-war annual exports of cotton yarn and cotton goods to all destinations, including colonies, were as follows:

Cotton yarn 24,250 tons (average 1929-38)
" goods 33,285 " (" 1935-38)

232. The difference between total production and exports, shows the domestic consumption:

Cotton yarns 152,490 tons
" goods 89,855 "

The pre-war composition of cotton production during 1935-38 shows a decrease in pure cotton products from 83.4 % to 47.4 %, with a corresponding rise in mixed cotton and pure rayon products.

THE WOOL INDUSTRY

233. The pre-war equipment of the wool industry was as follows:

(a) Worsted spindles (2/3 self-acting, 1/3 ring) 672,000
Woolen spindles 766,000
Looms 20,500

(b) Location:

	Worsted Spindles %	Woolen Spindles %	Looms %
Piedmont	60	48	43
Lombardy	8	9	14
Veneto	27	16	20
Liguria	1	—	—
Tuscany	—	23	22
Central & Southern Italy	4	4	1

(c) The total number of employees was approximately 105,000 (not including ancillary industries).

(d) Wool imports for 1929-38 were approximately 58,137 (scoured) tons per year, of which the principal sources of supply were: Australia and New Zealand (13 %), Uruguay (11 %), Argentine (22 %), South Africa (14 %), U.K. (10 %), Belgium (4 %), France (8 %), Italy and other countries (13 %).

(e) Pre-war production of yarn and fabric by the Italian wool industry (including tops, reclaimed wool and other fibers) was as follows:

Woolen yarn 73,932 tons (average 1934-38)
" goods 49,059 " (" 1934-38)

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Declassified E.O. 12356 Section 3.3/NND No. 785001

the manufacture of sacks, essential for agricultural products, and will release raw hemp for more appropriate uses.

230. Two thousand tons of cotton imported under the 1945 program, equally divided between the UNRRA Divisions for Health and Displaced Persons, were put into production in the early part of the year. The schedule of production was delayed by an acute shortage of power during the winter months which affected all industries. Thirty-five firms shared in this work and produced about 10 million square meters of finished cloth. Thus a much needed addition has been made to the depleted supplies of the Italian hospitals. Many necessary items of clothing were made up in the Displaced Persons Division workshops.

THE COTTON INDUSTRY

231. The cotton industry is the largest in the textile group. The pre-war equipment of the cotton industry was as follows:

(a) Number of spinning spindles 5,450,000
" " doubling " 1,000,000
" " looms 136,000

(b) Location:

	Spinning Spindles %	Doubling Spindles %	Looms %
Lombardy	48	42	68
Piedmont	27	27	21
Veneto	13	13	5
Liguria	4	7	1
Central Italy	5	6	5
Southern Italy	3	5	

(c) Employees numbered approximately 216,000, of whom 75 % were women.

(d) Cotton imports for the average of 1934-38 were approximately 152,500 tons per year. Principal sources of supply were the United States (62 %), Egypt (18 %), India (17 %), Sicily and other countries (3 %).

(e) The pre-war production of cotton yarns and cotton goods was as follows:

" goods 33,285 " (" 1935-38)

232. The difference between total production and exports, shows the domestic consumption:

Cotton yarns 152,490 tons
" goods 39,855 "

The pre-war composition of cotton production during 1935-38 shows a decrease in pure cotton products from 83.4 % to 47.1 %, with a corresponding rise in mixed cotton and pure rayon products.

THE WOOL INDUSTRY

233. The pre-war equipment of the wool industry was as follows:

(a) Worsted spindles (2/3 self-acting, 1/3 ring) 672,000
Woolen spindles 766,000
Looms 20,500

(b) Location:

	Worsted Spindles %	Woolen Spindles %	Looms %
Piedmont	60	48	43
Lombardy	8	9	14
Veneto	27	16	20
Liguria	1	—	—
Tuscany	—	23	22
Central & Southern Italy	4	4	1

(c) The total number of employees was approximately 105,000 (not including ancillary industries).

(d) Wool imports for 1929-38 were approximately 58,137 (scoured) tons per year, of which the principal sources of supply were: Australia and New Zealand (13 %), Uruguay (11 %), Argentine (22 %), South Africa (14 %), U.K. (10 %), Belgium (4 %), France (8 %), Italy and other countries (13 %).

(e) Pre-war production of yarn and fabric by the Italian wool industry (including tops, reclaimed wool and other fibers) was as follows:

Woolen yarn 73,932 tons (average 1934-38)
" goods 19,659 " (" 1934-38)

(f) Pre-war exports of woolen yarn and woolen fabric were as follows:

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Declassified E.O. 12356 Section 3.3/NND No. 785021

Woolen yarn	1,150 tons	(average	1929-38)
Pure fabric	6,266 ..	(..	1929-38)
Mixed fabric	1,082 ..	(..	1929-38)

(2) Domestic consumption, i.e. the difference between production and exports, was:

Woolen yarns	72,782 tons
.. fabrics	41,711 ..

ARTIFICIAL FIBERS INDUSTRY

Foreword.

234. The artificial fiber industry received a powerful stimulus under the self-sufficiency campaign which began in about 1935. In this year a great improvement was introduced in the form of rayon staple fiber, which soon became important in world markets.

235. The important increase in the production of staple fiber was chiefly due to its use as a substitute for raw cotton and partly for wool.

Pre-war Production.

TABLE 25

Year	Production of Rayon (including waste) Kgs.	Production of staple fibers Kgs.	Total
1934	41,000,000	10,000,000	51,000,000
35	42,000,000	30,000,000	72,000,000
36	42,000,000	50,000,000	92,000,000
37	52,000,000	71,000,000	123,000,000
38	49,000,000	75,000,000	124,000,000
39	57,000,000	86,000,000	143,000,000
40	58,000,000	111,000,000	169,000,000
41	62,000,000	135,000,000	197,000,000
42	59,000,000	93,000,000	152,000,000

236. During the last five years, the estimated consumption of rayon and staple fiber by the cotton and the wool manufacturers was about 30-35,000 tons per year for the cotton industry and 20-25,000 tons per year for the wool industry.

237. In other words artificial fibers, which at the beginning were intended as a substitute for silk, have gradually become supplementary to rather than a substitute for natural fibers.

Present Conditions.

239. With the exception of some plants located in Central and Southern Italy the artificial fibers industry has not suffered heavy damage by the war. Its present productive capacity is estimated as 85 % of pre-war.

The UNRRA Program for 1946.

240. Under the UNRRA revised program for 1946, it is planned to import only the small quantity of cellulose necessary for the production of rayon cord for synthetic rubber tires.

Outlook.

241. Italy has, as soon as normal conditions return, a good chance to recover its pre-war position in world markets as the largest exporter (1) of rayon yarn and textiles.

242. Only by exporting the major portion of its output is the artificial fibers industry in a position to import necessary supplies of cellulose and coal.

SILK

243. The silk industry has long been one of the cornerstones of the country's textile economy. There are three separate production stages: reeling, twisting and weaving. The first two are the most important.

244. The pre-war situation was approximately as follows:

(a) Number of reeling plants		676
.. .. basins (1/2 in Lombardy, 1/3 in Veneto, remainder in Piedmont, Marche etc.)		33,300
.. .. twisting plants		205
.. .. twisting spindles		1,428,000
.. .. weaving plants		182
.. .. looms		26,900

(b) The total number of workers was about 100,000.

(1) Exports of rayon and staple fibers:

Year	Export (kgs.)
1939	42,000,000

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Declassified E.O. 12356 Section 3.3/NND No. 785021

production and exports, was:

Woolen yarns	72,782 tons
.. fabrics	41,711 ..

ARTIFICIAL FIBERS INDUSTRY

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39	57,000,000	86,000,000	143,000,000
40	58,000,000	114,000,000	169,000,000
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42	59,000,000	93,000,000	152,000,000

236. During the last five years, the estimated consumption of rayon and staple fiber by the cotton and the wool manufacturers was about 30-35,000 tons per year for the cotton industry and 20-25,000 tons per year for the wool industry.

237. In other words artificial fibers, which at the beginning were intended as a substitute for silk, have gradually become supplementary to rather than a substitute for natural fibers.

238. It must, however, be borne in mind that rayon manufacture requires the import of cellulose and coal in large quantities (1.15 Kg. of cellulose, and 4.0 Kg. of coal for each Kg. of rayon produced).

productive capacity is estimated as 85 % of pre-war.

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Outlook.

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.. .. twisting plants	205
.. .. twisting spindles	1,428,000
.. .. weaving plants	132
.. .. looms	26,900

(b) The total number of workers was about 100,000.

(1) Exports of rayon and staple fibers:

Year	Export (Kgs.)
1939	42,000,000
1940	35,000,000
1941	31,000,000
1942	22,000,000

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Declassified E.O. 12356 Section 3.3/NND No. 745001

(c) The production of raw silk from Italian cocoons is assessed at 3,000 tons of which:

700 tons for silk fabrics
1,600 ,, for stocking industries
700 ,, to be exported as raw silk or manufactured.

The production of 600 tons of silk waste is to be added to the above figures.

(d) The demand for silk fabric, so urgent in 1944, became less intense in 1945 when the black market, with the approach of the end of the war, was averse from risking money in uncertain speculations. Sales on the home market have since been practically non existent. The varying offers of the factories caused prices to diminish considerably during the latter part of the year. Although the factories' most pressing problem is to find export outlets, all the efforts undertaken by the businessmen concerned and by the best firms have been in vain, and it has not been possible to arrive at anything more satisfactory than some exports to the US and the UK through military channels, and an export to Sweden.

(e) During 1938 the total export of raw silk, silk waste, and silk fabric was valued at about 230 million lire.
The silk industry was always primarily an export industry and was hit by Japanese competition which took over the most important markets. After a short period of export boom, due to accumulated demands, the same serious competition is likely to develop since Japanese silk may soon again be in the market in quantity.
Exports to France may however be developed. It is anticipated that approximately 1,500 tons of silk type fabrics could be obtained for export. The raw material requirement would amount to 1,550 tons.

THE JUTE INDUSTRY

245. The jute industry is mostly concentrated in Piedmont, Liguria and Lombardy.

(a) The pre-war equipment of this industry was as follows:

Number of spindles	87,600
,, ,, looms	5,278

... about 15,000.

(d) Imports of jute were employed almost entirely for manufactures for home consumption and only small amounts of processed jute were normally exported. The pre-war average of jute exports for 1929-38 was approximately 5,800 tons.

(e) The difference between imports and exports gives a domestic consumption of approximately 40,000 tons (average 1929-38). This takes into account the yield from raw material to processed jute.

246. UNRRA plans to import 10,000 tons of jute the bulk of which is to be used for the manufacture of jute bags for holding grain and other agricultural products.

HEMP AND FLAX

247. Italy is one of the big sources of hemp in the world but the hemp industry is not among the larger textile industries.

(a) The pre-war situation was as follows:

Number of spinning spindles	130,000
,, ,, twisting spindles	25,000
,, ,, looms	8,300

(b) The total number of workers was about 25,000 plus 6,000 for the manufacture of rope, string and cordage.

(c) The requirement of the civil population is estimated at 12,000 tons of hemp fabric; in addition a further quantity of 17,000 tons of yarn is required for the manufacture of technical articles, string, cordage and twine for fishing nets. These figures leave 2,300 tons of fabric and 6,000 tons of yarn available for export. Italy used to export large quantities of raw hemp and tow (about 30,000 tons per annum).

(d) The same general conditions as in the other textile industries prevailed in the hemp and flax industries. While the special qualities of flax enabled this fabric to stand the competition of cotton, hemp has far less possibilities of large sales on the domestic market except for ropes, heavy canvas etc.
Only hemp yarns under 20 d. counts can compete with pure cotton yarns. Consequently the trend, ... with the self-sufficiency campaign, of us-

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Declassified E.O. 12356 Section 3.3/NND No. 759001

be added to the above figures.

(d) The demand for silk fabric, so urgent in 1944, became less intense in 1945 when the black market, with the approach of the end of the war, was averse from risking money in uncertain speculations. Sales on the home market have since been practically non existent. The varying offers of the factories caused prices to diminish considerably during the latter part of the year. Although the factories' most pressing problem is to find export outlets, all the efforts undertaken by the businessmen concerned and by the best firms have been in vain, and it has not been possible to arrive at anything more satisfactory than some exports to the US and the UK through military channels, and an export to Sweden.

(e) During 1938 the total export of raw silk, silk waste, and silk fabric was valued at about 280 million lire.
The silk industry was always primarily an export industry and was hit by Japanese competition which took over the most important markets. After a short period of export boom, due to accumulated demands, the same serious competition is likely to develop since Japanese silk may soon again be in the market in quantity.
Exports to France may however be developed. It is anticipated that approximately 1,500 tons of silk type fabrics could be obtained for export. The raw material requirement would amount to 1,550 tons.

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(a) The pre-war equipment of this industry was as follows:

Number of spindles	87,600
.. .. looms	5,278

(b) The total number of workers was about 15,000.

(c) The average jute imports for 1929-38 was approximately 48,278 metric tons per year. The principal source of supply was India.
gives a domestic consumption of approximately 40,000 tons (average 1929-38). This takes into account the yield from raw material to processed jute.

246. UNRRA plans to import 10,000 tons of jute the bulk of which is to be used for the manufacture of jute bags for holding grain and other agricultural products.

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(d) The same general conditions as in the other textile industries prevailed in the hemp and flax industries. While the special qualities of flax enabled this fabric to stand the competition of cotton, hemp has far less possibilities of large sales on the domestic market except for ropes, heavy canvas etc.
Only hemp yarns under 20 d. counts can compete with pure cotton yarns. Consequently the trend, begun with the self-sufficiency campaign, of using hemp fibers, either alone or mixed with other natural or artificial fibers, as substitute for cotton and wool, has now been reversed.

0450
Declassified E.O. 12356 Section 3.3/NND No. 785021

THE LEATHER AND FOOTWEAR INDUSTRY

HISTORY

248. The tanning of hides and skins and the use of the resultant leather for the production of footwear became industrialized in the modern sense of the word only in the second half of the last century. Many outstanding improvements were then introduced in the customary thousand of years old routine. The chrome process was initiated in the tanneries and sewing and assembling machine work in the shoemaker's shops.

249. While fairly large tanneries were already in operation in Italy from the beginning of the XIX century, shoe production on an industrial scale began about 50 years ago, when mechanical equipment and processes were imported from the USA.

250. Plants were first built in Turin, Varese, Milan, Vigevano and in other towns of Northern Italy, but only after World War I did a large number of medium and small factories begin to operate in this area and in Central Italy. Now most of the factories, tanneries and shoe manufacturing, are concentrated in the following regions: Lombardy, Piedmont, Emilia and Tuscany.

251. The official figures of 1940 show: 650 tanneries with 22,000 workers and 1,250 shoe manufacturers with 49,000 workers. Less than 20 % of these include firms with more than 50 workers each.

PRE-WAR ANNUAL PRODUCTION

Tanneries.

252. The Italian tanneries in the pre-war period (average of the years 1934-1938) treated the following quantities of raw hides and skins:

27,000,000 Kg. of imported raw cattle hides (dry)
27,000,000 Kg. of imported raw cattle hides (dry)
62,000,000 ,, of local raw cattle hides and skins (fresh)
4,500,000 ,, of imported goat and sheep skins (salted dry).

Almost 85 % of the above quantities went for shoe production and 15 % for technical uses (belting etc.) and novelty leather goods (luggage, saddlery, etc.).

Shoe manufacturers.

253. The annual output of the Italian shoe manufacturers in the pre-war period reached an average of 25 to 30 million pairs of all-leather shoes. The need of the Italian population (about 44 million) for a wide range of products, i.e. ordinary footwear and high fashioned styles, sport shoes and mountaineers footwear, were met by hand-made production of local crafts-

THE WAR PERIOD

254. During the war imports of raw hides were drastically reduced, and the production of leather substitutes increased. This increase in leather substitutes occurred notwithstanding that rubber or synthetic plastics were used as substitute binding materials. Finally all-leather shoes were forbidden by special law.

255. By 1942 the industrial shoe production had been reduced to 15,150,000 pairs for civilians and 3,000,000 pairs of Army boots. Only 13 %, or about 2,000,000 pairs of civilian shoes were built with leather soles and the remainder were shoes with very little or no leather at all.

256. For the years 1943, 1944, and first half of 1945 no official figures are available, but some experts calculate that the total production in these years amounted to about 20 million pairs including shoes produced by factories and artisans. From this amount must be deducted the considerable German lootings of which no estimate is available.

257. During the six years ending July 1945 the curtailment of production has resulted in a shortage of at least 120 million pairs of new shoes needed to meet normal Italian requirements during the same period. The urgent need of replacements and repairs is thus obvious.

PRESENT SITUATION

Productive Capacity.

258. North Italy has retained almost its full capacity potential (only three percent of the leather and footwear plants were damaged or destroyed), while in the other regions of Central and Southern Italy war damage has reduced productive capacity to 85 % of pre-war.

Availability of local raw hides and skins.

259. Taking into account the depletion of local cattle resources and the reduction in cattle slaughtering in order to build up the live-stock population once again, it has been calculated that domestic production of hides and skins will amount in 1946 only to 14-16,000 tons (40-45 % of pre-war) (1).

(1) The reduced rate of slaughtering especially affects the availability of skins from calves and heifers, thus lowering al-

045111
Declassified E.O. 12356 Section 3.3/NND No. 763021

process was initiated in the tanneries and sewing and assembling machine work in the shoemaker's shops.

249. While fairly large tanneries were already in operation in Italy from the beginning of the XIX century, shoe production on an industrial scale began about 50 years ago, when mechanical equipment and processes were imported from the USA.

250. Plants were first built in Turin, Varese, Milan, Vigevano and in other towns of Northern Italy, but only after World War I did a large number of medium and small factories begin to operate in this area and in Central Italy. Now most of the factories, tanneries and shoe manufacturing, are concentrated in the following regions: Lombardy, Piedmont, Emilia and Tuscany.

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Almost 85 % of the above quantities went for shoe production and 15 % for technical uses (belting etc.) and novelty leather goods (luggage, saddlery, etc.).

Shoe manufacturers.

253. The annual output of the Italian shoe manufacturers in the pre-war period reached an average of 25 to 30 million pairs of all-leather shoes. The need of the Italian population (about 44 million) for a wide range of products, i.e. ordinary footwear and high fashioned styles, sport shoes and mountaineers footwear, were met by hand-made production of local craftsmen (artisans). Most popular types among wage earners are sandals, clogs, shoes made with cloth uppers and scrap rubber for soles commonly used in summertime.

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(1) The reduced rate of slaughtering especially affects the availability of skins from calves and heifers, thus reversing almost completely the import requirements which in pre-war years were mainly of hides for sole leather. On the other hand, local production of heavy hides for soling and belting will be a much greater proportion than pre-war.

045 21
Declassified E.O. 12356 Section 3.3/NND No. 745021

Prices.

260. The efficient exploitation of the indigenous production of raw hides and skins is greatly impaired by the general economic situation of Italy and the internal price structure. Domestic prices are nowhere near the international level at the established rate of exchange between the lira and the dollar or pound sterling. As an example, the price in lire for 1 Kg. of raw, dry, soling hide ready for tanning, made from imported (Argentine) hides is about 85 lire per kg. while the price for 1 Kg. of domestic hides fresh as above is about 215 lire—a difference of 130 lire per kilogram. This difference between internal and international prices is still wider for tanned leather. The prices for the auxiliary materials used in the tanning process (chestnut extract, chrome salts, colors, sulphur oil, fats, etc.) are from four to six times higher than the corresponding prices of the same commodities on the international market.

261. As a consequence, the current price in lire of the shoes now produced in Italy with domestic raw materials is four to six times higher than the prices of the same types produced in the US.

262. On the other hand the consumer's purchasing power (the average salary has been calculated at about 10,000 lire per month), is almost completely absorbed by the cost of food and does not afford generally any expenditure even for other essential commodities.

THE UNRRA PROGRAM FOR 1946

263. The UNRRA revised importation program includes the following quantities of raw materials to be used exclusively in the manufacture of shoes.

	1946		
	First Half (metric tons)	Second Half (metric tons)	Total (metric tons)
Raw hides . .	4,000	2,000	6,000
Composition soling .	2,000	—	2,000
Quebracho extracts .	1,400	—	1,400

264. The UNRRA program provides for the manufacture of about 5 million pairs of shoes. The program can meet the vital needs for shoes of only about one-tenth of the Italian population, or sufficient only for the poorest and most war-battered part of the population, including more than 1,000,000 Italian and other refugees and displaced persons.

265. Because of the impossibility of securing allocations for Italy of sufficient quantities of hides, UNRRA has also undertaken a special program for repairing military surplus boots. The UNRRA Italian Mission has already turned over to the Government 514,000 repaired shoes, mostly for Italian displaced persons who have returned to their homes or are in the process of settling elsewhere. An additional 500,000 shoes will complete this special program. Most of these shoes are "mismated" shoes discarded by the US Army. They are "mated" again by a production-line process and repaired and thereafter have many miles of walking left in them.

266. The leather industry as a whole is expected to operate on a very reduced scale during 1946-47 and until normal conditions of international trade return.

267. When the leather industry is able to fill the large domestic needs, productive capacity (chiefly of the tanneries) will still be available to supply external markets, provided raw materials are forthcoming.

268. Germany in the pre-war period had large exports of leather and leather goods. The Italian leather industry is in a position to take part of this trade, especially in high grade qualities and special items.

269. On the shoe-manufacturing side, opportunities for export should be open for hand-made footwear, including fashionable shoes, sports shoes, mountain and ski boots and riding boots.

270. Other leather items which can be exported on a large scale are women's hand-bags, saddles, suit cases, trunks, and other specialized items.

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Declassified E.O. 12356 Section 3.3/NND No. 745021

THE IRON AND STEEL INDUSTRY

HISTORICAL BACKGROUND

271. The Italian iron and steel industry dates back to approximately 1870, when the first open hearth furnace was introduced.

272. The industry advanced fairly rapidly and production of steel had reached approximately 1,000,000 tons in 1932. Production was fostered under the fascist regime and further increased to a peak production of 2,344,000 tons in 1939.

exclusively carbon steel products at Bagnoli, Piombino, Portoferraio and Trieste (including steel rails, produced at Bagnoli), and the Cogne Company which specialises in high grade alloy and stainless steels. Other firms under this combine are Terni, Ansaldo and Dalmine. The only large concern entirely owned by private capital and privately managed is the Acciaierie e Ferrerie Lombarde Falck. These larger concerns accounted for about one half of Italian iron and steel production. As Tables 26 and 27 shew, there are also many smaller iron and steel firms and many metal-working plants.

TABLE 26

Italian Iron and Steel Industry in 1938

	Number of plants	Installed power HP	Number of workers	Annual Working hours (Thousands of hours)	Annual Salary paid (Thousands of lire)
Producing pig iron & steel	76	132,222	19,539	35,668	112,382
First operation	68	503,686	25,049	49,133	168,078
Forging & deepdrawing	39	31,065	2,092	3,879	18,691
Drawing and rolling	163	35,361	7,452	13,712	38,016
Chain manufactories	22	450	406	666	1,615
TOTA	368	702,984	56,338	105,058	338,842

273. The steel industry was practically taken over by the Government in 1933 with the aim of securing independence from foreign supplies. Evidence of this is the rapid expansion of the electrical production of pig iron and the steel. In 1937 powers of control over this industry were placed in corporations, and the financial control exercised by a special holding company, the Institute for Industrial Reconstruction (IRI), and other Government agencies.

TYPES OF INSTALLATIONS

Blast furnaces for pig iron production.

275. Prior to the war, there were 14 blast furnaces with an annual productive capacity of approximately 1,200,000 tons of pig iron. The Ilva Company operated 12 of these furnaces in their plants at Bagnoli, Piombino, Portoferraio and Trieste, with a daily production of 1,610 tons. The Cogne Company operated two fur-

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Declassified E.O. 12356 Section 3.3/NND No. 785021

271. The Italian iron and steel industry dates back to approximately 1870, when the first open hearth furnace was introduced.

272. The industry advanced fairly rapidly and production of steel had reached approximately 1,000,000 tons in 1932. Production was fostered under the fascist regime and further increased to a peak production of 2,344,000 tons in 1939.

TABLE 26

Italian Iron and Steel Industry in 1938

	Number of plants	Installed power HP	Number of workers	Annual Working hours (Thousands of hours)	Annual Salary paid (Thousands of lire)
Producing pig iron & steel	76	132,222	19,539	35,668	142,382
First operation	68	503,686	25,949	19,133	168,678
Forging & despedrawing	39	31,065	2,992	5,879	18,691
Drawing and rolling	165	35,361	7,452	13,712	38,646
Chain manufactories	22	650	106	666	1,645
Total	368	702,984	56,238	105,058	338,842

273. The steel industry was practically taken over by the Government in 1933 with the aim of securing independence from foreign supplies. Evidence of this is the rapid expansion of the electrical production of pig iron and the steel. In 1937 powers of control over this industry were placed in corporations, and the financial control exercised by a special holding company, the Institute for Industrial Reconstruction (IRI), and other Government agencies.

274. The Italian Government now owns and controls through its agencies almost 70 % of the steel industry, including two groups responsible for production in all stages from ore to the finished product. Included in these two groups are the Ilva Company which produces Portoferraio and Trieste (including steel rails, produced at Bagnoli), and the Cogne Company which specialises in high grade alloy and stainless steels. Other firms under this combine are Terni, Ansaldo and Dalmine. The only large concern entirely owned by private capital and privately managed is the Acciaierie e Ferrerie Lombarde Falck. These larger concerns accounted for about one half of Italian iron and steel production. As Tables 26 and 27 shew, there are also many smaller iron and steel firms and many metal-working plants.

TYPES OF INSTALLATIONS

Blast furnaces for pig iron production.

275. Prior to the war, there were 14 blast furnaces with an annual productive capacity of approximately 1,200,000 tons of pig iron. The Ilva Company operated 12 of these furnaces in their plants at Bagnoli, Piombino, Portoferraio and Trieste, with a daily production of 1,610 tons. The Cogne Company operated two furnaces at Aosta with 400 tons daily production. The retreating Germans completely destroyed nine of these furnaces and badly damaged one. This left two furnaces at Aosta and two at Trieste in operating condition, with an annual productive capacity of 400,000 tons.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

Electric furnaces for producing pig iron.

276. Prior to the war there were 120 electric furnaces producing pig iron in Italy. These suffered very little war damage, the major loss being two furnaces removed to Germany from the Terni plant. The annual productive capacity of the electric furnaces is 270,000 tons of pig iron.

Open hearth steel furnaces.

277. At the end of 1939 Italy had 310 open hearth furnaces, their rating varying between 25 and 140 tons each. Their yearly productive capacity was 2,750,000 tons of steel. This annual capacity was reduced to approximately 2,000,000 tons through war damage to the Bagnoli, Torre Annunziata, Portoferraio, Piombino and Terni plants. As a result of rebuilding this capacity has been increased to 2,500,000 tons.

Electric furnaces for producing steel.

278. Some 125 electric furnaces, mainly in Northern Italy, capable of producing about 1,750,000 tons of steel a year, suffered practically no war damage.

Rolling mills.

279. A few of the more modern of the 311 rolling mills existing in Italy prior to the war were removed to Germany, some others were partially damaged. The yearly productive capacity of about 4,500,000 tons was reduced by about 10 %. The total capacity of the steel produc-

and to provide against the closing of a large number of old and inefficient mills, kept going by the availability of cheap labor.

PRODUCTION

Pig iron.

280. Table 28 gives the production of pig iron for the years 1935 to 1945 and shows an increase in electric furnaces output. The accelerated activity of production for war in the period 1938 to 1941 is noteworthy.

TABLE 27

Iron and Steel Plants in Italy Classified According to Size: 1937

	Less than 100 employees		From 101 to 500 employees		From 501 to 1000 employees		From 1001 to 2000 employees		Over 2000 employees	
	No. of plants	No. of workers	No. of plants	No. of workers	No. of plants	No. of workers	No. of plants	No. of workers	No. of plants	No. of workers
Producing Pig-Iron & Steel	23	920	35	8302	9	5761	4	4588	—	—
First operation	13	427	38	10528	7	4822	6	7702	1	2470
Forging & deep-drawing	32	757	6	1624	1	611	—	—	—	—
Drawing and rolling	182	2932	20	4520	—	—	—	—	—	—
Chain factories	20	259	1	147	—	—	—	—	—	—
TOTAL	220	5295	100	25121	17	11197	10	12291	1	2470

TABLE 28

Production of pig iron 1935-45

Year	Total production	ELECTRIC FURNACES		BLAST FURNACES	
		Production	% of total production	Production	% of total production
1935	626,000	64,295	10.1	560,749	89.1
1936	747,000	73,831	9.9	673,547	90.1
1937	790,000	106,169	13.4	683,723	86.5
1938	863,000	80,659	9.4	782,170	90.6
1939	1,008,000	139,651	13.8	868,830	86.2
1940	1,059,000	177,592	16.4	882,298	83.6
1941	1,036,000	258,565	25.0	777,533	75.0
1942	889,000	213,069	24.0	676,345	76.1
1943	643,000	162,944	25.0	480,897	75.0
1944	231,000	109,310	47.0	121,695	53.0

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Declassified E.O. 12356 Section 3.3/NND No. 787001

ductive capacity of the electric furnaces is 270,000 tons of pig iron.

Open hearth steel furnaces.

277. At the end of 1939 Italy had 310 open hearth furnaces, their rating varying between 25 and 110 tons each. Their yearly productive capacity was 2,750,000 tons of steel. This annual capacity was reduced to approximately 2,000,000 tons through war damage to the Bagnoli, Torre Annunziata, Portoferraio, Piombino and Terni plants. As a result of rebuilding this capacity has been increased to 2,500,000 tons.

Electric furnaces for producing steel.

278. Some 125 electric furnaces, mainly in Northern Italy, capable of producing about 1,750,000 tons of steel a year, suffered practically no war damage.

Rolling mills.

279. A few of the more modern of the 311 rolling mills existing in Italy prior to the war were removed to Germany, some others were partially damaged. The yearly productive capacity of about 4,500,000 tons was reduced by about 10 %. The total capacity of the steel producing and steel fabricating equipment has far exceeded production in its peak year. These capacities were built up to provide proper maintenance time for the furnaces,

Pig iron.

280. Table 28 gives the production of pig iron for the years 1935 to 1945 and shows an increase in electric furnaces output. The accelerated activity of production for war in the period 1938 to 1941 is noteworthy.

TABLE 27

Iron and Steel Plants in Italy Classified According to Size: 1937

	Less than 100 employees		From 101 to 500 employees		From 501 to 1000 employees		From 1001 to 2000 employees		Over 2000 employees	
	No. of plants	No. of workers	No. of plants	No. of Workers	No. of plants	No. of workers	No. of plants	No. of workers	No. of plants	No. of workers
Producing Pig-Iron & Steel .	23	929	35	8302	9	5764	3	4589	—	—
First operation . . .	13	427	38	10528	7	4822	6	7702	1	2470
Forging & deep-drawing .	32	757	6	1624	1	611	—	—	—	—
Drawing and rolling . .	132	2932	20	4520	—	—	—	—	—	—
Chain factories . . .	20	250	1	147	—	—	—	—	—	—
TOTAL	220	5295	100	25121	17	11197	10	12291	1	2470

TABLE 28

Production of pig iron 1935-45

Year	Total production	ELECTRIC FURNACES		BLAST FURNACES	
		Production	% of total production	Production	% of total production
1935	626,000	64,995	10.4	560,746	89.1
1936	747,000	73,834	9.9	673,517	90.1
1937	790,000	106,160	13.4	683,723	86.5
1938	863,000	80,650	9.4	782,170	90.6
1939	1,008,000	139,651	13.8	868,830	86.2
1940	1,059,000	177,692	16.4	882,296	83.6
1941	1,036,000	258,565	25.0	777,533	75.0
1942	889,000	213,069	24.0	676,515	76.1
1943	643,000	162,914	25.0	480,897	75.0
1944	231,000	109,310	47.0	121,695	53.0
1945 (1)	61,000	61,000	100.0	—	—

(1) Northern Italy only (no data available for Central and Southern Italy in 1945).

Declassified E.O. 12356 Section 3.3/NND No. 763001

Steel production.

281. The production of basic steel, ingots and castings, from 1935 to 1945 is shown in Table 29. Again the increasing importance of electric power is indicated in the comparison between electric and open hearth steel:

TABLE 29

Production of Steel Ingots and Castings 1935-45

YEAR	Total production (tons.)	Per cent. of total	
		Open hearth production	Electric furnaces production
1935	2,202,000	74.6	25.4
1936	2,024,000	70.4	29.6
1937	2,088,000	71.5	28.5
1938	2,807,000	72.5	27.5
1939	2,344,000	74.5	25.5
1940	2,054,000	79.0	36.0
1941	2,056,000	63.0	37.0
1942	1,926,000	65.0	35.0
1943	1,727,000	not available	not available
1944	1,025,000	»	»
1945	336,000(1)	»	»

(1) Northern Italy only.

Steel fabrication.

282. Rolling of the basic steel gave a final production of the finished material as in Table 30:

TABLE 30

Production of steel shapes, sheets, tubes, etc. 1935-38

Year	Bars, rails and sections	Rods	Sheets	Seamless Tubes	Total
1935	1,182,864	186,354	412,375	125,402	1,906,999
1936	947,944	144,067	411,631	116,625	1,615,729
1937	1,016,111	165,189	411,253	115,303	1,707,855
1938	970,222	169,684	467,350	127,309	1,734,565

RAW MATERIALS

283. To achieve the production of pig iron and steel

	Tons.
Ore mined in Italy	990,043
Pyrites ash produced in Italy	536,062
Ore imported	385,792
Total ore available	1,912,497
Less exports	191
Total ore consumed	1,912,306

285. The average grade of locally mined ore is 50 % Fe, and was obtained from the following sources in 1938:

	Tons.
Tuscany (Elba)	608,266
Piedmont (Cogne)	201,176
Piedmont (other)	700
Lombardy	69,309
Sardinia	97,295
Other regions	13,297
Total	990,043

286. The potential productive capacity of Italian mines is much larger than is utilized under normal conditions. An example of this is that Cogne increased its production of 201,176 tons in 1938 to 661,347 tons in 1942.

287. Since 1939-40 the distribution of nearly all ores with the exception of those from Cogne has been regulated by a Government-controlled combine known as Ferromin. This has a bearing on the economical utilization of the ores by smelters.

288. Operation is not expected to be resumed on a large scale at the mines for some time owing to existing stocks which are large in relation to the present rate of use.

289. The largest import requirement is coal. During the year in which steel production was highest, the steel industry consumed approximately 1,600,000 tons of coal, of which 300,000 tons were produced locally, the balance being imported from the U.K., Germany and Poland. The increase in the number of operating pig iron elec-

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Declassified E.O. 12356 Section 3.3/NND No. 745021

the increasing importance of electric power is indicated in the comparison between electric and open hearth steel:

TABLE 29

Production of Steel Ingots and Castings 1935-45

YEAR	Total production (tons.)	Per cent. of total	
		Open hearth production	Electric furnaces production
1935	2,262,000	74.6	25.4
1936	2,021,000	70.4	29.6
1937	2,086,000	71.5	28.5
1938	2,307,000	72.5	27.5
1939	2,344,000	74.5	25.5
1940	2,054,000	70.0	30.0
1941	2,056,000	63.0	37.0
1942	1,926,000	65.0	35.0
1943	1,727,000	not available	not available
1944	1,025,000	»	»
1945	336,000(1)	»	»

(1) Northern Italy only.

Steel fabrication.

282. Rolling of the basic steel gave a final production of the finished material as in Table 30:

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Production of steel shapes, sheets, tubes, etc. 1935-38

Year	Bars, rails and sections	Rods	Sheets	Seamless Tubes	Total
1935	1,182,864	186,354	412,375	115,402	1,896,999
1936	947,044	144,067	411,631	116,625	1,615,729
1937	1,016,111	165,186	411,253	115,305	1,707,855
1938	970,222	169,884	467,350	127,309	1,734,585

RAW MATERIALS

283. To achieve the production of pig iron and steel outlined above, certain materials need to be imported.

284. Italy normally produced 75 % of its raw ore requirements. The balance it imported. The national needs were supplied in 1938 as follows:

	Tons.
Pyrites ash produced in Italy	330,662
Ore imported	385,792
Total ore available	1,912,197
Less exports	191
Total ore consumed	1,912,806

285. The average grade of locally mined ore is 50 % Fe. and was obtained from the following sources in 1938:

	Tons.
Tuscany (Elba)	608,286
Piedmont (Cogne)	201,176
Piedmont (other)	700
Lombardy	69,309
Sardinia	37,295
Other regions	13,297
Total	930,643

286. The potential productive capacity of Italian mines is much larger than is utilized under normal conditions. An example of this is that Cogne increased its production of 201,176 tons in 1938 to 661,317 tons in 1942.

287. Since 1939-40 the distribution of nearly all ores with the exception of those from Cogne has been regulated by a Government-controlled combine known as Ferromin. This has a bearing on the economical utilization of the ores by smelters.

288. Operation is not expected to be resumed on a large scale at the mines for some time owing to existing stocks which are large in relation to the present rate of use.

289. The largest import requirement is coal. During the year in which steel production was highest, the steel industry consumed approximately 1,600,000 tons of coal, of which 300,000 tons were produced locally, the balance being imported from the U.K., Germany and Poland. The increase in the number of operating pig iron electrical furnaces (which require less than half the coal consumed in the blast furnaces), and the increase in electric steel furnaces have effected continuing economies in coal consumption.

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Declassified E.O. 12356 Section 3.3/NND No. 745021

290. Only pig iron of special quality for producing specialized steels was required to be imported before the war. If the policy of replacing war-damaged blast furnaces with electric furnaces is carried through, imports of normal pig iron up to 20 % of the total requirements will still have to be made.

291. The following Table shows the relative quantities of pig iron imported:

TABLE 31

Sources of Pig-Iron 1930-39

	Pig-iron imported tons	Pig-iron produced tons
1930	156,880	N. A.
1935	78,202	826,000
1936	27,095	747,000
1937	221,185	798,000
1938	68,830	863,000
1939	34,680	1,008,000

N. A. - Not available.

292. Another large import for the steel industry has always been scrap steel, the bulk of this commodity coming from the US and France.

293. The following Table gives the imports of steel scrap in 1930 to 1939:

TABLE 32

Imports of steel scrap 1930-39

YEAR	Tons
1930	855,383
1935	989,906
1936	400,423
1937	545,254
1938	615,639
1939	606,000

WAR DAMAGE AND REHABILITATION

294. War damage included the complete loss of nine blast furnaces, or 70 % of coke-fired pig iron produc-

pig iron furnaces, which had never before been in operation. This physical damage cut productive capacity by approximately 60 %.

295. Before the liberation of the North, steel production in Italy south of the Gothic Line was practically nil. However, production in the North had maintained a fairly high level until its liberation in the summer of 1945. The Allied Commission jointly with the Italian Government drew up a plan (a) to import certain key and essential raw materials, and (b) to assist the rehabilitation of the pig iron furnaces, but this program did not become effective until very late in 1945. Thus the lowest productive year in the Italian steel industry was 1945, when steel production was down to 15 % of normal.

296. The Italian Government-A.C. program aimed at re-establishing the industry to approximately 50 % of normal and in March 1946 production of basic steel was approximately 70,000 tons, or 45 % of normal Italian requirements.

UNRRA PROGRAM

297. In April 1946, UNRRA, to assist the Italian Government in the rehabilitation of the Italian steel industry, drew up a further plan of importation and assistance. Under this plan sufficient raw materials would be imported to satisfy the internal requirements of Italian industry for 1946, estimated at 1,600,000 tons of steel.

298. The UNRRA April plan makes provision for the importation of 990,000 tons coal, 90,000 tons pig iron, 140,000 tons finished and semi-finished steel, 120 tons of tin, 10,000 tons manganese ore, 750 tons nickel, 15 tons copper, 19,500 tons refractories, 12,000 tons petroleum products and sufficient alloying elements to enable 1,600,000 tons of steel to be produced.

299. Coal is the key import and if substantial quantities of coal can be provided this output can easily be achieved. There is, also, a seasonal element. Much of the production is carried out from April to November, at which time substantial excess electric power is available. Electrode materials, especially anthracite, are needed at the right time to permit the steel industry to profit by this available power.

OUTLOOK

300. Since the war employment figures have decreased only slightly in spite of the fact that production has dropped to a low level and is only now slowly recovering. This has, in conjunction with other post-war conditions, produced an unhealthy condition within the

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291. The following Table shows the relative quantities of pig iron imported:

TABLE 31

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	Pig-iron imported tons	Pig-iron produced tons
1930	156,680	N. A.
1935	78,202	626,000
1936	27,095	747,000
1937	221,185	790,000
1938	68,830	863,000
1939	34,680	1,008,000

N. A. = Not available.

292. Another large import for the steel industry has always been scrap steel, the bulk of this commodity coming from the US and France.

293. The following Table gives the imports of steel scrap in 1930 to 1939:

TABLE 32

Imports of steel scrap 1930-39

YEAR	Tons
1930	855,383
1935	989,996
1936	400,423
1937	345,254
1938	615,639
1939	606,000

WAR DAMAGE AND REHABILITATION

294. War damage included the complete loss of nine blast furnaces, or 70 % of coke-fired pig iron producing facilities; approximately 20 open hearth furnaces; of 20 % of the coal-fired steel producing furnaces; approximately five electric furnaces, or five per cent. of the electric steel producing facilities, and two electric ally nil. However, production in the North had maintained a fairly high level until its liberation in the summer of 1945. The Allied Commission jointly with the Italian Government drew up a plan (a) to import certain key and essential raw materials, and (b) to assist the rehabilitation of the pig iron furnaces, but this program did not become effective until very late in 1945. Thus the lowest productive year in the Italian steel industry was 1945, when steel production was down to 15 % of normal.

296. The Italian Government-A.C. program aimed at re-establishing the industry to approximately 50 % of normal and in March 1946 production of basic steel was approximately 70,000 tons, or 15 % of normal Italian requirements.

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297. In April 1946, UNRRA, to assist the Italian Government in the rehabilitation of the Italian steel industry, drew up a further plan of importation and assistance. Under this plan sufficient raw materials would be imported to satisfy the internal requirements of Italian industry for 1946, estimated at 1,600,000 tons of steel.

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OUTLOOK

300. Since the war employment figures have decreased only slightly in spite of the fact that production has dropped to a low level and is only now slowly recovering. This has, in conjunction with other post-war conditions, produced an unhealthy condition within the industry. The production of pig iron and steel from June 1945 to June 1946 in Northern Italy was as follows:

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Declassified E.O. 12356 Section 3.3/NND No. 785021

		PIG-IRON		STEEL	
		Thousands of tons	Index 1938=100	Thousands of tons	Index 1938=100
June	1945	2,447	7.9	20,521	14.5
September	»	12,652	40.8	33,947	24.0
December	»	3,011	9.7	50,791	35.8
January	1946	3,135	10.1	50,767	35.8
February	»	1,710	5.5	47,083	33.3
March	»	1,808	5.8	54,887	38.7
April	»	9,517	30.7	67,113	47.4
May	»	15,634	50.5	75,315	53.3
June	»	18,937	61.1	74,376	53.5

301. It is believed that steel production, and especially fabrication of small and specialized sections and sheets, can be economically conducted in Italy. These are some of the reasons:

(a) Approximately one ton of imported raw materials is required to produce one ton of steel. The fact that the source and quality of these imported materials can be selected in such manner as to give the most efficient results offers some advantages.

(b) The production of steel shapes in small sizes requiring extra labor can be competitively produced in Italy, owing to the presence of low cost labor.

(c) Cheap peak electric power is available to the industry during the high-water seasons of the year.

(d) Specialized high-grade steel, equal to any steel produced in the world, can be produced for export in plants that normally have available very high grade ores.

302. Conversion of production facilities from solid fuel firing to electricity substantially aids the recovery of the steel industry.

303. Further rationalization of the industry would be an advantage. Establishments have been built and operated in the past with facilities to produce all types of steel products, each establishment thus entering into every branch of production. A plan designed to centralize production and increase the degree of specializa-

THE MACHINE INDUSTRIES

History.

304. The Italian machine industries date back to the IX century. The evolution from the artisan and small workshops to modern industrialized processes was slow. During the Napoleonic period Italian mechanical production began to have some importance, but actually its growth was directly associated with railway development beginning about 1340. At the end of the XIX century the use of electric power on a large scale marked the beginning of an evolution towards big industry organization.

305. Mechanical production increased 300 % in productive capacity during the 46 years between 1867 to 1913. This expansion was greatly accelerated during the first world war, particularly in the automobile, tire, aircraft, and shipbuilding industries.

306. At the end of the first world war, Italy had a production larger than was needed for the internal market. Only by substantial financial support of the larger firms by the Government was a collapse avoided. From this time Italian Government protection, in the form of high import tariffs and subsidized exports, increased. This protection reached a climax under the so-called "autarchic," fascist, policy which was officially established in 1935.

307. During the immediate pre-war period 8,210 firms employing a total of approximately 563,600 workers (manual and professional) were engaged in the machine industries.

Electro-technical Industry.

308. The number of electrical equipment production factories reached 646, of which 10 large firms were equipped for manufacturing generators, transformers and big machinery; the remainder were small size factories especially equipped for the manufacture of switch gear and protective apparatus. The average yearly production in the electro-technical industry was as follows:

(a) generators, transformers, mercury rectifiers—a total power equivalent of 2,000,000 Kw;

(b) locomotives, street-cars, and trolley buses—1,250 units;

(c) motors, from a quarter Kw to 200 Kw—250,000 units;

0462
Declassified E.O. 12356 Section 3.3/NND No. 726001

September	»	12.062	40.8	83.947	24.6
December	»	3.011	9.7	59.791	35.8
January	1940	3.135	10.1	50.767	35.8
February	»	1.710	5.5	47.688	33.6
March	»	1.808	5.8	54.837	38.7
April	»	9.517	30.7	67.413	47.4
May	»	15.634	50.5	75.915	53.6
June	»	18.937	61.1	74.376	53.3

301. It is believed that steel production, and especially fabrication of small and specialized sections and sheets, can be economically conducted in Italy. These are some of the reasons:

(a) Approximately one ton of imported raw materials is required to produce one ton of steel. The fact that the source and quality of these imported materials can be selected in such manner as to give the most efficient results offers some advantages.

(b) The production of steel shapes in small sizes requiring extra labor can be competitively produced in Italy, owing to the presence of low cost labor.

(c) Cheap peak electric power is available to the industry during the high-water seasons of the year.

(d) Specialized high-grade steel, equal to any steel produced in the world, can be produced for export in plants that normally have available very high grade ores.

302. Conversion of production facilities from solid fuel firing to electricity substantially aids the recovery of the steel industry.

303. Further rationalization of the industry would be an advantage. Establishments have been built and operated in the past with facilities to produce all types of steel products, each establishment thus entering into every branch of production. A plan designed to centralize production and increase the degree of specialization would contribute much to the advancement of the industry.

IX century. The evolution from the artisan and small workshops to modern industrialized processes was slow. During the Napoleonic period Italian mechanical production began to have some importance, but actually its growth was directly associated with railway development beginning about 1340. At the end of the XIX century the use of electric power on a large scale marked the beginning of an evolution towards big industry organization.

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306. At the end of the first world war, Italy had a production larger than was needed for the internal market. Only by substantial financial support of the larger firms by the Government was a collapse avoided. From this time Italian Government protection, in the form of high import tariffs and subsidized exports, increased. This protection reached a climax under the so-called "autarchic," fascist, policy which was officially established in 1935.

307. During the immediate pre-war period 8,210 firms employing a total of approximately 563,600 workers (manual and professional) were engaged in the machine industries.

Electro-technical Industry.

308. The number of electrical equipment production factories reached 616, of which 10 large firms were equipped for manufacturing generators, transformers and big machinery; the remainder were small size factories especially equipped for the manufacture of switch gear and protective apparatus. The average yearly production in the electro-technical industry was as follows:

(a) generators, transformers, mercury rectifiers—a total power equivalent of 2,000,000 Kw;

(b) locomotives, street-cars, and trolley buses—1,250 units;

(c) motors, from a quarter Kw to 200 Kw—250,000 units;

(d) transformers up to 1,000 Kw—10,000 units;

(e) electric bulbs about 60 million.

0463
Declassified E.O. 12356 Section 3.3/NND No. 785021

Automotive Industry.

309. Automobile production was concentrated in some 169 body manufacturing firms and 13 assembly firms, employing approximately 42,000 people.

310. Table 33 shows the production of these firms up to 1938.

TABLE 33

Production of Automotive Vehicles, 1934-35

TYPES	1934	1935	1936	1937	1938
Passenger Cars No. .	40,812	40,569	36,183	61,189	58,971
Trucks	8,984	8,625	14,887	13,917	10,144
Total (1)	44,796	49,194	51,070	75,106	69,118

(1) Special motor-vehicles, i.e. Custom built cars are excluded.

311. The expanded production shown in Table 33 decreased towards the end of the war and fell sharply in 1945 so that in April 1946 it was only 4 % of normal. War damage is estimated at 20 %.

312. No official production statistics are available for the late war period. Table 34, which relates to the production of the FIAT company, the largest automotive firm in Italy, provides a rough index of production conditions.

TABLE 34

Index of production of FIAT Company
Jan. 1945 to May 1946

MONTH		Production Index (1933-39 = 100)
January	1945	8.24
February	»	11.41
March	»	8.51
April	»	4.26
May	»	14.43
June	»	32.11
July	»	36.26
August	»	23.72
September	»	42.80
October	»	56.11
November	»	51.15
December	»	46.57
January	1946	55.91
February	»	50.87
March	»	47.96
April	»	53.22
May	»	62.64

313. Exportation of automobiles from Italy has always been fairly high. It reached a peak of 342,200,000 lire in 1929. During the industrial collapse after 1929 these exports declined to less than 100 million lire and then recovered during the period 1934 to 1938 to 182,800,000 lire. This was 25 % of total production. Imports and exports of motor cars and parts are given in Tables 35 and 36.

314. The main customers for Italian motor cars were Germany, Switzerland, Hungary, British India and Dutch East Indies, and the Argentine. Trucks were exported mainly to Manchuria, Poland and Switzerland.

TABLE 35

Imports and Exports of Automobiles and parts 1929-38

DESCRIPTION		QUANTITIES					
		1929	1934	1935	1936	1937	1938
				IMPORT			
Motor vehicles for transport of persons .	No.	7,407	59	10	128	24	23
Tractors	»		1,159	753	411	527	265
Other motor-vehicles	»		54	36	14	40	415
Motor-car bodies and parts of same . .	Qls.	3,231	159	16	113	263	224
Engines for motor-vehicles . . .	»	(a)	137	289	208	134	290
Spare parts for motor-vehicles . . .	»	12,774	8,971	4,913	6,838	11,918	7,178
Carburettors and parts of same . .	»	(a)	298	175	50	77	50
				EXPORT (1)			
Motor-vehicles for transport of persons .	No.	23,259	8,526	12,770	12,679	20,867	16,567
Tractors	»		71	21	15	15	8
Other motor-vehicles	»		163	251	285	608	890
Motor-car bodies and parts of same . .	Qls.	143	1,566	3,369	2,892	4,865	5,479
Engines for motor-vehicles . . .	»	(a)	544	1,081	275	53	229
Spare parts for motor-vehicles . . .	»	1,581	10,279	11,697	10,308	6,636	7,056
Carburettors and parts of same . .	»					18	22

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Declassified E.O. 12356 Section 3.3/NND No. 785021

310. Table 33 shows the production of these firms up to 1938.

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Total (1)	44,796	49,194	51,070	75,106	69,118

(1) Special motor-vehicles, i.e. Custom built cars are excluded.

311. The expanded production shown in Table 33 decreased towards the end of the war and fell sharply in 1945 so that in April 1946 it was only 4 % of normal. War damage is estimated at 20 %.

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July	»	36.26
August	»	23.72
September	»	12.89
October	»	56.11
November	»	51.15
December	»	16.57
January	1946	55.91
February	»	56.87
March	»	17.96
April	»	53.22
May	»	62.64

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314. The main customers for Italian motor cars were Germany, Switzerland, Hungary, British India and Dutch East Indies, and the Argentine. Trucks were exported mainly to Manchuria, Poland and Switzerland.

Imports and Exports of Automobiles and parts 1929-38

TABLE 35

DESCRIPTION		QUANTITIES					
		1929	1934	1935	1936	1937	1938
				IMPORT			
Motor vehicles for transport of persons .	No.		59	16	128	24	23
Tractors	»	7,107	1,159	753	411	527	265
Other motor-vehicles	»		54	36	14	40	115
Motor-car bodies and parts of same . .	Qls.	3,231	159	16	113	263	224
Engines for motor-vehicles . . .	»	(a)	137	280	208	134	266
Spare parts for motor-vehicles . . .	»	12,774	8,971	4,013	6,838	11,918	7,378
Carburettors and parts of same . .	»	(a)	298	175	50	77	50
				EXPORT (1)			
Motor-vehicles for transport of persons .	No.		8,526	12,770	12,679	20,867	16,567
Tractors	»	23,259	71	21	15	15	8
Other motor-vehicles	»		163	251	285	608	890
Motor-car bodies and parts of same . .	Qls.	143	1,566	3,569	2,862	4,865	5,479
Engines for motor-vehicles . . .	»	(a)	514	1,081	275	55	229
Spare parts for motor-vehicles . . .	»	1,581	10,279	11,667	10,308	6,636	7,056
Carburettors and parts of same . .	»	(a)	6	2	23	16	23

(a) Included in other items — (1) Italian Colonies excluded.

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 36

Exports to Italian Colonies of Automobiles and parts: 1934 to 1938

DESCRIPTION	1934	1935	1936	1937	1938
			QUANTITY		
Motor-vehicles for transport of persons . . . . . N.	333	978	2,363	4,913	1,715
Tractors . . . . . »	17	11	26	128	89
Other motor-vehicles . . . . . »	112	876	5,070	6,977	976
Motor-car bodies and parts of same . . . . . qls.	173	171	870	1,638	137
Engines for motor-vehicles . . . . . »	70	230	1,034	1,134	408
Spare parts for motor vehicles . . . . . »	2,928	7,212	13,091	47,046	37,151
Carburettors and parts of same . . . . . »	—	1	15	2	651
			VALUE (thousands of lire)		
Motors-vehicles for transport of persons	4,276	9,348	27,627	50,902	36,000
Tractors	348	162	441	5,758	2,905
Other motor-vehicles	3,205	32,823	245,186	464,935	66,744
Motor-car bodies and parts of same	130	126	618	1,834	582
Engines for motor-vehicles	175	383	1,996	2,271	838
Spare parts for motor-vehicles	5,153	13,398	85,530	111,660	84,309
Carburettors and parts of same	—	1	25	47	2,261
Totals	13,287	56,853	361,123	576,597	193,639

Production of Farm Machinery.

315. The production of farm machinery was not as highly developed as might have been expected. Farming equipment and methods of cultivation, especially in the Southern regions of Italy, are not in line with modern development.

316. Following the first world war the industry expanded and in 1939 it met approximately 80 % of internal requirements. In 1939 Italy imported 1,700 tons and exported (mainly to its colonies) 1,700 tons of agricultural machinery.

TABLE 37

Farm machinery
1939 Production and 1946 Requirements

Type of equipment	1946 Requirements No. of units	1939 Production No. of units
Tractors . . .	2,500	1,400
Ploughs . . .	30,000	30,000
Threshing Machines	800	600
Sowing »	10,000	10,000
	8,000	5,000

317. Factories in Southern and Central Italy were somewhat damaged by warfare, but the North Italian industry, practically unscathed, has a productive capacity of about 70 % of the pre-war total for the whole country. The machinery required to meet Italy's expanded agricultural program in 1946 is given in the first column of Table 37. With the arrival of raw materials scheduled in the UNRRA import program for basic industries, and assuming sufficient coal is made available, the 1946 requirements listed in Table 37 can be provided from home resources.

Shipbuilding.

318. Before the war 310 shipyards (including repair shops) were working. Their productive capacity reached the average figure of 200,000 tons of shipping per year. Manpower averaged 200,000.

319. It is well known that some of the biggest and most modern liners in the world were built in Italy's shipyards. The shipyards also built coastal shipping, of which Italy, with its long coast line and terrain, has special need.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

		QUANTITY			
Motor-vehicles for transport of persons	N.	333	978	2,363	4,913	1,715
Tractors	»	17	11	26	128	89
Other motor-vehicles	»	112	876	5,070	6,077	976
Motor-car bodies and parts of same	Qls.	173	171	870	1,638	137
Engines for motor-vehicles	»	70	230	1,034	1,134	308
Spare parts for motor vehicles	»	2,928	7,212	13,961	47,046	37,151
Carburettors and parts of same	»	—	1	15	2	654
		VALUE (thousands of lire)				
Motors-vehicles for transport of persons		1,276	9,918	27,827	59,002	36,000
Tractors		348	162	441	5,758	2,905
Other motor-vehicles		3,205	32,833	245,186	404,935	66,744
Motor-car bodies and parts of same		130	126	618	1,834	582
Engines for motor-vehicles		178	383	1,606	2,271	838
Spare parts for motor-vehicles		5,133	13,398	85,530	111,660	84,309
Carburettors and parts of same.		—	1	25	47	2,261
	Totals	13,267	56,853	361,123	576,597	193,539

Production of Farm Machinery.

315. The production of farm machinery was not as highly developed as might have been expected. Farming equipment and methods of cultivation, especially in the Southern regions of Italy, are not in line with modern development.

316. Following the first world war the industry expanded and in 1939 it met approximately 30 % of internal requirements. In 1939 Italy imported 4,700 tons and exported (mainly to its colonies) 1,700 tons of agricultural machinery.

TABLE 37

Farm machinery
1939 Production and 1946 Requirements

Type of equipment	1946 Requirements No. of units	1939 Production No. of units
Tractors . . .	25,000	1,400
Ploughs . . .	300,000	30,000
Threshing Machines	800	600
Sowing »	10,000	10,000
Reaping »	8,000	5,000
Mechanical hay-shifting rakes .	3,000	2,000

317. Factories in Southern and Central Italy were somewhat damaged by warfare, but the North Italian industry, practically unscathed, has a productive capacity of about 70 % of the pre-war total for the whole country. The machinery required to meet Italy's expanded agricultural program in 1946 is given in the first column of Table 37. With the arrival of raw materials scheduled in the UNRRA import program for basic industries, and assuming sufficient coal is made available, the 1946 requirements listed in Table 37 can be provided from home resources.

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319. It is well known that some of the biggest and most modern liners in the world were built in Italy's shipyards. The shipyards also built coastal shipping, of which Italy, with its long coast line and terrain, has special need.

320. The production of shipping tonnage during the period 1919-1942 was:

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 38

Number and gross tonnage of vessels of 100 tons and above launched in Italian Shipyards, 1919-1942

YEAR	Number of ships	Gross tons
1919	32	82,713
1920	82	133,190
1921	86	170,948
1922	42	101,177
1923	21	66,523
1924	19	82,526
1925	31	142,046
1926	27	220,021
1927	25	101,078
1928	29	58,640
1929	32	71,457
1930	36	87,709
1931	33	105,048
1932	8	17,441
1933	3	16,580
1934	6	26,638
1935	1	22,667
1936	7	11,345
1938	13	93,503
1939 (1)	6	19,460
1940 (1)	8	44,811
1941	14	119,419
1942 (1)	20	115,789

(1) Vessels completed.

321. The size of the Italian Merchant Navy throughout these years is shown in Table 39:

TABLE 39

Number and gross tonnage of vessels of 100 tons and over, 1929-39

(according to Lloyd's Register)

YEAR	Number of vessels	Gross tons
1929	1,380	3,284,660
1930	1,380	3,331,226
1931	1,347	3,335,673
1932	1,323	3,300,372
1933	1,278	3,149,807
1934	1,212	2,928,396
1935	1,231	2,884,406
1936	1,246	3,098,159
1937	1,270	3,212,634
1938	1,293	3,260,484
1939	1,335	3,448,453

322. During the war approximately 3,291,052 gross tons were lost (vessels sunk, seized in Allied ports, etc.)

Railway Rolling Stock.

323. Railway rolling stock in the year 1939 was produced by 68 plants employing approximately 22,000 men.

324. This branch of industry could satisfy entirely the internal demand with a margin for export. The maximum yearly production and pre-war production capacity were as follows:

TABLE 40

Actual and potential production of rolling stock, pre-war

Types of rolling stock	Production	
	Actual No.	Capacity No.
Steam locomotives	—	350
Diesel & Diesel electric locomotives	—	100
Self-propelling internal combustion railway cars	150	300
Passenger cars	1,000	1,500
Freight & special cars	8,000	12,000
Street cars & trolley buses (mechanical part)	700	2,000
Railway electric locomotives	100	300

This industry also repaired from 25,000 to 35,000 passenger and freight cars per annum.

325. The above data does not take into consideration the production of the State Railway workshops which had (and now intend to rebuild under their own management) important working equipment.

326. The larger industries suffered considerable war damage. As, however, actual capacity exceeds production, these industries will be in a position to make a large contribution to the reconstruction program.

327. To facilitate a rapid rebuilding of rolling stock, UNRRA is importing approximately 15,000 tons of finished steel and 10,000 tons of finished lumber, in an effort to meet the following 1946 goals for new production:

Freight cars	10,000
Passenger "	700
Steam locomotives	20

0498
Declassified E.O. 12356 Section 3.3/NND No. 787001

1919	32	82,713
1920	82	133,190
1921	86	170,948
1922	42	101,477
1923	21	86,523
1924	19	82,526
1925	31	142,046
1926	27	226,021
1927	25	101,076
1928	29	58,640
1929	32	71,457
1930	36	87,709
1931	35	165,048
1932	8	47,441
1933	3	16,560
1934	6	26,638
1935	4	22,667
1936	7	11,345
1938	13	98,503
1939 (1)	6	49,480
1940 (1)	8	44,311
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1935	1,231	2,881,406
1936	1,246	3,098,159
1937	1,270	3,212,634
1938	1,293	3,290,484
1939	1,325	3,148,458

322. During the war approximately 3,291,052 gross tons were lost (vessels sunk, seized in Allied ports, etc.) so that now Italy owns (including all vessels repaired and refitted during recent months) only 123 units of more than 100 tons, totalling 507,880 gross tons.

imum yearly production and pre-war production capacity were as follows:

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Passenger cars	1,000	1,500
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Railway electric locomotives	100	300

This industry also repaired from 25,000 to 35,000 passenger and freight cars per annum.

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327. To facilitate a rapid rebuilding of rolling stock, UNRRA is importing approximately 15,000 tons of finished steel and 10,000 tons of finished lumber, in an effort to meet the following 1946 goals for new production:

Freight cars	10,000
Passenger "	700
Steam locomotives	20
Diesel rail cars	20
Electric locomotives	75

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Declassified E.O. 12356 Section 3.3/NND No. 785021

328. It is further estimated that a repair program for 1946 will make available for use further quantities of equipment as follows:

Passenger cars	2,000
Freight	19,000
Steam locomotives	500
Diesel rail cars	200
Electric locomotives	100

329. In addition to the materials mentioned above, UNRRA imports include coal and petroleum products for this production program. The balance of raw material requirements can be furnished locally.

330. For some years to come the total production of the workshops will be absorbed in maintaining and rebuilding existing transportation facilities. New lines and expansion of the electrification of railroads to keep step with increased availability of hydro-electric power will be necessary in the future.

MINING INDUSTRY (1)

331. In mine products Italy is poor and a dependent nation. Only in mercury, marble, zinc, sulphur, talc, pumice, building stones and bauxite has Italy been self-supporting.

332. Under the fascist regime production in key minerals was encouraged by the formation of "Azienda," in which the State had a controlling interest, and by advantageous concessions to operations of "marginal" properties.

333. Pre-war mineral exports consisted mainly of three items: sulphur 33 %, marble 33 % and mercury 20 % for a value of about $17,000,000. The value of imported mineral products was about seven times this amount and consisted principally of coal, oil and iron ore.

334. The following Tables 41 and 42 summarize Italian mining activities between 1925 and 1942. Table 54 shows the relative self-sufficiency of Italy in minerals.

335. Physical war damage suffered by the Italian mining industry was not serious, amounting to not more than 15 %.

336. During the Allied Control period, the Mining Division, Allied Commission was created by AFHQ in November 1943 and made responsible for (a) production of mines; (b) recruitment of labor for mines; (c) requisition of mining supplies.

337. Supplies for the mines constituted the major problem affecting their rehabilitation and operation. Inventories of expendable items at the Sicilian and Sardinian mines were low. Requisitions were, therefore, submitted through Army channels for importation of supplies that could not be obtained through local availabilities.

Sulphur.

338. Sulphur has been produced in Sicily since the earliest times: at one time the Sicilian mines supplied practically the whole world. Italian sulphur production is now exceeded only by that of the United States. The principal producing districts are the provinces of Caltanissetta, Enna and Agrigento and, on the mainland, in the Marche-Romagna region. In Sicily the producers are numerous and small and some 123 properties are operating. The Montecatini Company controls 40-45 % of Italian sulphur.

339. In 1940 a sales organisation, Ente Zolfi, which had been in existence since 1906 became the official Government body to control sulphur export.

340. The general post-war conditions have affected production costs so that the economic export of sulphur at the present time is difficult. Nevertheless production at the Sicilian sulphur mines is now approximately 7,000 tons a month.

Mercury.

341. Italy has long been the most important producer of mercury in the world and before the war divided the market with Spain under a cartel arrangement. All deposits in Italy are concentrated in the Monte Amiata district and at Idria in Gorizia province. The Idria mine is the second largest single producer in the world, Almadem in Spain being the largest. The Idria mine output in recent years has declined both in quantity and grade but the mine still has large and rich reserves. The Monte Amiata Co. which is responsible for 63 % of normal Italian production, not including the Istrian peninsula, is 53 % Government-owned or controlled.

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Declassified E.O. 12356 Section 3.3/NND No. 763 031

Freight	19,000
Steam locomotives	500
Diesel rail cars	200
Electric locomotives	100

329. In addition to the materials mentioned above, UNRRA imports include coal and petroleum products for this production program. The balance of raw material requirements can be furnished locally.

330. For some years to come the total production of the workshops will be absorbed in maintaining and rebuilding existing transportation facilities. New lines and expansion of the electrification of railroads to keep step with increased availability of hydro-electric power will be necessary in the future.

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342. The Italian mines were highly productive during the early part of the war but production began to fall in 1942. Mercury production figures are as follows:

(1) For domestic production of solid fuel see para 113.

0471
Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 41

Production of Minerals in Italy, 1925-42

(Tons.)

Year	Solid fuels	SULPHUR ORES			LEAD AND ZINC ORES			
		Mercury	Raw Sulphur	Pyrites	Lead Concentrates	Lead & Zinc	Zinc Concentrates	Low Grade Zinc
1925	1,296,696	217,152	1,774,275	493,806	51,362	1,883	177,085	—
1930	818,146	243,138	2,233,845	717,270	19,978	—	163,059	37,044
1935	989,108	118,353	1,911,816	833,102	39,934	—	98,013	46,109
1940	4,396,946	253,927	2,135,019	1,080,568	75,030	1,010	154,223	57,288
1941	4,459,369	263,491	1,978,600	997,857	66,974	3,680	139,702	52,476
1942	4,907,956	227,753	1,582,891	970,924	51,130	5,820	172,231	—

TABLE 42

Employment in Mining Industry, 1925-40

Year	No. of workers	Year	No. of workers
1925	47,289	1935	43,761
1930	48,134	1940	112,736

TABLE 43

Production of mercury 1930-1945

Year	Total production	Production at	
		Idria	Amiata
	(Number of flasks)		
1930	34,300	13,000	22,500
1935	31,147	8,087	14,860
1940	82,600	13,800	35,500
1941	82,900	14,600	35,000
1942	72,750	11,050	32,100
1943	61,945	8,400	29,545

Zinc and Lead.

343. Lead and zinc mining are important industries. In the past Italian zinc and lead production plants have not been able to melt the entire output or to provide

344. Italy has three lead smelters with a total capacity of 47,000 tons of lead and four zinc reduction plants with an annual capacity of 45,000 tons.

345. The consumption and source of lead and zinc for 1938, the last normal year were as follows:

TABLE 44

Lead and zinc in 1938

LEAD			
		Ore and Concentrates (95 % recovery) (tons)	Smelted metal (tons)
Primary production (from ore)		39,000	44,031
Secondary production (from scrap)		—	4,381
Imports		7,000	5,468
		46,000	53,880

ZINC				
	Sulphide (tons)	Ore and Concentrates (90 % recovery)		Smelted metal (tons)
		Carbonate (tons)	Total (tons)	
Production	61,000	23,000	84,000	33,747
Exports	—	—	39,000	—
Imports	—	—	—	1,784
	61,000	23,000	45,000	35,531

346. Production was resumed at the zinc and lead

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Declassified E.O. 12356 Section 3.3/NND No. 759001

Year	Solid fuels	SULPHUR ORES			LEAD AND ZINC ORES			
		Mercury	Raw Sulphur	Pyrites	Lead Concentrates	Lead & Zinc	Zinc Concentrates	Low Grade Zinc
1925	1,296,696	217,152	1,771,275	193,806	51,362	1,883	177,085	—
1930	818,146	213,138	2,233,845	717,270	19,078	—	163,650	37,044
1935	989,108	118,553	1,911,816	833,102	39,934	—	98,013	16,109
1940	1,396,946	253,927	2,135,019	1,060,568	75,030	1,040	154,223	57,288
1941	1,159,369	263,491	1,973,000	997,857	66,974	3,080	139,702	52,476
1942	1,867,950	227,753	1,592,891	970,624	51,130	5,820	172,231	—

TABLE 42

Employment in Mining Industry, 1925-40

Year	No. of workers	Year	No. of workers
1925	47,283	1935	43,761
1930	48,134	1940	112,736

TABLE 43

Production of mercury 1930-1945

Year	Total production	Production at	
		Idria	Amiata
	(Number of flasks)		
1930	54,300	13,000	22,500
1935	31,147	8,087	14,860
1940	82,600	13,800	35,500
1941	82,900	14,600	35,000
1942	72,750	11,050	32,400
1943	61,945	8,400	29,545

Zinc and Lead.

343. Lead and zinc mining are important industries. In the past Italian zinc and lead production plants have not been able to smelt the entire output or to provide Italian requirements of the metals. In 1938 ore and concentrates were exported and 12 % of Italy's lead requirements and 3 % of its zinc requirements were imported in the form of metal.

344. Italy has three lead smelters with a total capacity of 47,000 tons of lead and four zinc reduction plants with an annual capacity of 45,000 tons.

345. The consumption and source of lead and zinc for 1938, the last normal year were as follows:

TABLE 44

Lead and zinc in 1938

LEAD	Ore and Concentrates (95 % recovery) (tons)	Smelted metal (tons)
Primary production (from ore) .	39,000	44,031
Secondary production (from scrap)	—	4,381
Imports	7,000	5,468
	46,000	53,880

ZINC	Sulphide (tons)	Ore and Concentrates (90 % recovery) Carbonate (tons)	Total (tons)	Smelted metal (tons)
Production .	61,000	23,000	84,000	33,747
Exports . .	—	—	39,000	—
Imports . .	—	—	—	1,784
	61,000	23,000	45,000	35,531

346. Production was resumed at the zinc and lead reduction plants with 450 tons of zinc and approximately 1,300 tons of lead in April 1946. Maintenance of this production rate, and any increase, depend on the availability of coke.

Declassified E.O. 12356 Section 3.3/NND No. 759021

OTHER INDUSTRIES

347. The size and distribution of major Italian industries have now been considered. Smaller industries, of prime importance to the general economy of the country, are being assisted by UNRRA, and in a few instances, due to their key importance, are receiving more imported materials than some of the larger industries.

Rubber Industry.

(a) *General.*

348. The Italian rubber industry is a well-integrated and important factor in the industrial structure of the country. The leader in the field is the Pirelli Company which controls approximately 30 % of the total industry, including all products. A smaller, but also important organization is the Michelin plant at Turin.

349. The industry can manufacture a wide range of products. Under normal conditions the importation of finished rubber goods into Italy is small in relation to total consumption. From 20 to 25 % of the finished goods produced are normally exported to European markets. A small percentage of specialized articles is normally exported to the United States.

350. Prior to the war, Italy produced approximately 25 % of its total raw rubber requirements in synthetic rubber plants using alcohol as the raw material. The operation of these factories was stopped during the war due to the conflict between the use of food and feeding stuffs for the production of alcohol and the need for rubber. No effort has been made to restart these plants, since the need for agricultural products for direct human consumption is still pressing.

351. Practically all raw materials for the production of rubber goods must be imported, the only exception being some special accelerators and chemicals required for compounding.

352. The rubber industry suffered considerable war damage, particularly the Pirelli plants at Tivoli and Milan. This damage, however, has been almost completely repaired and at least 95 % of the manufacturing facilities is now available for production.

(b) *1946 UNRRA Program.*

353. There is a severe shortage of tires and mechanical rubber goods in Italy at the present time and the revival of the rubber industry has received top priority, both in the earlier military programs and in the UNRRA

TABLE 45

Italian Requirements for Rubber Products, 1946

Truck tires	800,000 units
Passegers cars	380,000 "
Motocycle tires	30,000 "
Inner tubes	870,000 "
Bicycle tires	5,300,000 "
Bicycle inner tubes	4,000,000 "
Soles and heels for footwear	5,000 "
Ebonite	1,000 "
Hose	1,750 tons
Sanitary articles	340 "
Elastic Thread	215 "
Mechanical rubber parts	5,600 "
Rubber clothing	260,000 units
Rubber footwear	8,000,000 pairs
Rubber insulated electric cables	100,000 Km.

354. To provide essential raw materials for the rubber industries, the UNRRA program has been drawn up to cover 30 % of the productive capacity and includes natural and synthetic rubber, latex, carbon black, and special chemicals for rubber manufacture, as follows:

Natural rubber	9,822 tons
Synthetic rubber	9,823 "
Latex etc.	488 "
Carbon Black	7,200 "
Special chemicals for rubber manufacture	1,169 "

355. Closely related to the manufacture of automotive tires and mechanical rubber goods is that of electric cables. The Pirelli factories have a recognized world position in this field and have contributed much to the development of high-tension cables. The revival of this industry also forms part of the UNRRA program and in addition to the importation of rubber and textile fibers for use in cables, electrolytic copper is an important item in the UNRRA import plan.

(c) *Outlook.*

356. Provided that adequate raw materials can be ob-

Declassified E.O. 12356 Section 3.3/NND No. 785091

are being assisted by UNRRA, and in a few instances, due to their key importance, are receiving more imported materials than some of the larger industries.

Rubber Industry.

(a) *General.*

348. The Italian rubber industry is a well-integrated and important factor in the industrial structure of the country. The leader in the field is the Pirelli Company which controls approximately 30 % of the total industry, including all products. A smaller, but also important organization is the Michelin plant at Turin.

349. The industry can manufacture a wide range of products. Under normal conditions the importation of finished rubber goods into Italy is small in relation to total consumption. From 20 to 25 % of the finished goods produced are normally exported to European markets. A small percentage of specialized articles is normally exported to the United States.

350. Prior to the war, Italy produced approximately 25 % of its total raw rubber requirements in synthetic rubber plants using alcohol as the raw material. The operation of these factories was stopped during the war due to the conflict between the use of food and feeding stuffs for the production of alcohol and the need for rubber. No effort has been made to restart these plants, since the need for agricultural products for direct human consumption is still pressing.

351. Practically all raw materials for the production of rubber goods must be imported, the only exception being some special accelerators and chemicals required for compounding.

352. The rubber industry suffered considerable war damage, particularly the Pirelli plants at Tivoli and Milan. This damage, however, has been almost completely repaired and at least 95 % of the manufacturing facilities is now available for production.

(b) *1946 UNRRA Program.*

353. There is a severe shortage of tires and mechanical rubber goods in Italy at the present time and the revival of the rubber industry has received top priority, both in the earlier military programs and in the UNRRA program for 1946. The total requirements of important rubber articles for 1946 are estimated by the Italian Government to be as follows:

Truck tires	660,000	units
Passenger cars	380,000	»
Motorcycle tires	30,000	»
Inner tubes	870,000	»
Bicycle tires	5,300,000	»
Bicycle inner tubes	4,000,000	»
Soles and heels for footwear	5,000	»
Ebonite	1,000	»
Hose	1,750	tons
Sanitary articles	340	»
Elastic thread	215	»
Mechanical rubber parts	5,600	»
Rubber clothing	260,000	units
Rubber footwear	8,000,000	pairs
Rubber insulated electric cables	100,000	Km.

354. To provide essential raw materials for the rubber industries, the UNRRA program has been drawn up to cover 50 % of the productive capacity and includes natural and synthetic rubber, latex, carbon black, and special chemicals for rubber manufacture, as follows:

Natural rubber	9,822	tons
Synthetic rubber	9,823	»
Latex etc.	188	»
Carbon Black	7,000	»
Special chemicals for rubber manufacture	1,169	»

355. Closely related to the manufacture of automotive tires and mechanical rubber goods is that of electric cables. The Pirelli factories have a recognized world position in this field and have contributed much to the development of high-tension cables. The revival of this industry also forms part of the UNRRA program and in addition to the importation of rubber and textile fibers for use in cables, electrolytic copper is an important item in the UNRRA import plan.

(c) *Outlook.*

356. Provided that adequate raw materials can be obtained by Italy on the world market, the future of the rubber industry in Italy is bright. With the excellent manufacturing facilities now available and the technical

Declassified E.O. 12356 Section 3.3/NND No. 758021

knowledge gained from continued research and development work, the industry should be in a position greatly to expand its export market to European countries both for tires and mechanical rubber goods. It is however doubtful whether synthetic rubber can be produced economically in Italy in competition with that derived from petroleum in the United States. It is doubtful also whether synthetic rubber produced in Italy will be competitive with natural rubber, which still is preferred for use in this industry.

Building Materials.

357. In the period 1935-1938, domestic building and public works construction sponsored in Italy included: slum clearance projects, cooperative farm settlements, low-cost housing for industrial workers and public works projects. The following Tables give an indication of the volume of home construction and public works projects initiated in this period:

TABLE 46

Construction in Italy, 1935-1938

YEAR	New	Additions to Standing Structures	Rooms Total
	(All Units in terms of Rooms)		
1935	253,554	141,883	395,437
1936	284,956	154,874	439,810
1937	226,253	109,369	335,624
1938	149,382	77,889	226,271

TABLE 47

Italian Public Works, 1935-1937

YEAR	No. of projects (Building, Railways and stations, Docks, Hydraulic Stations, Roads, etc.)
1935	1,673,246
1936	1,422,393
1937	1,313,329

358. The current requirements for new construction and for repairs are extremely great as the result of war damage. This is true not only of industrial plants and public works but also of dwellings. In Central and Southern Italy, towns were heavily damaged and vil- [illegible] demolished as the result of bombing and artillery

359. These needs will place a heavy load on the building materials industry in Italy. It is probable that the full capacity of the industry will be employed for many years to come.

360. The facilities for manufacturing building materials are discussed briefly below. These materials are supplemented to a great extent by the use of local stone as a common wall construction material.

(a) *Brick and Tile.*

361. It is estimated that Italy has approximately 1,700 brick and tile plants employing approximately 60,000 people. 1937 production from these plants was approximately as follows:

TABLE 48

	No.
Solid Bricks	1,267,264,000
Hollow Bricks	283,020,000
Flat and Curved Tiles	130,439,000
Other types tiles and bricks	66,154,000

362. The distribution of brick and tile plants is rather general throughout the country, since there are few areas in Italy which do not contain suitable clays for the manufacture of these materials. The largest installations are located in the Cremona, Mantova and Piacenza areas. Most of the plants are equipped with Hoffman kilns, using waste fuels such as coal or coke dust, charcoal, wood, and sawdust and, therefore, for satisfactory operation, represent only a small drain on the nation's fuel imports. Except for the kilns, however, the plants are not particularly modern and few are equipped with pre-dryers. The operation is seasonal in nature, but is generally satisfactory for Italian purposes. This industry suffered little war damage and at the present time is capable of furnishing all local needs. The plants have almost all operated to capacity during 1945 and 1946.

(b) *Cement.*

363. Due to the shortage of steel in Italy, "Portland" cement has become one of its most important structural materials. In 1938, the production of 172 firms was estimated at four million tons.

364. The equipment available in the cement industry

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Declassified E.O. 12356 Section 3.3/NND No. 745021

from petroleum in the United States. It is doubtful also whether synthetic rubber produced in Italy will be competitive with natural rubber, which still is preferred for use in this industry.

Building Materials.

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Construction in Italy, 1935-1938

YEAR	New	Additions to Standing Structures	Rooms Total
	(All Units in terms of Rooms)		
1935	253,554	141,883	395,437
1936	281,936	154,874	439,810
1937	226,255	109,369	335,624
1938	149,382	77,889	226,271

TABLE 47

Italian Public Works, 1935-1937

YEAR	No. of projects (Building, Railways and stations, Docks, Hydraulic Stations, Roads, etc.)
1935	1,673,246
1936	1,422,393
1937	1,318,329

358. The current requirements for new construction and for repairs are extremely great as the result of war damage. This is true not only of industrial plants and public works but also of dwellings. In Central and Southern Italy, towns were heavily damaged and villages demolished as the result of bombing and artillery fire. Many large cities in Italy experienced damage up to 15 to 20 % of the total housing facilities, and damage of industrial buildings probably exceeds this proportion. plemented to a great extent by the use of local stone as a common wall construction material.

(a) *Brick and Tile.*

361. It is estimated that Italy has approximately 1,700 brick and tile plants employing approximately 60,000 people. 1937 production from these plants was approximately as follows:

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Solid Bricks	1,267,264,000
Hollow Bricks	285,020,000
Flat and Curved Tiles	130,439,000
Other types tiles and bricks	66,454,000

362. The distribution of brick and tile plants is rather general throughout the country, since there are few areas in Italy which do not contain suitable clays for the manufacture of these materials. The largest installations are located in the Cremona, Mantova and Piacenza areas. Most of the plants are equipped with Hoffman kilns, using waste fuels such as coal or coke dust, charcoal, wood, and sawdust and, therefore, for satisfactory operation, represent only a small drain on the nation's fuel imports. Except for the kilns, however, the plants are not particularly modern and few are equipped with pre-dryers. The operation is seasonal in nature, but is generally satisfactory for Italian purposes. This industry suffered little war damage and at the present time is capable of furnishing all local needs. The plants have almost all operated to capacity during 1945 and 1946.

(b) *Cement.*

363. Due to the shortage of steel in Italy, "Portland" cement has become one of its most important structural materials. In 1938, the production of 172 firms was estimated at four million tons.

364. The equipment available in the cement industry is a mixture of very old and very modern. Production from the newer plants represents about 70 % of the total. "Portland" cement is used in a variety of dif-

0477
Declassified E.O. 12356 Section 3.3/NND No. 785031

ferent types of construction (notably in poured structures, with or without reinforcing steel) as mortar for stone and brick masonry construction and for external and internal surfacing of walls.

365. Many modern plants, particularly in the Florence and Pisa areas, suffered damage as a result of German demolition. These plants are being rapidly repaired and at the present time about 80 % are in use. Due to the heavy equipment involved in cement manufacture, the repair of damage of this type is difficult. Practically all this equipment was originally imported from Denmark, Germany and the United States.

366. The manufacture of "Portland" cement requires large quantities of coal, amounting to approximately 20 % by weight of the cement produced. The industry has been adequately supplied with fuel and can satisfy all immediate requirements for rehabilitation.

Lumber.

367. Italy produced, just prior to the war, approximately 75 % of its lumber requirements within the country. During the war, and since the war, the forest reserves of the country have been reduced by excessive cutting. To protect the remainder of the forests, a maximum importation of lumber is planned. A plan of reforestation for preservation of the timber supply of Italy has been drawn up.

368. The average number of employees engaged annually in the lumber and woodworking industries in Italy during the two years preceding the war was 447,377. The lumber industry takes fourth place among Italian production industries. Woodworking was sub-divided in 1938 as follows:

(a) 2,720 saw mills with 38,765 employees (not including artisan shops).

(b) 300 artisan firms for the production of charcoal.
100 artisan firms for the production of poles.
50 artisan firms for the production of wooden barrels.
150 artisan firms for the production of nails and frame works.

The approximate number of employees in these artisan firms was 7,500.

(c) Plywood—34 firms with 3,000 workers. Production capacity—120,000 cubic meters per year.

(d) Wooden crates—445 firms with 1,200 employees.

369. The importation of lumber from the year 1933 to 1938 inclusive was:

TABLE 19

Lumber Imports, 1933-1938

(tons)

YEAR	Common	Special
1933	1,229,776	15,070
1934	1,251,214	7,940
1935	1,246,476	8,546
1936	578,230	3,151
1937	858,703	5,572
1938	570,276	3,913

370. Having regard to the present world shortage of lumber, the program of industrial supplies for the first half of 1946 was limited to 20,000 tons of heavy beams, timber, and planks for immediate use in industries producing, repairing and maintaining railway vehicles and small coastwise vessels. UNRRA is cooperating with the Italian Government to obtain from Austria and other sources as much lumber as possible to furnish urgent Italian needs. Careful salvage within the country will be necessary to complete the 1946 lumber requirements.

Glass.

371. Before the war the glass industry in Italy was a well balanced and important part of the industrial economy. The industry has profited from the long experience gained in the manufacture of decorative objects from glass, and there have been important exports from Italy for many years.

372. The glass industry is an important customer for soda ash and other chemicals produced by Italian industry. Basic raw materials, such as lime and silica, are readily available in the country. The glass industry is a large consumer of imported fuels, which explains the limited expansion in exports of standard items such as window glass, glass blocks, etc.

373. Prior to the war Italy had sufficient capacity in the glass industry to produce all domestic requirements for standard building items and containers. Two im-

0478
Declassified E.O. 12356 Section 3.3/NND No. 745021

and Pisa areas, suffered damage as a result of German demolition. These plants are being rapidly repaired and at the present time about 80 % are in use. Due to the heavy equipment involved in cement manufacture, the repair of damage of this type is difficult. Practically all this equipment was originally imported from Denmark, Germany and the United States.

366. The manufacture of "Portland" cement requires large quantities of coal, amounting to approximately 20 % by weight of the cement produced. The industry has been adequately supplied with fuel and can satisfy all immediate requirements for rehabilitation.

Lumber.

367. Italy produced, just prior to the war, approximately 75 % of its lumber requirements within the country. During the war, and since the war, the forest reserves of the country have been reduced by excessive cutting. To protect the remainder of the forests, a maximum importation of lumber is planned. A plan of reforestation for preservation of the timber supply of Italy has been drawn up.

368. The average number of employees engaged annually in the lumber and woodworking industries in Italy during the two years preceding the war was 447,577. The lumber industry takes fourth place among Italian production industries. Woodworking was sub-divided in 1938 as follows:

(a) 2,720 saw mills with 38.765 employees (not including artisan shops).

(b) 300 artisan firms for the production of charcoal.
100 artisan firms for the production of poles.
50 artisan firms for the production of wooden barrels.
150 artisan firms for the production of nails and frame works.

The approximate number of employees in these artisan firms was 7.500.

(c) Plywood—34 firms with 3.000 workers. Production capacity—120.000 cubic meters per year.

(d) Wooden crates—445 firms with 1.200 employees.

(e) Furniture—1.000 firms organized as large-scale industries employing almost 18.000 workers.

Lumber Imports, 1933-1938

(tons)

YEAR	Common	Special
1933	1,229,778	13,070
1934	1,251,214	7,040
1935	1,246,476	8,546
1936	578,230	3,151
1937	858,763	5,372
1938	570,276	3,013

370. Having regard to the present world shortage of lumber, the program of industrial supplies for the first half of 1946 was limited to 20,000 tons of heavy beams, timber, and planks for immediate use in industries producing, repairing and maintaining railway vehicles and small coastwise vessels. UNRRA is cooperating with the Italian Government to obtain from Austria and other sources as much lumber as possible to furnish urgent Italian needs. Careful salvage within the country will be necessary to complete the 1946 lumber requirements.

Glass.

371. Before the war the glass industry in Italy was a well balanced and important part of the industrial economy. The industry has profited from the long experience gained in the manufacture of decorative objects from glass, and there have been important exports from Italy for many years.

372. The glass industry is an important customer for soda ash and other chemicals produced by Italian industry. Basic raw materials, such as lime and silica, are readily available in the country. The glass industry is a large consumer of imported fuels, which explains the limited expansion in exports of standard items such as window glass, glass blocks, etc.

373. Prior to the war Italy had sufficient capacity in the glass industry to produce all domestic requirements for standard building items and containers. Two important plants at Leghorn and Pisa which were badly damaged by bombing and artillery fire are slowly being restored and should be in production again in 1947.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

374. UNRRA's main contribution to the glass industry is the supply of fuel which has kept the industry to full capacity, so far as building items are concerned. The container factories have been operating at substantially full capacity, using wood and other fuels when necessary.

Ceramics.

375. The ceramics industry is highly developed and is important in the industrial economy of Italy. Italian chinaware and pottery have enjoyed wide acceptance in world markets and have for many years been important exports.

376. In addition to domestic and decorative items, Italy has built a substantial industry around industrial ceramics and electrical insulators. The latter has become particularly important due to the exploitation of hydro-electric power. This industry was not severely affected by the war and practically all the pre-war plants are now operating.

377. Domestic clay is utilized to full advantage in the ceramics industry but Italy does not produce certain types of plastic and high temperature fire clay essential to the industry. Thus it has always been necessary to import a part of the raw material requirements in this field and to import all the requirements of magnesite refractories and high temperature fire clay. The ceramics industry is also a large consumer of imported fuels, although in recent years high temperature electrical heated kilns are being increasingly installed. This trend is continuing in the post-war period.

378. To ensure the supply of metallurgical and electro-technical ceramics UNRRA during 1946 will import into Italy the following materials:

	Tons
Fire Clay	30,000
Kaolin	10,000
Plastic clays	3,000
Magnesite bricks	4,500
Asbestos	6,000

In addition to the above, sufficient fuel for the working of these materials has been programmed by UNRRA.

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 50

Principal Suppliers of Commodities important in Italy's Import Trade and Value of Supplies in 1938

(Value in millions of lire)

Commodity and Country	Value	Percent of total
Coal and coke:		
Germany (1)	1,028.0	58.5
United Kingdom	375.2	21.3
Poland and Danzig	215.6	12.3
Czechoslovakia	67.5	3.8
Belgium and Luxemburg	29.8	1.7
Other countries	42.1	2.4
Total	1,758.0	100.0
Cotton raw:		
United States	177.6	34.7
Egypt	163.1	31.7
Turkey	63.8	7.7
British India	50.6	6.1
Brazil	25.1	3.0
Other countries	47.5	5.8
Total	827.7	100.0
Machinery, apparatus, and parts:		
Germany (1)	497.8	65.6
Switzerland	75.5	9.9
United Kingdom	59.3	7.8
United States	52.5	6.9
Sweden	20.9	2.8
Other countries	53.0	7.0
Total	759.0	100.0
Mineral oil, crude and residues from the distillation of:		
United States	276.3	42.0
Rumania	114.9	17.5
West Indies (2)	99.1	15.1
Iraq	65.5	10.0
Colombia	31.8	4.8
Iran	26.5	4.0
Other countries	43.1	6.6
Total	657.2	100.0
Wool, in the grease and washed, wool waste, and flocks:		
Australia	138.3	32.9
Union of South Africa	84.3	20.1
Argentina	57.0	13.6
Uruguay	36.8	8.8
United Kingdom	28.8	6.8
Belgium-Luxemburg	22.3	5.3

Commodity and Country	Value	Percent of total
Wood pulp:		
Sweden	155.6	39.6
Finland	90.4	23.0
Germany (1)	86.2	22.0
Czechoslovakia	20.0	5.1
Other countries	40.3	10.3
Total	392.5	100.0
Copper and its alloys, in ingots and scrap:		
Chile	128.0	39.1
United States	70.1	21.4
Portuguese South Africa	69.1	21.2
Belgium-Luxemburg	14.1	4.3
British South Africa	13.8	4.2
Other countries	31.9	9.8
Total	327.1	100.0
Lumber, common, rough, squared, or sawed:		
Germany (1)	91.5	40.0
Yugoslavia	77.4	32.7
United States	28.9	12.2
Rumania	9.4	4.0
France	6.5	2.8
Other countries	19.7	8.3
Total	236.4	100.0
Iron and steel scrap:		
United States	161.9	69.2
France	30.3	13.0
Switzerland	17.9	7.7
Belgium-Luxemburg	5.8	2.5
Netherlands	3.2	1.4
Other countries	14.5	6.2
Total	232.7	100.0

Source: *Commercio di Importazione e di Esportazione*, 1938

(1) Includes Austria.

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Declassified E.O. 12356 Section 3.3/NND No. 785091

Commodity and Country	Value	Percent of total
Coal and coke:		
Germany (1)	1,028.0	58.5
United Kingdom	375.2	21.3
Poland and Danzig	215.6	12.3
Czechoslovakia	67.5	3.8
Belgium and Luxemburg	29.6	1.7
Other countries	42.1	2.4
Total	1,758.0	100.0
Cotton raw:		
United States	477.6	57.7
Egypt	163.1	19.7
Turkey	63.8	7.7
British India	50.6	6.1
Brazil	25.1	3.0
Other countries	47.5	5.8
Total	827.7	100.0
Machinery, apparatus, and parts:		
Germany (1)	497.8	65.6
Switzerland	75.5	9.9
United Kingdom	59.3	7.8
United States	52.5	6.9
Sweden	20.9	2.8
Other countries	53.0	7.0
Total	759.0	100.0
Mineral oil, crude and residues from the distillation of:		
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West Indies (2)	99.1	15.1
Iraq	65.5	10.0
Colombia	31.8	4.8
Iran	26.5	4.0
Other countries	13.1	6.6
Total	657.2	100.0
Wool, in the grease and washed, wool waste, and flocks:		
Australia	138.3	32.9
Union of South Africa	84.3	20.1
Argentina	57.0	13.6
Uruguay	36.8	8.8
United Kingdom	28.8	6.8
Belgium-Luxemburg	22.3	5.3
Other countries	52.5	12.5
Total	420.0	100.0

Commodity and Country	Value	Percent of total
Wood pulp:		
Sweden	155.6	39.6
Finland	90.4	23.0
Germany (1)	86.2	22.0
Czechoslovakia	20.0	5.1
Other countries	40.3	10.3
Total	392.5	100.0
Copper and its alloys, in ingots and scraps:		
Chile	128.0	39.1
United States	70.1	21.4
Portuguese South Africa	69.1	21.2
Belgium-Luxemburg	14.1	4.3
British South Africa	13.6	4.2
Other countries	31.9	9.8
Total	327.1	100.0
Lumber, common, rough, squared, or sawed:		
Germany (1)	91.5	40.0
Yugoslavia	77.4	32.7
United States	28.9	12.2
Rumania	9.4	4.0
France	6.5	2.8
Other countries	19.7	8.3
Total	236.4	100.0
Iron and steel scrap:		
United States	161.0	69.2
France	30.3	13.0
Switzerland	17.9	7.7
Belgium-Luxemburg	5.8	2.5
Netherlands	3.2	1.4
Other countries	14.5	6.2
Total	232.7	100.0

Source: *Commercio di Importazione e di Esportazione*, 1938

(1) Includes Austria.

(2) Includes Netherlands West Indies, French West Indies, and the U. S. Virgin Islands.

Declassified E.O. 12356 Section 3.3/NND No. 759021

TABLE 51

Relative Importance of Italian Industries 1937-38

Class and Industry (1)	Labor employed 1938 (7)	HP used 1938 (7)	Yearly Consumption: Electric power 1000 Kwh. 1937 (8)	Yearly Consumption: Coal 1000 T. 1938
A - Industries: (1)				
Bakeries	101,824	38,279	760,955	500
Food processing	351,969	874,149		
Metallurgical (2)	102,783	834,214	2,727,871	1,800
Mechanical:				
Automobiles and other conveyances	206,740	366,411	870,674	200
Other mechanical	422,893	683,613		1,400
Building materials	124,741	330,164	495,158	200
Ceramics and glass	50,870	40,996		50
Building	479,929	153,286	1,334,912	815
Textiles and clothing	633,448	801,047	2,954,663	350
Chemicals (3)	98,238	434,352		3,500
Coke-ries and Gas Works	10,974	51,841	—	250
Power Stations	27,403	1,577	163,278	70
Mines and Quarries	138,012	103,316	90,368	10
Timber	102,280	131,938	464,622	160
Paper	52,437	209,852	83,038	5
Leather, etc.	68,006	63,238	31,079	5
Printing	38,769	41,941		40
Rubber	24,628	70,152	378,349	130
Other Industries	197,456	217,381		
TOTAL INDUSTRIES	3,250,144	5,541,350	10,355,270	9,685
B - Handicraft:				
Timber	180,164	72,986	400,000	200
Food Processing	126,761	9,230		
Mechanical	171,783	63,528		
Leather, etc.	146,305	1,770		
Clothing	246,202	8,385		
Other handicraft	254,081	107,606		
TOTAL HANDICRAFT	1,119,236	263,505	400,000	200
TOTAL A + B	4,369,380	5,804,855	10,755,270	9,885
C - Transportation:				
State Railways	110,468	(4)	1,367,164	1,960
Bankers	67,446	(4)		1,250
Other transports	127,131	(4)		
TOTAL TRANSPORTS	305,045	(4)	1,367,164	3,459
TOTAL A + B + C	4,674,425	(4)	12,122,434	13,035
D - OTHER CONSUMPTION:			1,037,243 (5)	965 (6)
			13,159,677	14,000

(1) Fishing excluded;
(2) Electro-metallurgic industries included;
(3) Electro-chemical industries included;
(4) The primary (steam or liquid fuel etc.) and electric power applied to vehicles is 11,067,684 HP. including 8,701,833 for land transportation, 2,141,534 for sea, lake and river transportation and 224,310 for air transportation;

0 4 8 3
Declassified E.O. 12356 Section 3.3/NND No. 785001

Class and Industry (1)	Labor employed 1938 (7)	HP used 1938 (7)	Yearly Consumption: Electric power 1000 Kwh. 1937 (8)	Yearly Consumption: Coal 1000 T. 1938
A - Industries: (1)				
Bakeries	101,824	38,279	760,955	500
Food processing	351,009	874,149		
Metallurgical (2)	102,783	831,214	2,727,874	1,800
Mechanical:				
Automobiles and other conveyances	206,710	366,413	870,674	200
Other mechanical	122,893	683,613		
Building materials	124,741	330,164		1,100
Ceramics and glass	50,870	40,996	495,158	200
Building	479,929	153,286		50
Textiles and clothing	633,148	801,047	1,334,912	815
Chemicals (3)	98,238	434,852	2,954,663	550
Coke'es and Gas Works	10,974	54,844		3,500
Power Stations	27,403	1,577	—	250
Mines and Quarries	136,012	193,316	163,278	70
Timber	102,280	131,938	90,368	10
Paper	52,437	209,852	464,622	160
Leather, etc.	68,906	65,238	83,038	5
Printing	58,769	11,941	31,079	5
Rubber	21,623	70,152	378,349	40
Other Industries	197,456	217,981		130
TOTAL INDUSTRIES	3,250,144	5,541,350	10,355,270	9,685
B - Handicraft:				
Timber	180,104	72,986		
Food Processing	120,761	9,230		
Mechanical	171,783	65,528	100,000	200
Leather, etc.	146,305	1,770		
Clothing	240,292	8,385		
Other handicraft	254,981	107,606		
TOTAL HANDICRAFT	1,419,236	263,505	400,000	200
TOTAL A + B	4,369,380	5,804,855	10,755,270	9,885
C - Transportation:				
State Railways	110,468	(4)	1,367,164	1,900
Bunkers	67,446	(4)		1,250
Other transports	127,131	(4)		
TOTAL TRANSPORTS	305,045	(4)	1,367,164	3,150
TOTAL A + B + C	4,674,425	(4)	12,122,434	13,035
D - OTHER CONSUMPTION:			1,037,243 (5)	965 (6)
			13,159,677	14,000

(1) Fishing excluded;
(2) Electro-metallurgic industries included;
(3) Electro-chemical industries included;
(4) The primary (steam or liquid fuel etc.) and electric power applied to vehicles is 11,067,564 HP, including 8,701,833 for land transportation, 2,141,521 for sea, lake and river transportation and 224,310 for air transportation;
(5) Private and public lighting - agriculture, appliances for consumption in houses and stores;
(6) Domestic uses, hospitals and agriculture;
(7) Industrial census 1937-39 (Statistical year-book of 1943);
(8) Electric power consumed in 1937 (Statistical year-book of 1939).

0184
Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 52

Italy's Consumption of Electric Energy by Classes of Consumers: 1936 and 1939

	1936				1939			
	Hundred Thousand KWH		%	%	Hundred Thousand KWH		%	%
Domestic Lighting	626		5.40		749		4.74	
Public Lighting	272		2.35		341		1.97	
Domestic & Public Appliances	300	1,198	2.59	10.34	438	1,498	2.77	9.48
Agriculture	134		1.15		145		0.92	
Food	656	790	5.66	6.81	788	933	1.38	5.90
Clothing Industries	42		0.37		57		0.36	
Textile Industries: Cotton	156		3.94		582		3.69	
Wool	129		1.11		210		1.33	
Rayon	212		1.83		296		1.87	
Misc.	185	1,024	1.59	8.84	187	1,332	1.51	8.76
Paper Industry	383		3.31		536		3.39	
Printing Industry	26	409	0.23	3.54	33	569	0.21	3.60
Ceramic and Glass Industry	52		0.45		100		0.63	
Building Industry	343		2.96		555		3.51	
Woodworking Industry	73	468	0.63	4.04	102	757	0.65	4.79
Chemical Industry	474	474	4.09	4.09	692	692	4.38	4.38
Mining and Quarrying	140	140	1.20	1.20	254	254	1.61	1.61
Metallurgical Industries	572	572	4.93	4.93	711	711	4.50	4.50
Mechanical & Allied Ind.	749	749	6.46	6.46	982	982	6.21	6.21
Electro-chemical Industry	3624		31.28		5,136		32.50	
Electro-metallurgical Ind.								
Heating, Industrial	560	4,184	4.83	36.11	597	5,733	3.78	36.28
Miscellaneous Industries	153	153	1.32	1.32	147	147	0.93	0.93
Services	255	255	2.20	2.20	366	366	2.32	2.32
Traction	1,172	1,172	10.12	10.12	1,777	1,777	11.24	11.24
Total	11,588	11,588	100.00	100.00	15,751	15,751	100.00	100.00

0 4 8 5
Declassified E.O. 12356 Section 3.3/NND No. 785021

	1936				1939			
	Hundred Thousand KWH		%	%	Hundred Thousand KWH		%	%
Domestic Lighting	626		5.40		749		1.71	
Public Lighting	272		2.35		311		1.97	
Domestic & Public Appliances	300	1,198	2.59	10.34	438	1,498	2.77	9.48
Agriculture	131		1.15		145		0.92	
Food	656	790	5.66	6.81	788	933	4.98	5.90
Clothing Industries	42		0.37		57		0.36	
Textile Industries: Cotton	456		3.94		582		3.69	
Wool	129		1.11		210		1.33	
Rayon	212		1.83		296		1.87	
Misc.	185	1,024	1.59	8.84	187	1,332	1.51	8.76
Paper Industry	383		3.31		536		3.39	
Printing Industry	26	409	0.23	3.54	33	569	0.21	3.60
Ceramic and Glass Industry	52		0.45		100		0.63	
Building Industry	343		2.96		555		3.51	
Woodworking Industry	73	468	0.63	4.04	102	757	0.65	4.79
Chemical Industry	474	474	4.09	4.09	692	692	4.38	4.38
Mining and Quarrying	140	140	1.20	1.20	254	254	1.61	1.61
Metallurgical Industries	372	372	4.93	4.93	711	711	4.50	4.50
Mechanical & Allied Ind.	749	749	6.46	6.46	982	982	6.21	6.21
Electro-chemical Industry	3624		31.28		5,136		32.50	
Electro-metallurgical Ind.								
Heating, Industrial	560	4,184	4.83	36.11	597	5,733	3.78	36.28
Miscellaneous Industries	153	153	1.32	1.32	147	147	0.93	0.93
Services	255	255	2.20	2.20	366	366	2.32	2.32
Traction	1,172	1,172	10.12	10.12	1,777	1,777	11.24	11.24
Total	11,588	11,588	100.00	100.00	15,751	15,751	100.00	100.00

Source: Adapted from Annuario Statistico, 1939-1941.

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Declassified E.O. 12356 Section 3.3/NND No. 765021

TABLE 53

Revised Industrial Requirements for 1946
UNRRA Program (as in April 1946)

Code No.	ITEM	Quantity tons	Estimated cost Thousand $
1-00	Transport & Telecommunications	—	2,533
2-00	Public Utilities	—	—
3-00	Building Industry	—	245
4-00	Mining & Quarrying	—	—
5-00	Machine Repair Industry	—	—
6-00	Processing Industry	—	—
7-10	Solid Fuels	5,676,692	40,775
7-20-30	Liquid Fuels and Lubricants	—	35,745
7-40	Asphalt	75,000	2,675
8-00	Misc. Consumer Goods	—	50
9.01	Pig Iron :		
	A — Refined Grade	65,000	
	B — Foundry Grade	50,000	
	C — Hematite Grade	25,000	
	Total Pig Iron	140,000	4,201.27
9.01-1	Semi-finised Steel :		
	A — Sheet Bars	30,000	
	B — Slabs	18,000	
	C — Blooms	7,600	
	D — Square Billets	50,400	
	Total Semi-finished Steel	106,000	5,300
9-01-2	Finished Steel :		
	A — Smooth plates	16,500	
	B — Boiler Plates	600	
	C — Fire Box Plate	120	
	D — Corrugated Plate	300	
	E — Round Rivet Bars	1,250	
	F — Round Bars	225	
	G — Square Bars	175	
	H — Rectangular Bars	200	
	I — Equal Angles	2,250	
	J — Unequal Angles	3,300	
	K — Channels	500	
	Total Finished Steel	27,720	1,859.576
9-02	Mineral :		
	A — Manganese Ore	10,000	
	B — Wolframite	100	
	C — Molybdenite	330	
	D — Chromite	2,000	
	Total Minerals	12,430	860
9-021	Metals & Alloying Elements :		
	A — Chromium	10	
	B — Cobalt	10	
	C — Ferro-Tungsten	50	
	D — Graphite for Steel	80	
	Total Metals & Alloying Elements	140	171

Declassified E.O. 12356 Section 3.3/NND No. 760021

Code No.	ITEM	Quantity tons	Estimated cost Thousand $
1-00	Transport & Telecommunications	—	2,533
2-00	Public Utilities	—	—
3.00	Building Industry	—	215
4-00	Mining & Quarrying	—	—
5-00	Machine Repair Industry	—	—
6-00	Processing Industry	—	—
7-10	Solid Fuels	5,676,092	40,775
7-20–30	Liquid Fuels and Lubricants	—	35,745
7-40	Asphalt	75,000	2,675
8-00	Misc. Consumer Goods	—	30
9.01	Pig Iron:		
	A — Refined Grade	65,000	
	B — Foundry Grade	50,000	
	C — Hematite Grade	25,000	
	Total Pig Iron	140,000	4,201.27
9.01-1	Semi-finised Steel:		
	A — Sheet Bars	30,000	
	B — Slabs	18,000	
	C — Blooms	7,500	
	D — Square Billets	50,400	
	Total Semi-finished Steel	106,000	5,300
9-01-2	Finished Steel:		
	A — Smooth plates	16,500	
	B — Boiler Plates	800	
	C — Fire Box Plate	120	
	D — Corrugated Plate	900	
	E — Round Rivet Bars	1,250	
	F — Round Bars	225	
	G — Square Bars	175	
	H — Rectangular Bars	200	
	I — Equal Angles	2,250	
	J — Unequal Angles	5,000	
	K — Channels	500	
	Total Finished Steel	27,720	1,859,576
9-02	Mineral:		
	A — Manganese Ore	10,000	
	B — Wolframite	100	
	C — Molybdenite	330	
	D — Chromite	2,000	
	Total Minerals	12,430	860
9-021	Metals & Alloying Elements:		
	A — Chromium	10	
	B — Cobalt	10	
	C — Ferro-Tungsten	40	
	D — Graphite for Steel	80	
	Total Metals & Alloying Elements	140	171
9-03	Tin:		
	A — Pure Tin	1,700	
	Total Tin	1,700	2,247

0 4 8 8 1

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 53 (continued)

Code No.	ITEM	Quantity tons	Estimated cost Thousand $
9-03	Copper:		
	A — Electrolytic Wire Bar	11,186	
	B — Fire Refined	5,500	
	Total Copper	16,986	13,016
9-05	Nickel:		
	A — Electrolytic Nickel	1,500	
	Total Nickel	1,500	1,396
9-07	Chemicals for Rubber:		
	A — Plastifying Pine Tar	260	
	B — Plastified Paraffax	30	
	C — Plastifying Cumar Resins	132	
	D — Resorcinol	24	
	E — Santocure	13	
	Total Chemicals for Rubber	1,199	306
9-072	Coal Tar Chemicals:		
	a) Benzol : 1) Nitration Grade	500	81,337
	2) Industrial	2,500	375,500
	b) Toluol : 1) Nitration Grade	1,270	186,617
	2) Industrial	—	—
	c) Xylol : 1) Nitration Grade	240	41.6
	2) Industrial	330	58.7
	d) Naphthalene: 1) Purified	500	71.5
	2) Industrial	500	82.5
	e) Cresol (40 % of metacresol)	500	125.0
	f) Cresylic Acid	100	22.0
	g) Solvent Naphtha	—	—
	h) Coke Oven Light Oil	—	—
	i) Carbolic Oil	6,080	250.0
	Total Coal Tar Chemicals	12,500	1,294,554
9-073	Intermediate Dyestuff:		
	a) Benzoic Acid	50	70
	Total Intermediate Dyestuff	50	70
9-074	Raw Materials for Paint, Varnish, Ink Enamel and Synthetic Resins:		
	a) Copal Resin	100	21
	b) Manila Resin	100	27
	c) Shellac	100	80
	d) Glycerine	1,000	440
	e) Turpentine	1,000	335
	f) Cotton Linters	1,000	220
	g) Ilmenite	2,000	54
	h) Potassium Ferro-Cyanide	100	13
	i) Wool Flour	—	—
	l) Ethylene Glycol	100	25
	Total Raw Materials for Paint, etc.	5,500	1,215
9-075	a) Petroleum Coke: special calcined	3,800	83.6
	calcined	4,100	97
	b) Special Anthracite for Electrodes	12,000	144
	c) Graphite	1,000	134

0 4 8 9 1
Declassified E.O. 12356 Section 3.3/NND No. 785021

	A — Electrolytic Wire Bar	11,436	
	B — Fire Refined	5,500	
	Total Copper	16,936	1,946
9-05	Nickel:		
	A — Electrolytic Nickel	1,500	
	Total Nickel	1,500	1,386
9-07	Chemicals for Rubber:		
	A — Plastifying Pine Tar	960	
	B — Plastified Paraffax	40	
	C — Plastifying Cumar Resins	132	
	D — Resorcinol	24	
	E — Santocure	13	
	Total Chemicals for Rubber	1,169	300
9-072	Coal Tar Chemicals:		
	a) Benzol : 1) Nitration Grade	500	81,137
	2) Industrial	2,500	375,500
	b) Toluol : 1) Nitration Grade	1,270	186,617
	2) Industrial	—	—
	c) Xylol : 1) Nitration Grade	230	41.6
	2) Industrial	390	58.7
	d) Naphthalene: 1) Purified	500	71.5
	2) Industrial	500	82.3
	e) Cresol (40 % of metacresol)	500	125.0
	f) Cresylic Acid	100	22.0
	g) Solvent Naphtha	—	—
	h) Coke Oven Light Oil	—	—
	i) Carbolic Oil	6,000	250.0
	Total Coal Tar Chemicals	12,500	1,204,554
9-073	Intermediate Dyestuff:		
	a) Benzoic Acid	50	70
	Total Intermediate Dyestuff	50	70
9-074	Raw Materials for Paint, Varnish, Ink Enamel and Synthetic Resins:		
	a) Copal Resin	100	21
	b) Manila Resin	100	27
	c) Shellac	100	80
	d) Glycerine	1,000	140
	e) Turpentine	1,000	335
	f) Cotton Linters	1,000	220
	g) Ilmenite	2,000	54
	h) Potassium Ferro-Cyanide	100	13
	i) Wood Flour	—	—
	l) Ethylene Glycol	100	25
	Total Raw Materials for Paint, etc.	5,500	1,215
9-075	a) Petroleum Coke: special calcined	3,800	83.6
	calcined	4,100	97
	b) Special Antracite for Electrodes	12,000	144
	c) Graphite	1,900	114
	d) Coal Tar Pitch	300	14
	Total Raw Materials for Carbon Electrodes	22,100	452.6

Declassified E.O. 12356 Section 3.3/NND No. 785001

TABLE 53 (continued

Code No.	ITEM	Quantity tons	Estimated cost Thousand $
9-076	Industrial Wax:		
	a) Stearic Acid	500	460
	Total Industrial Wax	500	460
9-077	Sundry Products:		
	a) Acetone	400	55
	b) Phosphate Rock	3,500	21
	c) Potassium Chloride	—	—
	d) Aluminium Fluoride	—	—
	e) Pyrolusite	100	20
	f) Denaturated Ethyl Alcohol	880	141
	g) Butyl Alcohol	500	133
	h) Potato Starch	2,500	250
	i) Industrial Maize	3,000	210
	Total Sundry Products	11,180	830
9-078	Colophony:		
	a) Rosin	10,280	1,689
	Total Colophony	10,280	1,689
9-08	Rubber:		
	A — Synthetic Rubber	9,823	
	B — Natural Rubber	9,822	
	C — Hycar OR 15, or Perbunan, or Neoprene type E	128	
	D — Latex	360	
	E — Jatex	—	
	Total Rubber	20,133	13,673
9-08-1	Carbon Black:		
	A — Channel Black	3,600	
	B — Furnace Black	3,600	
	C — P 33 Black	220	
	D — Lamp Black	480	
	Total Carbon Black	7,900	950
9-09	Cellulose and Lumber:		
	A — Cellulose	—	
	B — Lumber	33,200	
	Total Cellulose & Lumber	33,200	2,500
9-90	Asbestos:		
	A — Canadian Asbestos	600	
	B — Rhodesian "	5,400	
	Total Asbestos	6,000	600
9-90-1	Refractories:		
	A — Magnesite Firebricks	1,500	
	Total Refractories	1,500	621
90-9-2	Clays:		
	A — Fire Clay	30,000	
	B — Kaolin	10,000	
	C — Plastic	5,000	
	Total Clays	45,000	1,006
	Industrial Rehab. Service		100

0491
Declassified E.O. 12356 Section 3.3/NND No. 785001

9-076	Industrial Wax:		
	a) Stearic Acid	500	100
	Total Industrial Wax	500	100
9-077	Sundry Products:		
	a) Acetone	400	55
	b) Phosphate Rock	3,500	21
	c) Potassium Chloride	—	—
	d) Aluminium Fluoride	—	—
	e) Pyrolusite	400	20
	f) Denaturated Ethyl Alcohol	880	141
	g) Butyl Alcohol	500	133
	h) Potato Starch	2,500	250
	i) Industrial Maize	8,000	210
	Total Sundry Products	11,180	830
9-078	Colophony:		
	a) Rosin	10,280	1,089
	Total Colophony	10,280	1,089
9-08	Rubber:		
	A — Synthetic Rubber	9,823	
	B — Natural Rubber	9,822	
	C — Hycar OR 15, or Perbunan of Neoprene type R	128	
	D — Latex	360	
	E — Jatax	—	
	Total Rubber	20,133	14,073
9-08-1	Carbon Black:		
	A — Channel Black	3,600	
	B — Furnace Black	3,600	
	C — P 33 Black	220	
	D — Lamp Black	480	
	Total Carbon Black	7,900	950
9-09	Cellulose and Lumber:		
	A — Cellulose	—	
	B — Lumber	33,200	
	Total Cellulose & Lumber	33,200	2,500
9-90	Asbestos:		
	A — Canadian Asbestos	600	
	B — Rhodesian "	5,400	
	Total Asbestos	6,000	600
9-90-1	Refractories:		
	A — Magnesite Fire-bricks	4,500	
	Total Refractories	4,500	621
90-9-2	Clays:		
	A — Fire Clay	30,000	
	B — Kaolin	10,000	
	C — Plastic	5,000	
	Total Clays	45,000	1,006
	Industrial Rehab. Service		100
			100
	Surplus Procurement		750
	GRAND TOTAL		127,455,000

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Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 51

Italian Self-Sufficiency in Minerals, 1940

Mineral	Principal Producing Countries	Main source supply to Italy	% of requirements imported	% of requirements (1940) produced locally
Antimony	China, Mexico, Bolivia	Yugoslavia	38.6	61.4
Asbestos	Russia, Canada, South Africa, Rhodesia, Portuguese Africa	Union of South Africa, Canada, United States, Germany	42.67	57.33
Kaolin	Great Britain, Russia, Czechoslovakia, Germany	Germany, United Kingdom	43.30	56.70
Chromite	Greece, Rhodesia, Portuguese Africa, New Caledonia, Turkey, Russia, Cuba, India, Yugoslavia	Greece, Rhodesia, Portuguese Africa, New Caledonia, Turkey, Russia, Cuba, India, Yugoslavia	100.0	0
Iron ore	Spain, Greece, Portugal, Cyprus, Algeria, Sweden, British African Colonies	Yugoslavia, Spain, Morocco	17.67	82.33
Phosphate Rock	Algeria, Tunisia, Morocco, Egypt, Russia, United States	Algeria, Tunisia, Morocco, Egypt, Russia, United States	100	0
Magnesite	Austria, Greece, Czechoslovakia, Russia, Manchuria, Yugoslavia	Austria, Greece	34.08	65.92
Mica	India, Canada, Madagascar, Eritrea, Transvaal (Union of South Africa), Norway	Switzerland, British India, Italian Africa	85.17	14.83
Manganese ore	Russia, Rumania, Brazil, India, Gold Coast, Cuba, Palestine, Algeria	France, Russia, British India, British East Africa, Dutch Indies	24.32	75.67
Nitrate	Chile	Chile	100	0
Lead	Australian Federation, Turkey, Greece, Yugoslavia	—	5.37 (1939)	94.63
Copper	United States, Chile, Portuguese Africa, Rhodesia, Belgian Congo, Japan, British India, Canada, Mexico, Peru, Germany, Russia, Yugoslavia, Norway	Belgium, Luxemburg, British India, Belgian Congo, Straits Settlements	80.13	19.87
Tin	Malacca, Bolivia, Dutch Indies, Siam, China, Australia, Belgian Congo, British India, Nigeria, U. K., Mexico, Japan, Indo-China	Belgium, Luxembourg, British India, Straits Settlements, Belgian Congo	80.13	19.87
Raw Refractories	France, Germany, Great Britain, Czechoslovakia, Austria, Belgium, Luxemburg	Germany, Czechoslovakia	18.65	81.35
Titanium	Australia, Canada, India, Norway, Portugal, Senegalia, United States, Brazil	Australia, Canada, India, Norway, Portugal, Senegalia, United States, Brazil	100	0
Tungsten	China, India, Malay	China, India, Malay	98.47	1.53
			0	100

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Declassified E.O. 12356 Section 3.3/NND No. 759001

Antimony	China, Mexico, Bolivia	Yugoslavia	38.6	61.4
Asbestos	Russia, Canada, South Africa, Rhodesia, Portuguese Africa	Union of South Africa, Canada, United States, Germany	12.67	57.33
Kaolin	Great Britain, Russia, Czechoslovakia, Germany	Germany, United Kingdom	13.30	50.70
Chromite	Greece, Rhodesia, Portuguese Africa, New Caledonia, Turkey, Russia, Cuba, India, Yugoslavia	Greece, Rhodesia, Portuguese Africa, New Caledonia, Turkey, Russia, Cuba, India, Yugoslavia	100.0	0
Iron ore	Spain, Greece, Portugal, Cyprus, Algeria, Sweden, British African Colonies	Yugoslavia, Spain, Morocco	17.67	82.33
Phosphate Rock	Algeria, Tunisia, Morocco, Egypt, Russia, United States	Algeria, Tunisia, Morocco, Egypt, Russia, United States	100	0
Magnesite	Austria, Greece, Czechoslovakia, Russia, Manchuria, Yugoslavia	Austria, Greece	34.08	65.92
Mica	India, Canada, Madagascar, Eritrea, Transvaal (Union of South Africa), Norway	Switzerland, British India, Italian Africa	85.17	14.83
Manganese ore	Russia, Rumania, Brazil, India, Gold Coast, Cuba, Palestine, Algeria	France, Russia, British India, British East Africa, Dutch Indies	24.32	75.67
Nitrate	Chile	Chile	100	0
Lead	Australian Federation, Turkey, Greece, Yugoslavia	—	5.37 (1939)	94.63
Copper	United States, Chile, Portuguese Africa, Rhodesia, Belgian Congo, Japan, British India, Canada, Mexico, Peru, Germany, Russia, Yugoslavia, Norway	Belgium, Luxembourg, British India, Belgian Congo, Straits Settlements	80.13	19.87
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Raw Refractories	France, Germany, Great Britain, Czechoslovakia, Austria, Belgium, Luxemburg	Germany, Czechoslovakia	18.65	81.35
Titanium	Australia, Canada, India, Norway, Portugal, Senegalia, United States, Brazil	Australia, Canada, India, Norway, Portugal, Senegalia, United States, Brazil	100	0
Tungsten	China, India, Malay	China, India, Malay	98.17	1.83
Sulphur			0	100
Mercury			0	100
Zinc			0	100

0494
Declassified E.O. 12356 Section 3.3/NND No. 785021

Consolidated Lira Fund as known at 30 June 1946

	Lire	Lire	Lire
1. Lire resources available under agreement between Italian Government and UNRRA dated 8 March, 1945.			
(a) Provision in the State budget 1945-46 to match with lire the $ 50,000,000 to be spent by UNRRA			5,000,000,000
2. Lire resources available under agreement between Italian Government and UNRRA dated 19 January 1946.			
Proceeds of sales:			
(a) Cereals and cereal products	1,261,011,492		
Less: Amount reserved to cover distribution cost pending settlement	375,655,267	885,356,225	
(b) Codfish (1)		61,043,775	
(c) Seed potatoes	321,182,875		
Less Distribution costs	118,500,600	202,592,275	
(d) Coal - on account		5,000,000,000	
(e) Petrol, oil and lubricants on account pending settlement of distribution and other charges		750,000,000	6,302,592,275
3. Total lire resources made available up to 30 June 1946			11,302,592,275

(1) Codfish distribution costs are included with the distribution costs of cereals.

Italian displaced persons who would become a charge on the Italian State, were they not cared for and returned to their homes by UNRRA. In addition the Lira Fund Control Committee, referred to in para. 68, examines and recommends certain specific projects which, after being approved by the Chief of the UNRRA Mission and the President of the Italian Delegation, are financed direct from these lira funds. To deal shortly with these:—

(a) UNRRA is assisting in the Italian Government rehousing program through the agency known as C.A.S.A.S. 5 million dollars have been set aside to meet foreign exchange expenses in con-

(b) At the commencement of the UNRRA operation in Italy it was found that there was a chronic shortage of hospital and baby linen. To meet this crisis and give employment to Italian mills, 2,000 tons of raw cotton was imported and approximately 457 million lire were allotted to have this processed into the required hospital and baby linen.

(c) Since the scourge of malaria was lowering the effectiveness of the people of Sardinia both in the mining and agricultural spheres, UNRRA in co-operation with the Italian Government and the Rockefeller Foundation has embarked on a

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Declassified E.O. 12356 Sec. 3.3/NND No. 759021

1. Lire resources available under agreement between Italian Government and UNRRA dated 8 March, 1945.			
(a) Provision in the State budget 1945-46 to match with lire the $50,000,000 to be spent by UNRRA			5,000,000,000
2. Lire resources available under agreement between Italian Government and UNRRA dated 19 January 1946.			
Proceeds of sales:			
(a) Cereals and cereal products	1,261,611,492		
Less: Amount reserved to cover distribution cost pending settlement	375,655,287	885,956,205	
(b) Codfish (1)		64,913,773	
(c) Seed potatoes	321,182,875		
Less Distribution costs	118,590,600	202,592,275	
(d) Coal - on account		5,000,000,000	
(e) Petrol, oil and lubricants on account pending settlement of distribution and other charges		750,000,000	6,902,592,275
3. Total lire resources made available up to 30 June 1946			11,902,592,275

(1) Codfish distribution costs are included with the distribution costs of cereals.

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(a) UNRRA is assisting in the Italian Government rehousing program through the agency known as C.A.S.A.S. 5 million dollars have been set aside to meet foreign exchange expenses in connection with the program and over 1,000 million lire have been committed as an additional contribution.

(b) At the commencement of the UNRRA operation in Italy it was found that there was a chronic shortage of hospital and baby linen. To meet this crisis and give employment to Italian mills, 2,000 tons of raw cotton was imported and approximately 457 million lire were allotted to have this processed into the required hospital and baby linen.

(c) Since the scourge of malaria was lowering the effectiveness of the people of Sardinia both in the mining and agricultural spheres, UNRRA in co-operation with the Italian Government and the Rockefeller Foundation has embarked on a malaria eradication program covering the whole of that island. (Expenses connected with UNRRA anti-malaria projects in the agricultural

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Declassified E.O. 12356 Section 3.3/NND No. 783021

areas of Italy and Sicily are not treated as special projects but as part of normal epidemic control operations.)

(d) Early in the UNRRA operation it was realized that, with the exorbitant cost of shoes and clothing, the poorer people would need free assistance if they were to be clad at all. Thanks to the magnificent American clothing drive in 1945, UNRRA was supplied with second hand clothing and shoes. All these articles had to be sorted, many had to be repaired and made wearable, and approximately 113 million lire were allotted to cover the cost of this work which was carried out by Italians who might well have been unemployed in other circumstances.

(e) As the sowing season for seed potatoes approached, UNRRA imported 10,000 tons of these urgently needed seeds and, in agreement with the Italian Government, reduced the price of all seed potatoes to a more economic level from the farmers' point of view. So that the Government would not suffer loss on the imported seed potatoes, a price equalisation subsidy of approximately 112 million lire was allotted from UNRRA lira resources.

(f) UNRRA affiliated workers of the Congregational Service League in the Naples area reported the disturbing conditions under which some 500 people had been reduced to living in caves and a scheme for rehousing them was worked out. An allotment of between 5 and 6 million lire was made to cover the expenses of this project.

(g) I.C.E. found that in handling UNRRA goods which are supplied to the Italian Government free, and are therefore not covered by bills of exchange as in normal commercial practice, they were short of working funds so an advance of 50 million lire was approved to meet this difficulty.

70. Since little over a third of the lira funds presently available has been committed, a number of other projects are being considered by the Lira Fund Control Committee referred to in para. 68. Recommendations made by this Committee are, of course, subject to the approval of the Chief of the UNRRA Mission and the President of the Italian Delegation.

Declassified E.O. 12356 Section 3.3/NND No. 785021

August 9, 1946

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ECONOMIC NOTES

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CONTENTS

1. UNRRA Cotton Goods Free
2. Improved Distribution Methods
3. Livestock Rehabilitation
4. Latest Price Decisions
5. Movements of Ships

UNRRA COTTON GOODS FREE

By agreement reached between UNRRA and the Italian Government, almost nine million kilos of finished cotton goods will be distributed free of charge to Italian hospitals and needy and destitute sections of the population.

This represents one-third of the total quantity of cotton goods to be manufactured from the 31,000,000 kilos of raw cotton which UNRRA is importing into Italy during 1946. The remaining two-thirds amounting to over 17,000,000 kilos will be sold at controlled prices to workers and other low-income sections of the population.

It is not yet possible to estimate accurately the number of square metres to be obtained except for flannelette. This will depend on the quantities of cloth eventually to be made according to the various weight specifications. A detailed plan will be ready this month.

Over 26,000,000 kilos of material

This step towards economic rehabilitation follows decisions reached after protracted negotiations between the Italian Government and the cotton industry, with a view to implement UNRRA policy on the use of UNRRA-imported supplies. Manufacture of the raw cotton is estimated to produce about 26,040,000 kilos of finished material, which will be used for underclothing, flannelette for babies, strong overall cloth, knitted cotton underwear, lining for suits, mattress cover cloth.

First deliveries

Manufacture will start immediately on a first consignment of 8,000,000 kilos, for which suggested allocations are as follows:—

4,000,000 kgs.	of cotton into sheeting
1,500,000	shirting and material for men's underpants
1,800,000	madapolam for women's wear
700,000	flannelette for babies

The last mentioned item should produce about 4,000,000 metres of this commodity, which is more than sufficient to take care of the specific Health Program which is to provide 300,000 complete layettes for babies.

Prices of the two-thirds of manufactured cloth which are to be sold have been so calculated as to cover the entire manufacturing costs of the 31,000,000 kilos of raw cotton, including the nine million kilos to be distributed free. But, the raw cotton—like all UNRRA-imported supplies—is delivered to the Italian Government free of charge, so that the F.O.B. cost of the raw material is not a factor in ar-

0498

Declassified E.O. 12356 Section 3.3/NND No. 745021

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First deliveries

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700,000 .. .. flannelette for babies

The last mentioned item should produce about 1,000,000 metres of this commodity, which is more than sufficient to take care of the specific Health Program which is to provide 300,000 complete layettes for babies.

Prices of the two-thirds of manufactured cloth which are to be sold have been so calculated as to cover the entire manufacturing costs of the 31,000,000 kilos of raw cotton, including the nine million kilos to be distributed free. But, the raw cotton—like all UNRRA-imported supplies—is delivered to the Italian Government free of charge, so that the F.O.B. cost of the raw material is not a factor in arriving at the cost of the manufactured cloth. The whole operation is being subsidized by the value of the 31,000 tons of raw cotton imported

Declassified E.O. 12356 Section 3.3/NND No. 785021

by UNRRA at a cost of 15,000,000 dollars (£3,750,000 sterling).

The Italian Cotton Association have agreed with the Ministry of Industry and Commerce to spin the cotton at 110 lire per kilogram. With the addition of weaving costs, the overall manufacturing charge will amount to about 245 lire per kilogram—whether the cloth is for free distribution or for sale.

The total outlay involved in manufacturing the cotton is estimated to be about 6,379,800,000 lire. This will probably be entirely covered by the price at which 17,000,000 of the 26,040,000 kilos will be put on sale.

The Lira Fund

Deliveries will begin in October and continue until the end of June next year. Pending receipt of the sale proceeds of the finished goods, funds must be found to finance the manufacturing processes. This problem will, it is assumed, be solved by means of the Lira Fund. Proposals are now being discussed in connection with a temporary loan, which will take the form of a "revolving fund." Advances would be made from the Lira Fund, and reimbursed as the sales proceeds of the manufactured commodities are collected.

The Italian Ministry of Industry and Commerce and the UNRRA Italy Mission are now jointly preparing an overall plan, showing detailed quantities, specifications and manufacturing costs of all types of material to be made, together with the final proportions for free distribution and for sale.

A comprehensive policy

Statistics in regard to the exact number and categories of persons qualifying for this free distribution are being drawn up by representatives of the Ministry of Labour, Ministry of Post-War Assistance, Institute of Public Health, O.N.M.I. (Mother and Child Welfare Agency) and other organisations affected. It has already been decided that flannelette for babies' layettes is an urgent requirement and will accordingly be given priority.

[illegible] which covers every phase of the distribution of the finished product, is part of a comprehensive attempt to solve the economic deadlock which has so far handicapped Italy's own efforts at self-rehabilitation. Should this policy prove successful in regard to cotton, similar plans will be followed in regard to wool and hides.

IMPROVED DISTRIBUTION METHODS

The amount of food sent inland from port warehouses during the first fortnight of July was 59 per cent. greater than in the last fortnight of June, thanks to modified distribution methods and checks devised by the UNRRA Food Division in co-operation with the Italian authorities.

Storage and distribution of food have been among the major problems consequent on wartime destruction of port installations, road and railway transport, and warehousing accommodation throughout Europe. Bottlenecks at Italian ports—which handle the bulk of the country's imports—have in the past been inevitable. Lack of berthing accommodation, insufficient storage facilities rendering even more difficult the clearing of over-flowing warehouses, through reduced efficiency of the railway system resulting from war damage, have increased the difficulties attendant on the food shortage.

How the system operates

Steady progress has, however, been made in reconstruction and reorganisation. The revised system in respect of UNRRA-imported foods has now been operating for four months.

Upon the arrival of UNRRA ships at Italian ports, foodstuffs are taken on charge by the Federazione Italiana dei Consorzi Agrari, acting on behalf of the Italian Government. Quantities, when known, are notified to the High Commissariat for Food, who in turn issues instructions to the Federazione Italiana dei Conserzi Agrari for warehousing of supplies at Government warehouses. From time to time the High Commissariat issues further instructions for the movement of supplies from port to warehouses or occasionally from ship-

Declassified E.O. 12356 Section 3.3/NND No. 759081

to spin the cotton at 110 lire per kilogram. With the addition of weaving costs, the overall manufacturing charge will amount to about 245 lire per kilogram—whether the cloth is for free distribution or for sale.

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The Italian Ministry of Industry and Commerce and the UNRRA Italy Mission are now jointly preparing an overall plan, showing detailed quantities, specifications and manufacturing costs of all types of material to be made, together with the final proportions for free distribution and for sale.

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Statistics in regard to the exact number and categories of persons qualifying for this free distribution are being drawn up by representatives of the Ministry of Labour, Ministry of Post-War Assistance, Institute of Public Health, O.N.M.I. (Mother and Child Welfare Agency) and other organisations affected. It has already been decided that flannelette for babies' layettes is an urgent requirement and will accordingly be given priority.

The new scheme, which covers every phase of an UNRRA-imported commodity, from the raw material to the retail disposal or free distribution, is a comprehensive one. Similar plans will be followed in regard to wool and hides.

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Declassified E.O. 12356 Section 3.3/NND No. 759001

INDUSTRY

(The Survey of Italian Industry consists of 60 pages and is being published in two sections; the second section will appear as a Supplement to "Economic Notes" for 16 August, 1946)

Introduction.

1. Italy is a fairly well industrialized country with a considerable reservoir of skilled workers. Before the war, 33 % of the available manpower was absorbed in industry, which provided 34 % of the national income. In agriculture these proportions were 48 % and 36 % respectively. On the other hand, the relative importance of agriculture gradually decreased during the last 50 years, when the rate of industrialization of the country made rapid strides. From 1881 to 1938 employment in agriculture increased only 2 % while employment in industry increased 40 %. In the same period agricultural production increased slightly more than twice (in 1938 it was 2.2 times that of 1881) and industrial production increased tenfold. Before the war Italy's population surplus (about 400,000 annually) had for the greater part to be absorbed in industry. The capacity of agriculture to absorb the population surplus is negligible. Industrial development is vitally necessary to Italy's progress.

2. In 1938 Italian industry, including handicrafts, employed 4.4 million workers (26 % of whom were women). In 1935 in the United Kingdom 7.2 million persons were employed in industrial units employing more than 10 persons. The power utilised was 6.3 million HP compared with 1.7 million HP in 1911 and 3.9 in 1927 (the power in use was 15.3 million HP in the United Kingdom in 1930). Investment in industry in 1938 was estimated at 120,000 million lire (about 6,300 million pre-war U.S. dollars). About two-thirds of this investment was in the hands of joint stock companies. Establishments employing more than 1,000 persons (310 establishments) accounted for 19.3 % of the manpower and 21.2 % of the HP employed; 5,000 units employing more than 100 persons accounted for 43 % of the manpower and 64 % of the HP employed. 50,000 industrial establishments, employing more than five persons, accounted for two-thirds of the manpower and nine-tenths of the HP employed. The remaining one-third of the manpower and one-tenth of the HP were utilized by individual artisans (estimated at 1,000,000) and in small handicraft shops.

3. Before the war Italy's foreign trade was about 10 % of the national income. Exports of industrial products accounted for 70 % of the total Italian industrial production which in 1938 was estimated at 130,000 million lire (including 40,000 million for added value - see para 26).

4. Italian industry suffers from lack of coal, fuel and primary raw materials. Imports of raw materials for industry, including fuel, accounted for 29.4 % of total imports in 1881, for 33 % in 1913 and 43 % in 1938. If semi-finished products for industry are added, the proportion increases to 49 % of total imports in 1881, 57 % in 1913 and 70 % in 1938. Lack of coal is partly compensated for by resources of water power. It is estimated that in 1938 the output of electric power for all uses (including industry) had roughly the same aggregate power as imported coal. On the credit side also are (a) abundance of manpower (characterized by a modest standard of living and a high productivity) and (b) the existence of well-established and important industrialized trades (textile, engineering, metallurgic, hydro-electric and chemical industries). Before the war these industries had good plants and good technical organization, comparable with those of the most industrially-advanced countries.

5. The present need is, therefore, on one hand for rapid rehabilitation and acceleration of industry and on the other for increase of exports to balance essential imports of raw materials. This implies a substantial increase in Italy's foreign trade and progress on an opposite road from that travelled by autarchy during 20 years of fascism.

6. War destruction reduced industrial potential to 75 % of pre-war, the merchant marine to 10 %, harbor installations and land transportation to about 25 %. This, coupled with the need for industrial reconversion to peacetime output and the demand for improvement in technical standards of equipment (resulting from Italy's isolation during the periods of autarchy and war), explains the need for early industrial rehabilitation and the need for foreign loans.

7. With the most immediate requirements of Italian industry in mind UNRRA, working closely in conjunc-

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Introduction.

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3. The most important industries have been, in decreasing order, engineering, textile, electric, food processing, metallurgic, and chemical. These industries accounted for 70 % of the total Italian industrial production which in 1938 was estimated at 130,000 million lire (including 40,000 million for added value - see para 26).

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5. The present need is, therefore, on one hand for rapid rehabilitation and acceleration of industry and on the other for increase of exports to balance essential imports of raw materials. This implies a substantial increase in Italy's foreign trade and progress on an opposite road from that travelled by autarchy during 20 years of fascism.

6. War destruction reduced industrial potential to 75 % of pre-war, the merchant marine to 10 %, harbor installations and land transportation to about 25 %. This, coupled with the need for industrial reconversion to peacetime output and the demand for improvement in technical standards of equipment (resulting from Italy's isolation during the periods of autarchy and war), explains the need for early industrial rehabilitation and the need for foreign loans.

7. With the most immediate requirements of Italian industry in mind UNRRA, working closely in conjunction with the Italian Government, has done its best to bring help in the directions where help was most wanted. Total expenditure planned by the UNRRA Italian

0503
Declassified E.O. 12356 Section 3.3/NND No. 759001

by UNRRA at a cost of 15,000,000 dollars (£3,750,000 sterling).

The Italian Cotton Association have agreed with the Ministry of Industry and Commerce to spin the cotton at 110 lire per kilogram. With the addition of weaving costs, the overall manufacturing charge will amount to about 245 lire per kilogram—whether the cloth is for free distribution or for sale.

The total outlay involved in manufacturing the cotton is estimated to be about 6,379,800,000 lire. This will probably be entirely covered by the price at which 17,000,000 of the 26,040,000 kilos will be put on sale.

The Lira Fund

Deliveries will begin in October and continue until the end of June next year. Pending receipt of the sale proceeds of the finished goods, funds must be found to finance the manufacturing processes. This problem will, it is assumed, be solved by means of the Lira Fund. Proposals are now being discussed in connection with a temporary loan, which will take the form of a "revolving fund." Advances would be made from the Lira Fund, and reimbursed as the sales proceeds of the manufactured commodities are collected.

The Italian Ministry of Industry and Commerce and the UNRRA Italy Mission are now jointly preparing an overall plan, showing detailed quantities, specifications and manufacturing costs of all types of material to be made, together with the final proportions for free distribution and for sale.

A comprehensive policy

Statistics in regard to the exact number and categories of persons qualifying for this free distribution are being drawn up by representatives of the Ministry of Labour, Ministry of Post-War Assistance, Institute of Public Health, O.N.M.I. (Mother and Child Welfare Agency) and other organisations affected. It has already been decided that flannelette for babies' layettes is an urgent requirement and will accordingly be given priority.

tribution of the finished product, is part of a comprehensive attempt to solve the economic deadlock which has so far handicapped Italy's own efforts at self-rehabilitation. Should this policy prove successful in regard to cotton, similar plans will be followed in regard to wool and hides.

IMPROVED DISTRIBUTION METHODS

The amount of food sent inland from port warehouses during the first fortnight of July was 59 per cent. greater than in the last fortnight of June, thanks to modified distribution methods and checks devised by the UNRRA Food Division in co-operation with the Italian authorities.

Storage and distribution of food have been among the major problems consequent on wartime destruction of port installations, road and railway transport, and warehousing accommodation throughout Europe. Bottlenecks at Italian ports—which handle the bulk of the country's imports—have in the past been inevitable. Lack of berthing accommodation, insufficient storage facilities rendering even more difficult the clearing of over-flowing warehouses, through reduced efficiency of the railway system resulting from war damage, have increased the difficulties attendant on the food shortage.

How the system operates

Steady progress has, however, been made in reconstruction and reorganisation. The revised system in respect of UNRRA-imported foods has now been operating for four months.

Upon the arrival of UNRRA ships at Italian ports, foodstuffs are taken on charge by the Federazione Italiana dei Consorzi Agrari, acting on behalf of the Italian Government. Quantities, when known, are notified to the High Commissariat for Food, who in turn issues instructions to the Federazione Italiana dei Consorzi Agrari for warehousing of supplies at Government warehouses. From time to time the High Commissariat issues further instructions for the movement of supplies from

0504
Declassified E.O. 12356 Section 3.3/NND No. 780021

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The new scheme, which covers every phase of an UNRRA-imported commodity, from the raw material to the retail disposal or free distribution, will be applied to other commodities as soon as possible. If the cotton policy prove successful in regard to cotton, similar plans will be followed in regard to wool and hides.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

instructions for their ultimate disposal are received from the High Commissariat. Distribution is then effected under the aegis of the SEPRAL (Provincial Food Office) in accordance with existing ration scales.

To ensure rapid and orderly distribution of food, and thus prevent deterioration through prolonged storage in warehouses, a system of regular reports on the day-to-day movement of UNRRA-imported foodstuffs has been instituted, and a mobile commission to deal with spoilages and goods in danger of deterioration has recently been appointed. This commission has full power to take immediate action, without referring back to the appointing authorities.

This commission, consisting of representatives of the High Commissioner for Food, the Treasury, the Federazione Italiana Consorzi Agrari, the Italian Government Delegation for Relations with UNRRA and the UNRRA Italy Mission, has authority to hold immediate investigations on the spot, and arrange the disposal of any food which it considers unfit for further storage or human consumption.

Speedy Action

This new departure improves upon the former somewhat slower methods, and has been particularly effective in cases where allegations that foodstuffs were partly or wholly unfit for human consumption proved to be an excuse for slow handling.

Ten-day reports are submitted by the Federazione Italiana Consorzi Agrari to the Italian authorities and to UNRRA showing stage-to-stage movements of stocks. These reports are examined, analyzed and classified, and in the light of the information thus obtained, it is possible quickly to ascertain whether goods which had been allocated have, in fact, been distributed. All cases of non-distribution are investigated. Movements of cereals are followed by means of fifteen-day reports showing dates of unloading, ports, tonnages moved and locations.

During the recent weeks in June, cereal shipments had to be rushed inland to deficient areas straight from ship's side, to prevent a breakdown in the bread ration. Normally, however, the by-passing of warehouses and as this is liable to cause overlapping, with earlier arrivals held up or deteriorating in warehouses, while later shipments are being disposed of. Emphasis is now placed on an even and regular flow of UNRRA-imported supplies from the ship to the consumer, so that every phase of transport and distribution can be watched. It is, however, difficult to ensure this when, shipments of foodstuffs to Italy are necessarily irregular.

Co-operation with Italian State Railways

Close co-operation with the Italian State Railways has resulted in increased availability of railway freight cars. For the fortnightly period 16-30 June, the railways were able only to allocate 35 per cent. of the freight cars requested. For the first fortnight in July, however, actual allocations rose to 83 per cent.

The following table shows the comparative clearances at some of the principal port warehouses in the two fortnightly periods, 16-30 June and 1-15 July.

Warehouses:	16-30 June Tons	1-15 July Tons
Genoa	3,370	3,943
Naples	7,153	8,269
Leghorn	2,289	5,629
Civitavecchia	235	1,784
Bari	90	817
Rome		186
Ancona		245
Total	13,137	20,873

The appointment of UNRRA Regional Food Distribution Officers is a further step towards speedier handling of UNRRA-imported supplies. These officers check the records movements into and out of provincial warehouses and when necessary, give advice and assistance to the Italian authorities concerned, to expedite movement and distribution at regional and provincial levels. Decentralisation is expected to make for quicker solution of local problems, as the Regional Food Distribution Officers will make special reports to Headquarters only when delays or maldistribution have to be dealt with at a higher level. Certain routine reports intended to keep the Food Division completely in the picture as to regional and provincial activities will, however, be forwarded by

Declassified E.O. 12356 Section 3.3/NND No. 785021

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LIVESTOCK REHABILITATION

Better and quicker methods of improving Italy's livestock position and increasing domestic food production form an important part of UNRRA's agricultural rehabilitation program. Directly and indirectly, animal husbandry throughout Europe has suffered severely as the result of the war. Plunder, destruction and disease have taken heavy toll of the herds. Food shortage has made it necessary to slaughter more animals than would otherwise have been warranted. Supplies of animal fodder have been severely reduced through the increased utilization of grains and pulses for human consumption, the stoppage of imports and the decline in domestic forage production. Italy's livestock population suffered particularly severely from the war, and recovery has been delayed by last year's drought, which necessitated additional slaughter on a considerable scale.

Livestock Losses

Latest figures for July, 1945, put the cattle population at 6,550,000 head as compared with 8,488,000 in 1942, a decrease of 22 per cent. This is the most serious, but not the greatest reduction, for sheep and goats were down by 29 per cent. The decrease in swine was 14.5 per cent., in horses, mules and asses, about 16 per cent.

The Agricultural Division of UNRRA Italy Mission has had loaned to it the services of Dr. John H. Hammond, an expert on livestock breeding from the School of Agriculture at Cambridge University in England, to study conditions in Italy, with a view to making the best possible use of the cattle already imported and the limited number of quality animals which UNRRA hopes to bring in.

Dr. Hammond, who has carried out surveys of animal industry in the United States, Argentina, Australia and New Zealand, will advise the Italian authorities and agricultural organisations on the methods of livestock production devised in Great Britain under the impact of the war.

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proving the quality and milk yield of dairy herds on small farms, at a cost that is within a small farmer's means.

British Innovations

Artificial insemination stations have been one of the methods employed. Another has been the transfer of bull-calves at an early age from the best herds to smaller farms where they can be reared and mated. Financial and other arrangements in connection with the transfer and subsequent use of these bull-calves are handled by local committees, consisting of large producers, small farmers and agricultural experts. The committees also provide instructors and an advisory service to familiarize small farmers with up-to-date methods of feeding and tending their cattle. Breed improvement usually shows results after one generation (i.e. three years) and Britain's agriculture is now reaping the benefit of work started during the war.

Italy's agricultural economy with its limited supplies of home-produced fodder, should benefit by considered application of the new methods. Better breeds give a higher milk yield. It is estimated that a cow yielding 320 gallons of milk a year requires 56 per cent. of its feed consumption for subsistence, while the remaining 44 per cent. goes into milk production. The better-bred animal, yielding 858 gallons a year, needs only 35 per cent. of its feed for subsistence, leaving 65 per cent. for milk production. Although improved milk yield is secured at the expense of beef production and rules out the use of cows as draught animals, farmers should still profit by the change. Animal haulage can largely be replaced by tractors, thus releasing a considerable amount of fodder which can then be used for increased dairy production, without displacing man-power, for the need of human labour in the dairy industry is very great.

Better pasturage

The introduction of drought-resisting grasses is another feature of modern husbandry which Dr. Hammond will discuss with Italian experts. Excellent results have been achieved in England with new grasses which have trebled

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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Big changes have taken place in Britain's approach to livestock breeding problems. Special emphasis is now being placed on im-

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0506
Declassified E.O. 12356 Section 3.3/NND No. 785021

climate of Southern Italy should afford ample scope for cattle fodder, such as "subterranean clover," a self-seeding grass which grows widely in Australia, where it has been found invaluable for sheep feeding.

A distribution plan has now been proposed in connection with the shipment of 327 cows and 10 new-born calves presented to Italy by United States donors through the Brethren Service Committee. The cattle was shipped by UNRRA, and distribution in Italy is being taken care of by American Relief for Italy and its Italian counterpart, the E.N.D.S.I. The suggested regional allocation of the bulk of this livestock is as follows:—

Campania (Naples - Caserta)	cows	40
Emilia (Imola)	..	40
Friuli (Nimis - Udine)	..	40
Piedmont (Val Pellice)	..	50
Villaggio del Fanciullo (Lanciano - Abruzzi)	..	76
Lazio (Anzio Beachhead)	..	40
Abruzzi (Ortona - Pescara - North of Fiume Sangro)	..	16
Total		326

LATEST PRICE DECISIONS

Further standard prices for UNRRA-imported commodities have now been fixed.

The Italian Government and the UNRRA Italy Mission have agreed to the following recommendations made by the Joint Price Committee at the meeting held on 30 July:—

INDUSTRY:

Petroleum Coke:

4,375 lire per ton at port. Price to be re-examined in three months.

AGRICULTURE:

Ammonium Nitrate Base 31/35 %:

2,400 lire per quintal ex Consorzio warehouse; original weight including packing.

Sudan Grass:

4,000 lire per quintal ex Consorzio warehouse; original weight including packing.

Cotton Seed Cakes:

1,069 lire per quintal, f.o.b. Feeding-mixing plants.

MEDICAL:

Penicillin:

235 lire per 100,000 unit vial } Price to
450 .. .. 200,000 .. .. } consumer

GENERAL:

Trailers:

One ton cargo two wheels with tyres, 55,000 lire each ex Distribution Centres.

"ECONOMIC SURVEY" SUPPLEMENT

The portion of the "Economic Survey" dealing with Italian industry consists of two sections: the first appears in the Supplement to the current issue of Economic Notes; *the second will appear in issue No. 31 dated 16 August 1946.*

The last "Economic Survey" Supplement, dealing with Agriculture and Food, appeared in Economic Notes *No. 28 dated 26 July 1946.*

Declassified E.O. 12356 Section 3.3/NND No. 785021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(JULY 25 - AUGUST 2 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Heron *	Genoa	24 July	UNRRA	General	1,800
Velox *	Venice	" "	" "	"	1,302
Resurrectio	Taranto	25 "	It. Program	Phosphates	2,280
Benjamin Williams	Genoa	27 "	" "	Nitrates	8,700
Lauretta	Piombino	" "	" "	Phosphates	1,287
Wearpool	Naples	" "	UNRRA	Wheat	8,500
Kennett McKay	"	" "	" "	General	9,175
Pallade	Palermo	29 "	It Program	Phosphates	1,750
Santa Chiara	Genoa	30 "	" "	"	1,726
Drake Victory	Naples	" "	UNRRA	General	3,823
George A. Lawson	Taranto	" "	" "	"	1,155
Skipjack	Venice	31 "	It. Program	Phosphates	1,380
Cooper Union Victory	Genoa	2 August	**	General	7,900
Cervino	"	" "	It. Program	Phosphates	6,900
Ulisse	Taranto	" "	" "	"	3,460

* *Advice received too late for inclusion in last week's shipping list.*
** *Account not specified on latest shipping advice.*

LATEST COAL SHIPMENTS

(JULY 27 - AUGUST 2 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Walter Ranger	Piombino	28 July	United States	UNRRA	5,000
Abigail Gibbons	Genoa	29 "	" "	"	3,930
	Piombino	1 August	" "	"	5,000
Voluntas	Savona	29 July	Germany	"	7,891
Joseph Martin	"	31 "	United States	"	8,835
William Moseley	Venice	1 August	" "	"	8,229
John V. Cullen	Bari	" "	" "	"	8,510
Preston	Genoa	" "	United Kingdom	"	1,805

Declassified E.O. 12356 Sec. 3.3/NND No. 765001

JULY 25 - AUGUST 2 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Heron *	Genoa	24 July	UNRRA	General	1,300
Velox *	Venice	" "	" "	"	1,502
Resurrectio	Taranto	25 "	It. Program	Phosphates	2,230
Benjamin Williams	Genoa	27 "	" "	Nitrates	8,700
Lauretta	Piombino	" "	" "	Phosphates	1,287
Wearpool	Naples	" "	UNRRA	Wheat	8,500
Kennett McKay	"	" "	" "	General	9,475
Pallade	Palermo	29 "	It. Program	Phosphates	1,750
Santa Chiara	Genoa	30 "	" "	"	1,726
Drake Victory	Naples	" "	UNRRA	General	3,823
George A. Lawson	Taranto	" "	" "	"	1,155
Skipjack	Venice	31 "	It. Program	Phosphates	1,330
Cooper Union Victory	Genoa	2 August	**	General	7,900
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John V. Cullen	Bari	" "	" "	"	8,510
Preston	Genoa	" "	United Kingdom	"	1,805
Tenax	Bagnoli	2 "	Germany	"	5,705
John Chandler	Civitavecchia	" "	United States	"	8,405

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Declassified E.O. 12356 Sec 3.3/NND No.

INDUSTRY

(The Survey of Italian Industry consists of 60 pages and is being published in two sections; the second section will appear as a Supplement to "Economic Notes", for 16 August, 1946)

Introduction.

1. Italy is a fairly well industrialized country with a considerable reservoir of skilled workers. Before the war, 33 % of the available manpower was absorbed in industry, which provided 34 % of the national income. In agriculture these proportions were 48 % and 36 % respectively. On the other hand, the relative importance of agriculture gradually decreased during the last 50 years, when the rate of industrialization of the country made rapid strides. From 1881 to 1938 employment in agriculture increased only 2 % while employment in industry increased 40 %. In the same period agricultural production increased slightly more than twice (in 1938 it was 2.2 times that of 1881) and industrial production increased tenfold. Before the war Italy's population surplus (about 400,000 annually) had for the greater part to be absorbed in industry. The capacity of agriculture to absorb the population surplus is negligible. Industrial development is vitally necessary to Italy's progress.

2. In 1938 Italian industry, including handicrafts, employed 4.4 million workers (26 % of whom were women). In 1935 in the United Kingdom 7.2 million persons were employed in industrial units employing more than 10 persons. The power utilised was 6.3 million HP compared with 1.7 million HP in 1911 and 3.9 in 1927 (the power in use was 15.3 million HP in the United Kingdom in 1930). Investment in industry in 1938 was estimated at 120,000 million lire (about 6,300 million pre-war U.S. dollars). About two-thirds of this investment was in the hands of joint stock companies. Establishments employing more than 1,000 persons (310 establishments) accounted for 19.3 % of the manpower and 24.2 % of the HP employed; 5,000 units employing more than 100 persons accounted for 43 % of the manpower and 64 % of the HP employed. 50,000 industrial establishments, employing more than five persons, accounted for two-thirds of the manpower and nine-tenths of the HP employed. The remaining one-third of the manpower and one-tenth of the HP were utilized by individual artisans (estimated at 1,000,000) accounted for 70 % of the total Italian industrial production which in 1938 was estimated at 130,000 million lire (including 40,000 million for added value - see para 26).

4. Italian industry suffers from lack of coal, fuel and primary raw materials. Imports of raw materials for industry, including fuel, accounted for 29.4 % of total imports in 1881, for 36 % in 1913 and 43 % in 1938. If semi-finished products for industry are added, the proportion increases to 49 % of total imports in 1881, 57 % in 1913 and 70 % in 1938. Lack of coal is partly compensated for by resources of water power. It is estimated that in 1938 the output of electric power for all uses (including industry) had roughly the same aggregate power as imported coal. On the credit side also are (a) abundance of manpower (characterized by a modest standard of living and a high productivity) and (b) the existence of well-established and important industrialized trades (textile, engineering, metallurgic, hydro-electric and chemical industries). Before the war these industries had good plants and good technical organization, comparable with those of the most industrially-advanced countries.

5. The present need is, therefore, on one hand for rapid rehabilitation and acceleration of industry and on the other for increase of exports to balance essential imports of raw materials. This implies a substantial increase in Italy's foreign trade and progress on an opposite road from that travelled by autarchy during 20 years of fascism.

6. War destruction reduced industrial potential to 75 % of pre-war, the merchant marine to 10 %, harbor installations and land transportation to about 25 %. This, coupled with the need for industrial reconversion to peacetime output and the demand for improvement in technical standards of equipment (resulting from Italy's isolation during the period of autarchy and war), explains the need for early industrial rehabilitation and the need for foreign loans.

7. With the most immediate requirements of Italian [illegible] UNRRA, working closely in conjunc-

Declassified E.O. 12356 Section 3.3/NND No. 785001

[The Survey of Italian Industry consists of 60 pages and is being published in two sections; the second section will appear as a Supplement to "Economic Notes", for 16 August, 1946]

Introduction.

1. Italy is a fairly well industrialized country with a considerable reservoir of skilled workers. Before the war, 33 % of the available manpower was absorbed in industry, which provided 34 % of the national income. In agriculture these proportions were 48 % and 36 % respectively. On the other hand, the relative importance of agriculture gradually decreased during the last 50 years, when the rate of industrialization of the country made rapid strides. From 1881 to 1938 employment in agriculture increased only 2 % while employment in industry increased 40 %. In the same period agricultural production increased slightly more than twice (in 1938 it was 2.2 times that of 1881) and industrial production increased tenfold. Before the war Italy's population surplus (about 400,000 annually) had for the greater part to be absorbed in industry. The capacity of agriculture to absorb the population surplus is negligible. Industrial development is vitally necessary to Italy's progress.

2. In 1938 Italian industry, including handicrafts, employed 4.4 million workers (26 % of whom were women). In 1935 in the United Kingdom 7.2 million persons were employed in industrial units employing more than 10 persons. The power utilised was 6.3 million HP compared with 1.7 million HP in 1911 and 3.9 in 1927 (the power in use was 15.3 million HP in the United Kingdom in 1930). Investment in industry in 1938 was estimated at 120,000 million lire (about 6,300 million pre-war U.S. dollars). About two-thirds of this investment was in the hands of joint stock companies. Establishments employing more than 1,000 persons (310 establishments) accounted for 19.3 % of the manpower and 24.2 % of the HP employed; 5,000 units employing more than 100 persons accounted for 43 % of the manpower and 61 % of the HP employed. 50,000 industrial establishments, employing more than five persons, accounted for two-thirds of the manpower and nine-tenths of the HP employed. The remaining one-third of the manpower and one-tenth of the HP were utilized by individual artisans (estimated at 1,000,000) and in small handicraft shops.

3. The most important industries have been, in decreasing order, engineering, textile, electric, food processing, metallurgic, and chemical. These industries accounted for 70 % of the total Italian industrial production which in 1938 was estimated at 130,000 million lire (including 40,000 million for added value - see para 26).

4. Italian industry suffers from lack of coal, fuel and primary raw materials. Imports of raw materials for industry, including fuel, accounted for 29.4 % of total imports in 1881, for 38 % in 1913 and 48 % in 1938. If semi-finished products for industry are added, the proportion increases to 49 % of total imports in 1881, 57 % in 1913 and 70 % in 1938. Lack of coal is partly compensated for by resources of water power. It is estimated that in 1938 the output of electric power for all uses (including industry) had roughly the same aggregate power as imported coal. On the credit side also are (a) abundance of manpower (characterized by a modest standard of living and a high productivity) and (b) the existence of well-established and important industrialized trades (textile, engineering, metallurgic, hydro-electric and chemical industries). Before the war these industries had good plants and good technical organization, comparable with those of the most industrially-advanced countries.

5. The present need is, therefore, on one hand for rapid rehabilitation and acceleration of industry and on the other for increase of exports to balance essential imports of raw materials. This implies a substantial increase in Italy's foreign trade and progress on an opposite road from that travelled by autarchy during 20 years of fascism.

6. War destruction reduced industrial potential to 75 % of pre-war, the merchant marine to 10 %, harbor installations and land transportation to about 25 %. This, coupled with the need for industrial reconversion to peacetime output and the demand for improvement in technical standards of equipment (resulting from Italy's isolation during the periods of autarchy and war), explains the need for early industrial rehabilitation and the need for foreign loans.

7. With the most immediate requirements of Italian industry in mind UNRRA, working closely in conjunction with the Italian Government, has done its best to bring help in the directions where help was most wanted. Total expenditure planned by the UNRRA Italian

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Mission on industrial rehabilitation in 1946 will exceed 127 million dollars, exclusive of freight (1).

8. Next to food, industrial imports constitute the largest category of aid to Italy and represent 30 % of the whole UNRRA Italy budget for 1946. As at present programed, the total industrial procurement will be roundly as follows:

	U. S. Dollars
Industrial fuels	76,500,000
Pig-iron, steel and other basic metals	20,500,000
Rubber and materials for rubber processing	12,100,000
Industrial chemicals and resins	5,400,000
Asphalt	2,700,000
Lumber	2,500,000
Fire-clays, fire-bricks and asbestos	1,700,000
Vehicles, parts and miscellaneous industrial materials and services	5,700,000
TOTAL	127,500,000 (1)

(1) For the UNRRA program for textiles, hides, etc., see para. 74.

UNRRA's industrial import program is designed to provide raw materials rather than finished products, and thus to turn the wheels of production. This will not only provide goods but jobs.

9. Some improvement in industrial production is already evident. For some industries the index-numbers of the industrial production in Northern Italy (1938=100) (1) were estimated as follows:

Months	Mineral	Iron and Steel	Metallurgical (2)	Engineering (3)	Cotton Yarn	Artif. textile fibers	Chemical
June 1945	6.6	11.7	5.0	32.1	3.2	2.5	10.1
Septem.	16.1	29.3	22.9	42.9	4.8	4.4	15.4
Decem.	31.8	28.2	28.2	16.6	16.5	5.9	21.3
January 1946	38.9	31.2	38.3	55.9	20.8	6.4	23.3
Febr.	36.4	33.3	40.9	56.0	27.9	7.6	27.1
March	45.9	38.1	45.1	48.0	34.7	11.4	31.7
April	48.7	47.0	41.7	53.2	48.7	16.0	42.6

(1) Some of these indices are based on only a small sample of the industrial category and are, therefore, subject to revision as more accurate information becomes available.

(2) Pig-iron, steel, rolled steel.

(3) Based on weight of material produced in automobile engineering.

PART ONE - GENERAL

The Position of Industry in the Italian Economy.

10. Although Italy cannot be rated among the already highly-industrialized countries, the place of industry in her economy is important.

11. In 1936 her industries gave employment to 33.1 % of the total labor forces of 18.3 million people; 48.2 % were engaged in agriculture, forestry and fishing. Italy's percentage of industrial employment was, however, smaller than that of England (55 %), Belgium (51.6 %), Germany (44.3 %), Switzerland (46.3 %), all countries having roughly the same density of population as Italy. A higher level of industrialization was reached in some regions in Northern Italy, where the industrial population represented 50.4 % in Lombardy, 39.3 % in Piedmont and 47.1 % in Liguria, the average for the Northern regions being 38.4 %.

12. In terms of national income, industry's contribution was 30 % of the total, while agriculture contributed

13. The importance of industry in the economic life of the country is further emphasized by its rôle in Italy's foreign trade. Prior to the war (1937-1938) manufactured goods accounted for 40 % of Italy's exports as shown by the following table:—

TABLE 1

Italy's Balance of Trade 1937-38

(in millions of dollars 1945)

IMPORTS		%	EXPORTS		%
For industry	585	70	Products of manufacturing industry	324	40
For food	169	21	Agriculture and mining	83	10
Other uses	78	9	Non-preserved foodstuffs	175	22
—	—	—	Emigrant remittances, proceeds from tourists and other items	150	18
				732	90

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the whole UNRRA Italy budget for 1946. As at present programed, the total industrial procurement will be roundly as follows:

	U. S. Dollars
Industrial tools	16,500,000
Pig-iron, steel and other basic metals	20,000,000
Rubber and materials for rubber processing	12,100,000
Industrial chemicals and resins	5,100,000
Asphalt	2,750,000
Lumber	2,500,000
Fire-clays, firebricks and asbestos	1,500,000 *
Vehicles, parts and miscellaneous industrial materials and services	5,750,000
TOTAL	127,500,000 (1)

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Months	Mineral	Iron and Steel	Metallurgic (2)	Engineering (3)	Cotton Yarn	Artif. textile fibers	Chemical
June 1945	6.6	11.5	5.0	32.1	3.2	2.5	10.1
Septem.	16.1	26.3	22.2	42.9	4.8	4.4	15.4
Decem.	31.8	28.2	28.2	46.6	16.5	5.9	24.3
January 1946	38.9	31.2	28.3	55.9	20.8	6.4	28.5
Febr.	36.1	33.3	40.9	56.9	27.9	7.6	27.1
March	45.9	38.4	45.1	48.0	34.7	11.4	34.7
April	18.7	47.0	41.7	53.2	48.7	16.0	42.9

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12. In terms of national income, industry's contribution was 30 % of the total, while agriculture contributed 36 %, rents 4 %, commerce 5.4 %, banking and insurance 1.2 %, professional activities 4 %, public employment 12.3 %, interest on credit 7 %.

13. The importance of industry in the economic life of the country is further emphasized by its rôle in Italy's foreign trade. Prior to the war (1937-1938) manufactured goods accounted for 40 % of Italy's exports as shown by the following table:—

TABLE 1

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Other uses	76	9	Non-preserved foodstuffs	175	22
—	—	—	Emigrant remittances, proceeds from tourists and other items	150	18
				732	90
			Deficit	78	10
	810	100		810	100

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14. A breakdown of the 1937-38 industrial exports by major groups is shown in the following table:—

TABLE 2

Industrial Exports by Major Groups

	In millions of dollars		%	
First Group				
Food Industries	49		15	
Chemical-Agricult. Industries	10		3	
Small industries and artisans	38		12	
		97		30
Second Group				
Textile industries:				
Artificial fibers	42		13	
Others	126		39	
		168		52
Third Group				
Mechanical and iron industries	42		13	
Chemical and various industr.	17		5	
		59		18
		324		100

15. The part to be played by industry in the Italian economy will be greater in the future for two main reasons:

(a) Population increased by an estimated 1.5 millions between 1938 and 1946 (1). This increased population cannot possibly be absorbed by agriculture or related non-industrial activities since, as is generally accepted, agricultural employment had already before the war, reached its peak in relation to the physical characteristics of the country.

(b) The average standard of living for the Italian population is at present one of the lowest of all "modern" countries. A rise in this standard can be achieved only by an increase in the rate of industrialization.

(1) The active population (that portion of the total population

Some "Permanent" Features of Italian Industry.

16. The outstanding fact in Italy's industrial economy is the country's marked *deficiency of raw materials and fuels*. Not one of the key raw materials such as coal, mineral oils, iron, lumber, cotton, rubber or copper is found, or can be produced in Italy in any significant quantity.

Other basic materials such as hides, phosphates and wool are also in short supply. The relative abundance of sulphur, aluminum, mercury, zinc and lead ores is not such as to compensate for the foregoing deficiencies.

17. The traditional Italian industrial pattern calls for large amounts of a few imported raw materials, and imports in small quantities, of a great variety of materials used together with domestic supplies. It is difficult, however, to establish the extent to which Italian industry depends on imports, because the industry of the country during the last few years has been directed towards the maximum use of domestic resources in a closed national economy cut off from world markets ("Autarchia"). Technological improvements will allow some Italian raw materials to be substituted permanently for imports, especially in cases where large amounts of electricity are used. But other high-cost domestic raw materials will not be able to stand international competition in a post-war economy.

18. The total volume of Italian imports amounted to some 30 million tons a year in the late Twenties, but decreased later to 25 million, then to 20 million tons after the depression and the start of the self-sufficiency drive. Fuel imports have been by far the most important—50 % of the total when imports were large, up to 60 % when imports were heavily reduced. In recent pre-war years imports of materials to be processed by industry amounted to from 4 to 5 million tons representing, it is believed, the minimum needs of a rock-bottom pre-war economy.

19. Before the war, Italian imports originated from all over the world. But even then, there was an increasing tendency to depend on European sources of supply. In 1938, Italy bought 57 % of its imports (by value) on European markets against only 48 % in 1929. Table 50 shows the breakdown of Italian imports by country and by value in 1938.

20. The most important single "physical" resource which Italy has, though to a moderate degree, is water power, which, skilfully harnessed, provides an important source of electrical energy (see para. 81).

21. The geographical position of Italy and her physical shape, which make every part accessible to the sea and

Declassified E.O. 12356 Section 3.3/NND No. 785021

Industrial Exports by Major Groups

	In millions of dollars		%	
First Group				
Food Industries	49		15	
Chemical-Agricult. Industries	10		3	
Small industries and artisans	38		12	
		97		30
Second Group				
Textile industries:				
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(b) The average standard of living for the Italian population is at present one of the lowest of all "modern" countries. A rise in this standard can be achieved only by an increase in the rate of industrialization.

(1) The active population (that portion of the total population seeking employment) showed a greater increase proportionately, owing to the natural trend for fewer women to devote themselves exclusively to housework. Chronic unemployment and, to a certain extent, tradition, counteracted this trend, which is noticeable in all progressive countries.

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20. The most important single "physical" resource which Italy has, though to a moderate degree, is water power, which, skilfully harnessed, provides an important source of electrical energy (see para. 81).

21. The geographical position of Italy and her physical shape, which make every part accessible to the sea and minimize freight charges, partially offset the above disadvantages. If in the future, through international agreements, the flow of raw materials is made easier than in the past, Italy will benefit greatly.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

22. Apart from hydro-electric power, the foremost resource on which Italy can count is still her skilled and inexpensive manpower. This latter "quality" is to be considered a transitory feature since the national goal will be, of course, to make labor more expensive (on a world-wide comparative basis) as a consequence of the improving standard of living.

During the next several years Italy's economic revival will, however, be made easier by the relative cheapness and abundance of her labor. Even after Italian industrial production is maximized by a full-scale reconstruction program, it is improbable that the total potential domestic labor supply will be fully utilized. Even at the height of the Italian war effort in 1942, there was still (as a result of raw material shortages) a certain degree of unemployment. Italy is probably the only major participant in World War II in that position.

23. The present low standard of living is, on the other hand, a damaging factor since it limits the market for manufactured goods, tending to make production costs higher, by not giving the domestic industry a sufficiently large "home ground" on which to base its production. The urgent task of internal reconstruction and the building up of vital export trade will, for the present, absorb all the production capacity. Italy, with the best planning possible, will, however, for some years not be able to attain even the low pre-war level of domestic consumption.

24. In general, therefore, the limiting factor in Italy's industrial reconstruction and development is the need to import from outside her borders the basic raw materials and fuel which modern industry requires. The UNRRA industrial program for 1946, concentrating as it does on the import of reasonably large quantities of coal, petroleum products and some key raw materials, reflects the trascendent importance of this limiting factor. The future of Italy's industrial economy will be determined largely by an ability to earn or borrow enough foreign exchange to maintain and increase this flow of fuel and basic materials.

Relative Importance of the Various Branches of Italian Industry.

25. The relative importance of industries may be roughly measured by:

(a) number of people employed (which is a rough measure of their relative social value);
(b) motive power available;
(c) electric power and coal consumption.

TABLE 3

Relative Importance of Various Branches of Italian Industry

Class of Industry	Labor Employed in 1938 Per cent	H. P. available in 1938 Per cent	Electric power in 1937 Per cent	Coal in 1938 Per cent
Mines and Quarries	3.1	3.3	1.5	0.7
Timber	2.3	2.3	0.8	0.1
Steel	10.3	15.8	7.1	5.1
Metallurgical	2.4	13.4	25.4	18.2
Mechan.-Engineering	14.4	18.1	8.1	2.0
Stone, clay and glass products	4.1	3.1	4.6	16.2
Building	11.0	2.6		0.5
Chemicals	2.3	7.5	27.5	5.6
Cokeries & Gas Works	0.2	0.9		35.4
Paper	1.2	3.6	4.3	1.6
Printing	1.3	0.7	0.3	0.1
Hides and leather	1.6	1.1	0.8	0.1
Textiles and Clothing	14.5	13.8	12.4	8.2
Power Stations	0.6	—	—	2.5
Rubber	0.9	1.2	3.5	0.4
Other industries	4.5	3.8		1.3
TOTAL INDUSTRY	74.4	95.5	96.3	98.0
TOTAL HANDICRAFT	25.6	4.5	3.7	2.0
GRAND TOTAL	100.0	100.0	100.0	100.0

26. The total value of the 1938 industrial production was calculated at 130,000 million lire; the *added value* (1) at 42,100 million about 27 % of which was for wages paid to workers (in 1933, in the United States of America the comparable percentage was 36.2). Data broken down are as follows (in millions of 1938-lire):

TABLE 4

Total and "Added" value of Industrial production
(in millions of 1938-lire)

	Value of production	"Added" value (1)
Mechanical	19,200	8,600
Food processing	30,300	5,700
Chemical	9,200	3,700
Mines and quarries	1,300	1,100
Stone, clay and glass products, etc.	2,500	1,100
Other industries (est.)	67,400	21,900
TOTAL	130,000	42,100

Declassified E.O. 12356 Section 3.3/NND No. 745021

improving standard of living.

During the next several years Italy's economic revival will, however, be made easier by the relative cheapness and abundance of her labor. Even after Italian industrial production is maximized by a full-scale reconstruction program, it is improbable that the total potential domestic labor supply will be fully utilized. Even at the height of the Italian war effort in 1942, there was still (as a result of raw material shortages) a certain degree of unemployment. Italy is probably the only major participant in World War II in that position.

23. The present low standard of living is, on the other hand, a damaging factor since it limits the market for manufactured goods, tending to make production costs higher, by not giving the domestic industry a sufficiently large "home ground" on which to base its production. The urgent task of internal reconstruction and the building up of vital export trade will, for the present, absorb all the production capacity. Italy, with the best planning possible, will, however, for some years not be able to attain even the low pre-war level of domestic consumption.

24. In general, therefore, the limiting factor in Italy's industrial reconstruction and development is the need to import from outside her borders the basic raw materials and fuel which modern industry requires. The UNRRA industrial program for 1946, concentrating as it does on the import of reasonably large quantities of coal, petroleum products and some key raw materials, reflects the trascendent importance of this limiting factor. The future of Italy's industrial economy will be determined largely by an ability to earn or borrow enough foreign exchange to maintain and increase this flow of fuel and basic materials.

Relative Importance of the Various Branches of Italian Industry.

25. The relative importance of industries may be roughly measured by:

(a) number of people employed (which is a rough measure of their relative social value);
(b) motive power available;
(c) electric power and coal consumption.

Percentages of each of these factors are summarized in the following table (absolute figures are analyzed in Table 52):

	Per cent	Per cent	Per cent	Per cent
Mines and Quarries	3.4	3.3	1.5	0.7
Timber	2.3	2.3	0.8	0.1
Food	10.3	15.8	7.1	5.1
Metallurgical	2.1	14.4	25.1	18.2
Mechan. Engineering	14.1	18.1	8.1	2.0
Stone, clay and glass products	4.1	6.1	4.6	16.2
Building	11.0	2.6		0.5
Chemicals	2.3	7.5	27.5	3.6
Coke-ries & Gas Works	0.2	0.9		35.1
Paper	1.2	3.6	1.3	1.6
Printing	1.3	0.7	0.3	0.1
Hides and leather	1.6	1.1	0.8	0.1
Textiles and Clothing	14.5	13.8	12.1	8.2
Power Stations	0.6	—	—	2.5
Rubber	0.6	1.2	3.5	0.4
Other industries	4.5	3.8		1.3
TOTAL INDUSTRY	71.4	95.5	96.3	98.0
TOTAL HANDICRAFT	25.6	4.5	3.7	2.0
GRAND TOTAL	100.0	100.0	100.0	100.0

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Other industries (est.)	67,400	21,900
TOTAL	130,000	42,100

(1) "Added value" is the difference between the cost of materials or semi-finished goods going into industry and the value of the finished production, including labor costs.

Declassified E.O. 12356 Section 3.3/NND No. 785021

27. The added value represents 32.4 % of the value of the total production (in U.S.A., in 1933, 16.4 %; in Great Britain, in 1930, 44.2 %). The added value per worker amounted to 13,000 lire (in Great Britain in 1930, it amounted, at the official exchange, to 19,600 lire; in U.S.A. in 1933, at official exchange, to 15,835 lire).

Location of Italian Industry.

28. On the basis of employment and use of electric power, Italian industry is overwhelmingly concentrated in Northern Italy. The percentage breakdown on the basis of 1938 is as follows:

TABLE 5

Location of Italian Industry

	Industrial Employment Per cent	Consumption of Electricity Per cent
Northern Italy	69.1	71.2
Central Italy	15.9	16.0
Southern Italy and Islands	15.0	12.8
	100.0	100.0

29. This uneven distribution, with a corresponding disparity of customs and standards of living, constitutes one of the important political factors in the country. The availability in Northern Italy of water supplies which can be exploited in hydro-electric plants, is one of the reasons for this industrial concentration. Another factor is the proximity to the Central European and French markets, which for centuries before the advent of the mechanical era depended on the Italian artisans for their manufactured goods. Around these artisan centers modern Italian industry developed, especially in textiles.

30. As a future trend, it is possible that Italian industry, after having more fully exploited its water power resources, will move close to the ports through which imported fuels and raw materials enter the country.

31. The trend of Italian industry is also to develop more rapidly the manufactures of producers' goods than of consumers' goods. In the latter industries 2,000,000 workers were employed in 1927; 2.2 million in 1937-39 (10 % increase), while in the producers' goods industries 1.4 million workers were employed in 1927 and 2.1 million in 1937-39 (50 % increase).

Size and Capitalization of Italian Industries.

32. Italian industry grew under a system of a large sized enterprises have lost much of their former importance.

33. The census data on size of enterprises are given in Table 6 which shows for comparison data for 1927. The proportional decrease of the establishments of small and medium size (from 2 to 50 persons employed) and the increase of the establishments of larger size, is evident from Table 6:

TABLE 6

Size of Industrial Establishments

Based on the Number of persons per Establishment (1)

Size (persons per establishment)	1927			1937-39		
	No. of establishments	Persons		No. of establishments	Persons	
		No.	%		No.	%
2 – 10	201.800	963.314	31.1	278.865	879.512	24.3
11 – 50	25.756	547.625	17.7	25.370	569.561	15.7
51 – 250	6.589	685.239	22.1	8.206	846.181	23.2
251 – 1000	1.263	570.592	18.4	1.594	726.169	20.1
more than 1000	200	330.746	10.7	367	606.072	16.7
TOTAL	325.017	3.097.816	100.0	314.348	3.621.495	100.0

Source: Census of 1927, Census of 1937-39.

34. Another breakdown of Italian industrial figures (2) by size, as of 31 December 1938, is supplied by the Confederation of Industrialists: these data are given in Table 7. The Confederation's statistics do not include artisans and employees of Government-operated enterprises (150,000 workers) and a few non-member firms outside the organization.

TABLE 7

Number of Firms and Workers, 1938

Size (Workers per firm)	Firms	Workers	%
From 1 to 10	107.126	340.024	9.5
11 to 50	31.079	699.743	19.4
51 to 250	9.920	1.024.402	28.5
251 to 1000	1.808	815.253	22.6
more than 1000	345	717.418	20.0
TOTAL	150.278	3.596.840	100.0

Source: Confederation of Industrialists.

(1) When in the same establishment two or more lines of manufacturing are carried on, each line of manufacturing is considered a distinct establishment. This criterion differs from that followed as a rule in censuses in Great Britain and in the United

Declassified E.O. 12356 Section 3.3/NND No. 785031

lire).

Location of Italian Industry.

28. On the basis of employment and use of electric power, Italian industry is overwhelmingly concentrated in Northern Italy. The percentage breakdown on the basis of 1938 is as follows:

TABLE 5

Location of Italian Industry

	Industrial Employment Per cent	Consumption of Electricity Per cent
Northern Italy	69.1	71.2
Central Italy	15.9	16.0
Southern Italy and Islands	15.0	12.8
	100.0	100.0

29. This uneven distribution, with a corresponding disparity of customs and standards of living, constitutes one of the important political factors in the country. The availability in Northern Italy of water supplies which can be exploited in hydro-electric plants, is one of the reasons for this industrial concentration. Another factor is the proximity to the Central European and French markets, which for centuries before the advent of the mechanical era depended on the Italian artisans for their manufactured goods. Around these artisan centers modern Italian industry developed, especially in textiles.

30. As a future trend, it is possible that Italian industry, after having more fully exploited its water power resources, will move close to the ports through which imported fuels and raw materials enter the country.

31. The trend of Italian industry is also to develop more rapidly the manufactures of producers' goods than of consumers' goods. In the latter industries 2,000,000 workers were employed in 1927; 2.2 million in 1937-39 (10 % increase), while in the producers' goods industries 1.4 million workers were employed in 1927 and 2.1 million in 1937-39 (50 % increase).

Size and Capitalization of Italian Industries.

32. Italian industry grew under a system of a large number of small and medium-sized enterprises. The trend toward concentration, both financial and technical, which began after World War I has progressed so rapidly, under Government sponsorship, that medium-

the increase of the establishments of larger size, is evident from Table 6:

TABLE 6

Size of Industrial Establishments
Based on the Number of persons per Establishment (1)

Size (persons per establishment)	1927			1937-39		
	No. of establishments	Persons		No. of establishments	Persons	
		No.	%		No.	%
2 – 10	291,809	963,344	31.1	278,865	879,512	24.3
11 – 50	25,756	547,925	17.7	25,376	569,561	15.7
51 – 250	6,589	685,289	22.1	8,206	840,181	23.2
251 – 1000	1,263	570,592	18.4	1,594	728,169	20.1
more than 1000	200	330,746	10.7	307	606,072	16.7
TOTAL	325,617	3,097,896	100.0	314,348	3,621,495	100.0

Source: Census of 1927, Census of 1937-39.

34. Another breakdown of Italian industrial figures (2) by size, as of 31 December 1938, is supplied by the Confederation of Industrialists; these data are given in Table 7. The Confederation's statistics do not include artisans and employees of Government-operated enterprises (150,000 workers) and a few non-member firms outside the organization.

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Number of Firms and Workers, 1938

Size (Workers per firm)	Firms	Workers	%
From 1 to 10	107,126	340,024	9.5
11 to 50	31,079	699,743	19.4
51 to 250	9,929	1,024,402	28.5
251 to 1000	1,808	815,253	22.6
more than 1000	345	717,418	20.0
TOTAL	150,278	3,596,840	100.0

Source: Confederation of Industrialists.

(1) When in the same establishment two or more lines of manufacturing are carried on, each line of manufacturing is considered a distinct establishment. This criterion differs from that followed as a rule in censuses in Great Britain and in the United States, where each establishment (and sometimes also, one firm having two or more establishments) is considered, as a rule, to be one unit. The Italian census, therefore, when compared with the census in those countries, exaggerates the importance of smaller size works or shops.

(2) One "firm" may include two or more establishments.

Declassified E.O. 12356 Sec. 3.3/NND No. 759021

35. Enterprises with 50 workers or less, representing 92 % of the total number of firms, employed less than 29 % of all workers; while 345 firms, only 0.2 % of the total number of firms, employed 20 % of the total labor force.

36. The fact that a large part of Italian industry is still in small units means that a large number of enterprises is individually owned.

37. The total capital invested in industry was estimated in 1936 to be about 100,000 million lire. Capital and reserves of industrial corporations alone amounted in the same year to some 56,000 million lire of which 34,000 million lire was paid-in capital. The sizable capital increases which took place after 1936 did not reflect new investments, but were simply write-ups of capital by large corporations, after the devaluation of the currency.

38. In 1939 the most heavily-capitalized industry was electric power with 11,300 million lire (for valuation of industry see Table 36), followed by chemicals with 4,200 millions; metallurgical and mechanical industries with 4,000 millions each; mining with 2,500 millions; cotton with 1,400 millions; artificial textiles with 1,200 millions; gas and water distribution with 1,100 millions; and sugar with 1,000 million lire.

Activity in Wartime, 1939-1943.

39. The shift from a peace economy to a war economy was relatively smooth, and was aided by the fact that France fell so quickly that Italy was not plunged into active, large-scale warfare. Moreover, the two minor wars fought in Ethiopia and Spain had accustomed the country, psychologically at least, to a war economy.

40. Despite attempts to neutralize its effects, the blockade constituted a crippling blow to Italian industry. Only in the summer of 1942 were real efforts made to step up Italian war production, chiefly at German request. Italian officials admitted that a labor service was not necessary until July of that year, for unemployment was still considerable in spite of the large number of workers sent to Germany and called to the colors. Unemployment was the natural consequence of the traditional Italian industrial pattern. Heavy armament industries could not expand and produce more materials than the over-all supply of iron and steel would allow. During 1941 and 1942 the iron and steel supply available to Italy, either through domestic production or through imports from Germany is estimated to have been only slightly higher than before the war. The reduction in domestic consumption accompanied by

41. In the summer of 1942 the Germans used threats of withholding supplies of necessary raw materials to force the overhauling of Italian industry to fit the Axis war economy. Italian industrialists on their part were reluctant to abandon equipment which could not be used at the moment but might be extremely valuable in a post-war reconstruction period. A compromise was reached and plans of concentration were drawn up for those industrial facilities not directly connected with the war. The basic criteria for keeping a plant in operation were: 1) independent power supply, 2) small consumption of materials and 3) minimum dependence on transportation facilities.

42. The order closing down the textile industry for six winter months in 1942-43 is a typical example of this policy. Partial exemptions were granted to plants which filled orders for export. More details on plans for concentration and rationalization, affecting the food processing and leather industries were announced as late as July 1943.

43. Table 8 gives a general idea of the pattern followed by Italian industry during the war years:

TABLE 8

Production index, 1939-43

(based on index of 100 for 1928)

	General Index	Textile Industry	Metallurg. & Mechanical Industries	Paper Industry
1939	123.1	88.6	147.8	157.2
1940	120.8	91.9	168.3	155.0
1941	104.9	78.6	185.9	143.1
1942	91.2	58.9	188.1	116.5
1943 (1st Quarter)	79.8	52.9	191.4	89.6

	Building Industry	Power, light & heating Industry	Mining Industry (1)	Chemical Industry (1)
1939	121.2	176.8	142.3	162.5
1940	82.8	187.8	125.6	156.6
1941	43.4	207.9	117.0	140.1
1942	36.3	207.6	110.5	121.2
1943 (1st Quarter)				

Declassified E.O. 12356 Section 3.3/NND No. 759021

36. The fact that a large part of Italian industry is still in small units means that a large number of enterprises is individually owned.

37. The total capital invested in industry was estimated in 1936 to be about 100,000 million lire. Capital and reserves of industrial corporations alone amounted in the same year to some 56,000 million lire of which 34,000 million lire was paid-in capital. The sizable capital increases which took place after 1936 did not reflect new investments, but were simply write-ups of capital by large corporations, after the devaluation of the currency.

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40. Despite attempts to neutralize its effects, the blockade constituted a crippling blow to Italian industry. Only in the summer of 1942 were real efforts made to step up Italian war production, chiefly at German request. Italian officials admitted that a labor service was not necessary until July of that year, for unemployment was still considerable in spite of the large number of workers sent to Germany and called to the colors. Unemployment was the natural consequence of the traditional Italian industrial pattern. Heavy armament industries could not expand and produce more materials than the over-all supply of iron and steel would allow. During 1941 and 1942 the iron and steel supply available to Italy, either through domestic production or through imports from Germany is estimated to have been only slightly higher than before the war. The reduction in domestic consumption accompanied by the loss of foreign markets forced sharp curtailment in some industries; many plants closed down because of lack of raw materials.

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1940	82.8	187.8	125.6	156.6
1941	43.4	207.9	117.0	140.1
1942	30.3	207.6	110.5	121.2
1943 (1st Quarter)	24.8	193.9	96.0	87.9

(1) Original basis September 1934-August 1935=93.1.

Declassified E.O. 12356 Section 3.3/NND No. 759031

44. It will be seen that production followed its normal course until 1939 with an overall increase of 13 % over 1929; with the entry into the war and the impossibility of replacing stocks of raw materials, Italian industrial production dropped until in 1942 and the first quarter 1943 a considerable drop is noticed. The only sector of industry to maintain its normal productivity was the mechanical and metallurgical sector, which was obviously due to the production of arms and munitions.

45. Although the production of pig iron increased considerably in 1939, yet even there a sharp drop is noticed in 1942:

Pig iron Production (War years)

1939	1.005.000 tons
1940	1.081.000 »
1941	1.037.000 »
1942	889.000 »

46. Generally speaking, Italian industry was adversely affected by the war years particularly by the inability to obtain raw materials, but also because Italy was cut off from the technical advance being made in industry throughout the Allied countries. Thus, at the end of the conflict, Italy found herself far behind other countries in the technical development of her industries.

Aftermath of War.

47. Since the greater percentage of Italian industry is situated in the North, the rehabilitation of Italian industry during the period 8 September 1943 to May 1945 was an impossibility. Such industry as existed in the south, that was of any use in the combined war effort was taken over by the Allied Armies. Work on rebuilding and rehabilitation was impeded by the Allied occupation of plants for depots, warehouses, billets etc.—a regrettable necessity, and also by the lack of fuel and raw materials. A considerable amount of industrial employment was afforded the Italians by the Allies, chiefly mechanical equipment and workshops, but industry generally was at a standstill.

48. The probability of wholesale destruction of hydro-electric plants, rail facilities, industrial installations and

49. Luckily for Italy, the Germans were impeded by the partisans in their efforts to destroy industrial potential. The ordinary workpeople of the factories, also impeded destruction and hid important machines and machine parts, so that when the enemy surrendered, the industrial installations and the hydro-electric plants were in better condition than the most optimistic had hoped for.

50. It has always been difficult to obtain accurate figures on the actual war damage to Italian industry. No industrial census has yet been completed, so that only estimates, based on careful investigation, can be given.

51. A generally accepted estimate is that the overall damage to Italian industry caused by the war was about 25 %. Accepting the difficulties of giving accurate figures, as none are available, the following will give a general idea of the condition of Italian industry at the end of hostilities. (See Part Two for a more detailed description.)

Chemical and Pharmaceutical Industries.

52. The overall damage to plants in these industries was estimated at 10 to 15 %. This damage varied considerably from plant to plant, the "munitions" plants in a number of cases having been destroyed or very heavily damaged by bombing. At the end of the war, however, productive capacity was still more than sufficient to meet the normal domestic need.

Food Processing Industries.

53. The hardest-hit section of this industry was the sugar refining section. Considerable damage was done by bombing and also by German destruction. Only about 12 % of the normal capacity was used in the 1945 season, though the lowness of this figure was due also to the shortage of sugar beet.

54. The other food processing plants suffered an average of approximately 20 % war damage.

Steel and Iron Industries.

55. In the reports on damage to the Italian steel in-

0525
Declassified E.O. 12356 Section 3.3/NND No. 745021

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48. The probability of wholesale destruction of hydro-electric plants, rail facilities, industrial installations and communications in the industrial north had caused great concern particularly during the long advance up Italy by the Allies and the winter during which the opposing armies stood on the Pisa-Rimini line.

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54. The other food processing plants suffered an average of approximately 20 % war damage.

Steel and Iron Industries.

55. In the reports on damage to the Italian steel industry during the war the country is divided into two sections. One, Northern Italy, which was liberated in June 1945; the other, Central and Southern Italy, which were liberated in the fall of 1943 and spring of 1944.

Declassified E.O. 12356 Sec. 3.3/NND No. 783021

56. The maximum potential facilities for producing steel and iron in Italy before the war had a total capacity of approximately 4,500,000 tons per year. These facilities produced during the years 1935-37 an average of 2,104,000 tons per year.

57. The consumption of steel in Italy during this period averaged 2,313,871 tons per year.

58. Thus it can be seen that Italy produced only slightly less than its needs in steel.

59. The facilities for producing steel and iron in Central and Southern Italy account for approximately 28 % of the total. This production is concentrated in three zones: Tuscany, Campania and Umbria. In Umbria region physical war damage to the industry was slight, although the industry was crippled approximately 50 % by the German removal from the area of arc furnaces, mills and pig iron furnaces.

60. In the Campania and adjoining regions the industry was crippled approximately 90 % by war destruction.

61. In the Tuscany region the industry was disabled about 90 % by war destruction.

62. In Northern Italy approximately 10 % of the production capacity was damaged and another 5 % removed by the Germans; thus the industry was operatively reduced by some 15 %.

63. To summarize: the whole of the Italian steel facilities at the end of the war had been reduced to 70 % of their normal capacity.

Building and construction materials.

64. The highest damage in this section was probably in the manufacture of glass, where it is estimated that the buildings suffered 50 % damage and the equipment some 15 %. The cement and lime plants suffered damage to the extent of about 30 % to the buildings and 5 % to the machinery and equipment. The balance of the branches in this industry suffered only slight damage, chiefly due to the dispersion of the plants.

Textile Industry.

65. About 90 % of the textile industry is located in Northern Italy, the rest being distributed between Toscana and Campania. Only the plants situated in Toscana and Campania were damaged by the war, the plants situated in the North being found intact.

66. In Campania were the Manifatture Cotoniere Me-

67. In Toscana, Pisa and Prato (Florence), a big center of production for woolen cloths from rags, many plants were heavily damaged especially by German sabotage.

68. The general damage suffered by the Italian textile industry can be estimated at 10 % of the textile plant and machinery.

The Role of UNRRA in the Industrial Rehabilitation Program for Italy.

69. At the end of 1945, Italian industry was in the position of having practically no foreign credits available with which to purchase raw materials except those provided by the Military and FEA civil supply programs. Furthermore, export of manufactured goods and agricultural surpluses was not possible. Therefore, the UNRRA program for industrial rehabilitation was made to provide the essential requirements of industry within the limit of the funds available.

70. The principal emphasis in the UNRRA program was placed upon the highly essential item of fuels, since Italy has practically no domestic production of solid or liquid fuels, and these are almost universally required for industry and the transportation system necessary to industrial activity.

71. Aside from fuels, industrial materials included in the UNRRA program have been confined to other large dollar-value items which in general are easily specified for procurement. Items of smaller value having complicated specifications are procured through the Italian Technical Mission using troop-pay funds in the U.S.

72. The Industrial Rehabilitation Program, as revised in May 1946, called for an expenditure of approximately 80 million dollars for the first half of 1946. The tentative program for the second half involves an expenditure of approximately 50 million dollars, giving an approximate total for the year of 130 million dollars. Table 0 shows the distribution of the 1946 program.

73. A more detailed breakdown of the various items involved in the UNRRA program is given in Table 51 (see Appendices). In this tabulation it will be noted that solid and liquid fuels, required by practically all industries, comprise the principal expenditure for industrial supplies. Important factors, however, are steel, pig iron and alloying metals essential to the production of the many types of finished steels required for reconstruction of public utilities, the transport system

Declassified E.O. 12356 Section 3.3/NND No. 785021

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59. The facilities for producing steel and iron in Central and Southern Italy account for approximately 28 % of the total. This production is concentrated in three zones: Tuscany, Campania and Umbria. In Umbria region physical war damage to the industry was slight, although the industry was crippled approximately 50 % by the German removal from the area of arc furnaces, mills and pig iron furnaces.

60. In the Campanio and adjoining regions the industry was crippled approximately 90 % by war destruction.

61. In the Tuscany region the industry was disabled about 90 % by war destruction.

62. In Northern Italy approximately 10 % of the production capacity was damaged and another 5 % removed by the Germans; thus the industry was operatively reduced by some 15 %.

63. To summarize: the whole of the Italian steel facilities at the end of the war had been reduced to 70 % of their normal capacity.

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66. In Campania were the Manifatture Cotoniere Meridionali plants, of which three plants were completely destroyed; but the other plants were in condition to be repaired rapidly.

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71. Aside from fuels, industrial materials included in the UNRRA program have been confined to other large dollar-value items which in general are easily specified for procurement. Items of smaller value having complicated specifications are procured through the Italian Technical Mission using troop-pay funds in the U.S.

72. The Industrial Rehabilitation Program, as revised in May 1946, called for an expenditure of approximately 80 million dollars for the first half of 1946. The tentative program for the second half involves an expenditure of approximately 50 million dollars, giving an approximate total for the year of 130 million dollars. Table 9 shows the distribution of the 1946 program.

73. A more detailed breakdown of the various items involved in the UNRRA program is given in Table 54 (see Appendices). In this tabulation it will be noted that solid and liquid fuels, required by practically all industries, comprise the principal expenditure for industrial supplies. Important factors, however, are steel, pig iron and alloying metals essential to the production of the many types of finished steels required for reconstruction of public utilities, the transport system and various industrial units. Rubber, with the supplementary compounding agents, also constitute an important expenditure in this program, since this item is

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TABLE 9

UNRRA Industrial Rehabilitation Program – 1946
(in Thousands of Dollars)

ITEM	TOTAL
Transport & Telecommunications	2,533
Building Industry	245
Solid Fuels	10,775
Liquid Fuels and Lubricants	35,745
Asphalt	2,675
Misc. Consumer Goods	50
Pig Iron	1,291.27
Semi-finished Steel	5,500
Finished Steel	1,859,576
Minerals	860
Metals & Alloying Elements	171
Tin	2,247
Copper	4,946
Nickel	1,306
Chemicals for Rubber	300
Coal Tar Chemicals	1,294,574
Intermediate Dyestuffs	70
Raw Materials for Paint, Varnish, Ink, Enamel and Synthetic Resins	1,215
Raw Materials for Carbon Electrodes	452.6
Industrial Wax	400
Sundry Products	850
Colophony	1,680
Rubber	11,673
Carbon Black	950
Cellulose & Lumber	2,500
Asbestos	600
Refractories	621
Clays	1,000
Industrial Rehab. Service	100
Surplus Procurement	750
GRAND TOTAL	127,455,000

given top priority in view of its importance in rehabilitation of the transport system and electrical transmission lines. Industrial chemicals, while relatively small in dollar value, are important for the reactivation of the process industries which form an important sector of the Italian industrial economy.

These materials are intended for processing by Italian firms for internal distribution in an effort to provide shoes and clothing to the needy classes at reasonable prices. Also, some small contracts are being negotiated with Italian firms for the manufacture of textile goods for export on UNRRA account and these will further contribute to the industrial revival of the country. The quantities of raw materials imported to be processed in Italy for consumer goods are as follows:

ITEM	Total (in thousands of U. S. dollars)
Raw Cotton	19,000
Raw Wool	25,500
Wool Rags	5,500
Hides	2,400
Tanning	500
Composition Soling	2,500
Tin Plate	520

Allocations.

75. An important development which was required in the use of UNRRA raw materials by Italian industry was a scheme for allocating and reporting on the use of such materials. A plan was developed jointly by the Italian Government, the Allied Commission, and the UNRRA Italian Mission in December 1945, in anticipation of the need for such a plan for the 1946 UNRRA program. The plan was implemented by setting up a Sub-Commission for Northern Italy in March 1946. The Joint Committee has since been authorized to cover the entire country through a commission structure specifically established for the determination of industrial policies. The final scheme filled two definite needs: first, it provided the Italian Government with a rational basis for making allocation of scarce materials to industry; and, second, it provided UNRRA with the necessary records of usage and consumption of imported supplies on the UNRRA and supplementary programs so that a basis was established for determining the contribution made by the UNRRA industrial rehabilitation program to the overall industrial recovery of Italy.

76. Briefly, the plan involves the requirement that each firm needing UNRRA raw materials will submit allocation requests to the Sub-Commission for the area in which the firm is located. This application covers such pertinent data as opening and closing inventories for the month, production for the previous month, and the firm's position with respect to finished goods. Considering all these factors, allocations are made consistent with the availability of imported raw materials (1).

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Declassified E.O. 12356 Sec. 3.3/NND No. 740001

ITEM	TOTAL
Transport & Telecommunications	2,533
Building Industry	215
Solid Fuels	40,775
Liquid Fuels and Lubricants	35,715
Asphalt	2,075
Misc. Consumer Goods	50
Pig Iron	4,201.27
Semi-finished Steel	5,300
Finished Steel	1,859.576
Minerals	860
Metals & Alloying Elements	171
Tin	2,247
Copper	4,349
Nickel	1,393
Chemicals for Rubber	500
Coal Tar Chemicals	4,264.554
Intermediate Dyestuffs	70
Raw Materials for Paint, Varnish, Ink, Enamel and Synthetic Resins	1,215
Raw Materials for Carbon Electrodes	452.6
Industrial Wax	400
Sundry Products	830
Colophony	1,589
Rubber	11,873
Carbon Black	950
Cellulose & Lumber	2,500
Asbestos	600
Refractories	821
Clays	1,066
Industrial Rehab. Service	100
Surplus Procurement	750
GRAND TOTAL	127,455,000

given top priority in view of its importance in rehabilitation of the transport system and electrical transmission lines. Industrial chemicals, while relatively small in dollar value, are important for the reactivation of the process industries which form an important sector of the Italian industrial economy.

74. In addition to the items specifically included in the industrial rehabilitation program, raw materials for textiles, shoes and other consumer goods form an important part of the total UNRRA Italian program, contribute to the industrial revival of the country. The quantities of raw materials imported to be processed in Italy for consumer goods are as follows:

ITEM	Total (in thousands of U.S. dollars)
Raw Cotton	19,000
Raw Wool	25,200
Wool Rags	5,500
Hides	2,400
Tanning	500
Composition Soling	2,000
Tin Plate	520

Allocations.

75. An important development which was required in the use of UNRRA raw materials by Italian industry was a scheme for allocating and reporting on the use of such materials. A plan was developed jointly by the Italian Government, the Allied Commission, and the UNRRA Italian Mission in December 1945, in anticipation of the need for such a plan for the 1946 UNRRA program. The plan was implemented by setting up a Sub-Commission for Northern Italy in March 1946. The Joint Committee has since been authorized to cover the entire country through a commission structure specifically established for the determination of industrial policies. The final scheme filled two definite needs: first, it provided the Italian Government with a rational basis for making allocation of scarce materials to industry; and, second, it provided UNRRA with the necessary records of usage and consumption of imported supplies on the UNRRA and supplementary programs so that a basis was established for determining the contribution made by the UNRRA industrial rehabilitation program to the overall industrial recovery of Italy.

76. Briefly, the plan involves the requirement that each firm needing UNRRA raw materials will submit allocation requests to the Sub-Commission for the area in which the firm is located. This application covers such pertinent data as opening and closing inventories for the month, production for the previous month, and the firm's position with respect to finished goods. Considering all these factors, allocations are made consistent with the availability of imported raw materials (1).

(1) A special report has been issued covering this plan and has been sent to Washington and to London. Also, the plan is discussed in some detail in Volume I, No. 20 of UNRRA Italy "Economic Notes," dated 31 May 1946.

Declassified E.O. 12356 Sec. 3.3/NND No. 783021

The plan was put into operation in North Italy on 15 March of this year, utilizing (as the agent of the Ministry of Industry and Commerce) the industrial committee structure which had been formed during the period of Allied Military Government. The necessary forms and procedures were developed jointly with UNRRA and issued by this group in March, thus providing data on the use of imported raw materials for the month of March and also providing the basis for making allocations for the month of May with some provision for modifications of April allocations. This form, used by individual firms for reporting stocks, usage, production and for requesting allocations, has been distributed at the provincial level by UPIC (Ufficio Provinciale Industria e Commercio, the Provincial Office of the Ministry of Industry and Commerce), along with the necessary instructions for completion. Distribution was first made from the Milan Office of the Sub-Commission through Gondrand, a national express company, and the estimated quantities of the various forms involved were delivered to UPIC prior to the first of each month. It has been the responsibility of the individual firm to obtain these forms from the UPIC office and to return them, properly executed, to this same office prior to the 5th of each month. Consistent with Italian practice, the firm is charged 1 lire for each form. Upon return of the request for allocations and supplementary information, each UPIC office reviews the applications which are submitted and makes pertinent comments, when possible, consistent with their knowledge of conditions with respect to the individual firms. In no case, however, does UPIC have final action, except on those allocations of small quantities of coal and POL which are directly under their control. As soon as possible, following the 5th of each month, the forms are picked up from each UPIC office and delivered to the office of the Northern Sub-Commission, where they are processed through the individual committees and the Sub-Commission to establish final allocations of the commodities involved in the "critical list." Each UPIC office submits monthly reports covering a complete list of allocations made under their jurisdiction for small quantities of coal and POL, which are required to complete the records of usage of these materials. At the same time, each UPIC office makes a request for their bulk allocations for the following month. Analysis of the distribution of the small allocations by industries is required from each UPIC. All individual applications are processed at the Sub-Commission level and in the absence of the Central Industrial Commission operating at the national level, allocations have been made by the Northern Sub-Commission with concurrence of the Milan Office of the Sub-Bureau of Industrial Rehab-

report and allocation form, one of which is retained by UPIC. Two copies are processed through the Sub-Commission; one copy is available for the UNRRA Sub-Bureau of Industrial Rehabilitation, the other being retained by the Northern Sub-Commission.

Determination of Prices.

77. The determination of prices for UNRRA-imported materials is handled jointly by the Italian Mission and interested agencies in the Italian Government and formalized by a letter from the Chief of the UNRRA Italian Mission. There is no fixed rule for determining prices of raw materials imported by UNRRA and sold by the Italian Government. Each commodity is treated as a separate case consistent with the problems involved with respect to the international price and the domestic markets for each commodity for the same item. Similarly, prices for manufactured goods produced from UNRRA raw materials are considered as individual cases on somewhat the same basis.

78. The pricing of coal raised a particularly interesting discussion of price policy between UNRRA and the Ministries concerned. The principle finally adopted was to estimate what the landed cost of coal (at current exchange rate) would be at the end of the UNRRA period of responsibility for Italy's basic imports, in other words, what Italy would have to pay for delivered coal when she had to go out on the market herself. On this basis a delivered price of $15 per ton was estimated (some $6 dollars below the present landed cost), and the internal price structure for solid fuel built around the lire equivalent of that figure. Previously, the high production costs of domestic coal and lignite had tended to dominate the price structure. The new schedule placed the domestic production in its proper perspective as a relatively minor factor in the total Italian solid fuel picture.

79. The industrial program for Italy has encountered many difficulties to date, due principally to world shortages of key materials and also shortfalls due to strikes and transportation difficulties in the United States. Recently the coal strike in the United States completely disrupted the rehabilitation program for a period of several months, causing a drastic coal conservation program to be adopted just when an increase in coal consumption was required to push the industrial reactivation toward its 1946 goal. These factors have rendered it impossible to restart essential industries at the level necessary to meet consumption requirements by the end of the year. Although the greatest part of the UNRRA industrial program was originally budgeted for importation during the first half of 1946, in fact the

Declassified E.O. 12356 Section 3.3/NND No. 763021

UNRRA and issued by this group in March, thus providing data on the use of imported raw materials for the month of March and also providing the basis for making allocations for the month of May with some provision for modifications of April allocations. This form, used by individual firms for reporting stocks, usage, production and for requesting allocations, has been distributed at the provincial level by UPIC (Ufficio Provinciale Industria e Commercio, the Provincial Office of the Ministry of Industry and Commerce), along with the necessary instructions for completion. Distribution was first made from the Milan Office of the Sub-Commission through Gondrand, a national express company, and the estimated quantities of the various forms involved were delivered to UPIC prior to the first of each month. It has been the responsibility of the individual firm to obtain these forms from the UPIC office and to return them, properly executed, to this same office prior to the 5th of each month. Consistent with Italian practice, the firm is charged 1 lire for each form. Upon return of the request for allocations and supplementary information, each UPIC office reviews the applications which are submitted and makes pertinent comments, when possible, consistent with their knowledge of conditions with respect to the individual firms. In no case, however, does UPIC have final action, except on those allocations of small quantities of coal and POL which are directly under their control. As soon as possible, following the 5th of each month, the forms are picked up from each UPIC office and delivered to the office of the Northern Sub-Commission, where they are processed through the individual committees and the Sub-Commission to establish final allocations of the commodities involved in the "critical list." Each UPIC office submits monthly reports covering a complete list of allocations made under their jurisdiction for small quantities of coal and POL, which are required to complete the records of usage of these materials. At the same time, each UPIC office makes a request for their bulk allocations for the following month. Analysis of the distribution of the small allocations by industries is required from each UPIC. All individual applications are processed at the Sub-Commission level and in the absence of the Central Industrial Commission operating at the national level, allocations have been made by the Northern Sub-Commission with concurrence of the Milan Office of the Sub-Bureau of Industrial Rehabilitation, UNRRA Italian Mission. Allocations made by the separate committees are coordinated by the Sub-Commission. Each firm submits three copies of the

Determination of Prices.

77. The determination of prices for UNRRA-imported materials is handled jointly by the Italian Mission and interested agencies in the Italian Government and formalized by a letter from the Chief of the UNRRA Italian Mission. There is no fixed rule for determining prices of raw materials imported by UNRRA and sold by the Italian Government. Each commodity is treated as a separate case consistent with the problems involved with respect to the international price and the domestic markets for each commodity for the same item. Similarly, prices for manufactured goods produced from UNRRA raw materials are considered as individual cases on somewhat the same basis.

78. The pricing of coal raised a particularly interesting discussion of price policy between UNRRA and the Ministries concerned. The principle finally adopted was to estimate what the landed cost of coal (at current exchange rate) would be at the end of the UNRRA period of responsibility for Italy's basic imports, in other words, what Italy would have to pay for delivered coal when she had to go out on the market herself. On this basis a delivered price of $15 per ton was estimated (some 86 dollars below the present landed cost), and the internal price structure for solid fuel built around the lire equivalent of that figure. Previously, the high production costs of domestic coal and lignite had tended to dominate the price structure. The new schedule placed the domestic production in its proper perspective as a relatively minor factor in the total Italian solid fuels picture.

79. The industrial program for Italy has encountered many difficulties to date, due principally to world shortages of key materials and also shortfalls due to strikes and transportation difficulties in the United States. Recently the coal strike in the United States completely disrupted the rehabilitation program for a period of several months, causing a drastic coal conservation program to be adopted just when an increase in coal consumption was required to push the industrial reactivation toward its 1946 goal. These factors have rendered it impossible to restart essential industries at the level necessary to meet consumption requirements by the end of the year. Although the greatest part of the UNRRA industrial program was originally budgeted for importation during the first half of 1946, in fact the bulk of UNRRA's industrial imports will be concentrated in the second half, and the recovery of Italian industry will get under way during that period.

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Declassified E.O. 12356 Section 3.3/NND No. 759021

SOURCES OF ENERGY

PART TWO - POWER AND MAIN INDUSTRIES

Electric Power.

30. Until new sources of energy (e.g. atomic power) become available, the only practical sources of motive power and heat are coal, mineral oils, natural gases, firewood and water-power.

31. Although water-power provides the largest share of Italy's energy requirements and represents the only sizable natural resources available to her, it is not so plentiful for a country of 46 million people as is generally believed. In 1941 about 18,500 million KWH were produced in Italy, corresponding to about 450 KWH per person per year. In the U.S., the Tennessee Valley Authority alone produced in 1941 at the rate of 12,000 million KWH per year (about 2,700 KWH per person per year in the TVA area). The total availability per capita is 1,700 in the U.S. as a whole.

32. The physical set-up of the electric power industry was, in 1938, as follows:

(a) The bulk of power stations were hydro-electric plants, of which there were 933 with a capacity of 3,940,000 Kw.

(b) The water-storage was accomplished by 92 water basins, with a total capacity of 1,583 million m³, which corresponds to 1,640 million KWH per year.

(c) There were in addition 199 thermal stations with a capacity of 856,000 Kw. These stations were extremely useful in maintaining output when the water in the reservoirs feeding the hydro plants dropped below the level at which maximum output could be maintained (i.e. in spring, before the thaw) and also in the case of breakdowns in the hydro-electric supply.

(d) The total length of very high-voltage power transmission lines, was 7,038 Km., and about 31,872 Km. H.V. (not less than 20 KV) lines. These figures do not include the 3-phase lines [illegible]

TABLE 10

Development of the Electric Power Industry

(Maximum possible output in million KWH)

Years	1938	1939	1940	1941	1942
Hydro-electric . .	13,176	16,425	17,384	18,654	17,841
Thermal	387	1,172	1,196	1,208	1,521
Imported. . . .	213	213	252	232	247
	13,776	17,810	18,832	20,094	19,609

33. It was estimated in 1937 that the upper technical limit of the development of Italy's water-power resource was 57,000 million KWH per year, of which, however, only 32,000 million KWH were considered within the realm of industrial possibility. Accordingly in 1940 plans were prepared further to increase the production up to 25,000 and possibly 30,000 million KWH.

35. *The capital invested* in the electrical industry is very large. The total value of the physical facilities (expressed in 1938 lire) was estimated in 1940 as follows:

Value of generating plants . .	18,000 million
" transporting & transforming plants . .	11,500 million
" distribution plants. .	8,000 million
	37,500 million (1938 lire)

expressed in 1938 dollars, the total figure would be equivalent to $1,973 million.

36. Damage was sustained to power installations in all regions of Italy. The most extensive war damage was suffered by high-tension transmission lines. The poor system of Southern Italy, where the Germans had time [illegible] and the system

Declassified E.O. 12356 Section 3.3/NND No. 785005

Electric Power.

80. Until new sources of energy (e.g. atomic power) become available, the only practical sources of motive power and heat are coal, mineral oils, natural gases, firewood and water-power.

81. Although water-power provides the largest share of Italy's energy requirements and represents the only sizable natural resources available to her, it is not so plentiful for a country of 46 million people as is generally believed. In 1941 about 18,500 million KWH were produced in Italy, corresponding to about 450 KWH per person per year. In the U.S., the Tennessee Valley Authority alone produced in 1944 at the rate of 12,000 million KWH per year (about 2,700 KWH per person per year in the TVA area). The total availability per capita is 1,700 in the U.S. as a whole.

82. The physical set-up of the electric power industry was, in 1938, as follows:

(a) The bulk of power stations were hydro-electric plants, of which there were 933 with a capacity of 3,940,000 Kw.

(b) The water-storage was accomplished by 92 water basins, with a total capacity of 1,583 million m^3, which corresponds to 1,640 million KWH per year.

(c) There were in addition 199 thermal stations with a capacity of 856,000 Kw. These stations were extremely useful in maintaining output when the water in the reservoirs feeding the hydro plants dropped below the level at which maximum output could be maintained (i.e. in spring, before the thaw) and also in the case of breakdowns in the hydro-electric supply.

(d) The total length of very high-voltage power transmission lines, was 7,038 Km., and about 31,872 Km. H.V. (not less than 20 KV) lines. These figures do not include the 3-phase lines system, which had a total length of 53,660 Km.

83. The electric power industry was one of Italy's faster-developing activities. Its expansion is shown in the following table:—

TABLE 10

Development of the Electric Power Industry

(Maximum possible output in million KWH)

Years	1938	1939	1940	1941	1942
Hydro-electric . .	13,176	16,425	17,281	18,654	17,841
Thermal	387	1,172	1,190	1,208	1,521
Imported	213	213	252	232	247
	13,776	17,810	18,832	20,094	19,609

84. It was estimated in 1937 that the upper technical limit of the development of Italy's water-power resource was 57,000 million KWH per year, of which, however, only 32,000 million KWH were considered within the realm of industrial possibility. Accordingly in 1940 plans were prepared further to increase the production up to 25,000 and possibly 30,000 million KWH.

85. *The capital invested* in the electrical industry is very large. The total value of the physical facilities (expressed in 1938 lire) was estimated in 1940 as follows:

Value of generating plants . .	18,900 million	
" transporting & transforming plants . .	11,500 million	
" distribution plants . .	8,000 million	
	37,500 million	(1938 lire)

expressed in 1938 dollars, the total figure would be equivalent to $1,973 million.

86. Damage was sustained to power installations in all regions of Italy. The most extensive war damage was suffered by high-tension transmission lines. The poor system of Southern Italy, where the Germans had time enough to carry out their demolition, and the system of Central Italy, where heavy front-line battles were fought, are among the sectors of the Italian industry which suffered most from war damage.

Declassified E.O. 12356 Section 3.3/NND No. 759001

87. Rehabilitation work was started by the Allied Military Government as soon as new areas were liberated and then continued by the Allied Commission. The work done in this field by the A.M.G. and A.C. enabled much of the rehabilitation of the destroyed and damaged lines and plants to be quickly and efficiently undertaken.

88. In 1945, the production of electric power was 12,830 million KWH a reduction of 4.31 % from the 1944 figure of 13,408 million KWH and a drop of 35.41 % from the all-time high in 1941 (19,862 million KWH). In Italy electric power availability is largely affected by the amount of precipitation. The 1945 drought therefore substantially reduced the supply of electric power, necessitating the institution of electricity rationing during the winter of 1945-46 even in Northern Italy where virtually no power facilities were destroyed by the war.

89. Central Italy was hardest hit by the deficiency in electric power, the 1945 figure there being 67.50 % below the 1941 level. In Southern Italy, production in 1945 was 27.51 % higher than in 1944 as a result of the refitting of old sources of electric power, though it was still 41.71 % lower than in 1941.

90. Production of electric power, by regions, is summarized in the following table:

TABLE 11

Electric Power Produced in thousand of kilowatt hours

REGION	1941	1945	1945 compared with 1944	1945 compared with 1941
Northern Italy . .	10,679,256	10,065,113	— 5.75%	— 26.31%
Central Italy . .	1,434,123	1,188,041	— 17.16%	— 67.50%
Southern Italy . .	943,631	1,203,243	+ 27.51%	— 41.71%
Italian Islands .	850,572	373,361	— 6.50%	— 22.87%
	13,407,583	12,829,759	— 4.31%	— 35.41%

91. It is estimated that in 1948 full output of power stations can again be restored by effecting repairs to all plants capable of operation. This estimate is based on the assumption that materials, specifically copper, rubber and varnishes, requested through UNRRA for this work will arrive without undue delay.

92. The electro-chemical applications and electrical industrial heating have an important part in the Italian industrial pattern as a consequence of the relative abundance of electric power and the scarcity of all fuels. The following table shows how the electric energy was used.

TABLE 12

Consumption of Electric Energy by Type of Application(1)

(in percentages)

Activities	Motive Power	Lighting Heating Electrolytic	Traction	Total
Agriculture	1.1	0.4	—	1.5
Industries & Services	42.8	34.3	0.5	77.1
Transport & Communications	1.5	0.3	10.5	12.3
Commerce, Public Ser. Household	2.8	6.0	—	8.8
TOTAL .	48.0	41.0	11.0	100.0

Source: Censimento Industriale e Commerciale 1937-38, Vol. I Industrie: "Appendix on Statistics of Electric Machinery."

(1) The complete breakdown by consumers is shown in Table 46. The difference between electric energy produced and consumed represents distribution losses.

COAL

Requirements.

93. The important part which coal plays in the Italian economy can never be overstressed. Italy, being so poorly supplied with resources of her own, has to rely on imports from abroad. The extent to which Italy can be rehabilitated is, therefore, inextricably linked

94. Despite the considerable development of hydro-electric power in Italy, Italian industry is nevertheless essentially based on solid fuels, as evidenced by the fact that in 1940 the consumption was 17,054,000 metric tons. Of this 13,679,000 tons were imported and 3,375,000 tons were produced in Italy. Allowing for the poor quality of domestically-produced solid fuels, the total consumption in 1940 "in terms of hard coal" (i.e. in tons of solid fuels of the quality then

Declassified E.O. 12356 Section 3.3/NND No. 785011

undertaken.

88. In 1945, the production of electric power was 12,830 million KWH a reduction of 4.31 % from the 1944 figure of 13,408 million KWH and a drop of 35.41 % from the all-time high in 1941 (19,862 million KWH). In Italy electric power availability is largely affected by the amount of precipitation. The 1945 drought therefore substantially reduced the supply of electric power, necessitating the institution of electricity rationing during the winter of 1945-46 even in Northern Italy where virtually no power facilities were destroyed by the war.

89. Central Italy was hardest hit by the deficiency in electric power, the 1945 figure there being 67.59 % below the 1941 level. In Southern Italy, production in 1945 was 27.51 % higher than in 1944 as a result of the refitting of old sources of electric power, though it was still 41.71 % lower than in 1941.

90. Production of electric power, by regions, is summarized in the following table:

TABLE 11

Electric Power Produced in thousand of kilowatt hours

REGION	1941	1945	1945 compared with 1944	1945 compared with 1941
Northern Italy . .	10,679,256	10,065,118	— 5.75%	— 26.31%
Central Italy . .	1,431,124	1,168,041	— 17.16%	— 67.59%
Southern Italy . .	949,631	1,293,244	+ 27.51%	— 41.71%
Italian Islands . .	350,572	373,361	+ 6.50%	— 22.87%
	13,407,583	12,829,759	— 4.31%	— 35.41%

92. The electro-chemical applications and electrical industrial heating have an important part in the Italian industrial pattern as a consequence of the relative abundance of electric power and the scarcity of all fuels. The following table shows how the electric energy was used.

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Consumption of Electric Energy by Type of Application(1)

(in percentages)

Activities	Motive Power	Lighting Heating Electrolytic	Traction	Total
Agriculture	1.1	0.4	—	1.5
Industries & Services	42.6	34.3	0.5	77.4
Transport & Communications	1.5	0.3	10.5	12.3
Commerce, Public Ser. Household	2.8	6.0	—	8.8
TOTAL .	48.0	41.0	11.0	100.0

Source: Censimento Industriale e Commerciale 1937-38, Vol. I, Industrie: "Appendix on Statistics of Electric Machinery."

(1) The complete breakdown by consumers is shown in Table 46. The difference between electric energy produced and consumed represents distribution losses.

COAL

Requirements.

93. The important part which coal plays in the Italian economy can never be overstressed. Italy, being so poorly supplied with resources of her own, has to rely on imports from abroad. The extent to which Italy can be rehabilitated is, therefore, inextricably linked with the ability of the large coal-producing countries to make coal available for export to Italy, and Italy's ability to pay for it.

94. Despite the considerable development of hydro-electric power in Italy, Italian industry is nevertheless essentially based on solid fuels, as evidenced by the fact that in 1940 the consumption was 17,054,000 metric tons. Of this 13,679,000 tons were imported and 3,375,000 tons were produced in Italy. Allowing for the poor quality of domestically-produced solid fuels, the total consumption in 1940 "in terms of hard coal" (i.e. in tons of solid fuels of the quality then imported) amounted to approximately 16 million tons. A breakdown of the total consumption by major industries and other consumers is given in Table 14.

Declassified E.O. 12356 Sec. Section 3.3/NND No. 785021

95. Imports of coal and coke into Italy in 1931 to 1943 were as follows:

TABLE 13

(in thousands of tons)

Year	Total
1931	12,737
1935	14,589
1936	9,263
1937	12,926
1938	12,130
1939	11,275
1940	13,692
1941	11,580
1942	10,793
1943 (six months) (1)	6,212

(1) Imports for the whole of Italy, including imports from Germany, during second half 1943, in 1944 and first half 1945 are not available.

96. In war time (1939-1944) all the coal had to come by rail from Germany. In 1945 industrial activity came almost to a standstill because of the interruption of the coal supply line.

97. During the period of Allied Military responsibility in South and Central Italy, and during the first months after liberation of the North, little or no coal could be supplied to private consumers, and industry not being first in priority, got next to nothing.

98. From 1 October 1945, the period of military responsibility ceased and the Coal Division, Allied Commission, was entrusted with the entire responsibility for the requisition, importation and distribution of all coal and coke for civilian consumption and also charged with the same responsibility for British military purposes.

99. During the period September through December 1945 loadings, the coal for civilian consumption was included in the F.E.A. supply program. Unfortunately, due to procurement difficulties, strikes in the United States, and delayed sailings in October and December, the F.E.A. shipment program was not completed until February 1946.

100. Apart from one cargo of British coal received early in January 1946, UNRRA supplies did not reach Italy until March; UNRRA assumed the responsibility

101. Coal arrivals for the first quarter of 1946 are given in Table 14. They are a good index of the industrial and economic activity during that period.

102. In estimating the solid fuels requirements for the year 1 July 1946 to 30 June 1947, the anticipated essential industrial activity has been carefully estimated with due regard to the following important factors:

(a) Though a great part of the Italian industrial potential has emerged undamaged from the war, it must not be forgotten that Italian docks, roads, and railways were severely damaged by air bombing, and that the country from the South up to the "Gothic" line was bitterly fought over, with resultant inevitable destruction of communications, essential public works, and other important installations.

(b) In the present world food situation, it is evident that Italy will have to be self-reliant to the maximum extent for the next two or three years at least in order to maintain a minimum nutritional level. For this purpose the maximum agricultural rehabilitation is imperative. Consequently re-activation of fertilisers and other coal-consuming activities connected with agricultural rehabilitation, as well as the improvement of transport resources, should be pressed to the utmost practicable.

103. Bearing in mind the above considerations, the estimated minimum quantity of solid fuels which it is required to import in the year amounts to 10,269,000 tons, made up as shown in Table 11. After adding to this figure the maximum estimated indigenous production of solid fuels (reduced to the thermal equivalent of imported solid fuels), which is expected to reach 1,300,000 tons, the total consumption planned by the Government equals 12,069,000 tons, which is nearly equivalent to 75 % of the consumption in 1940.

104. This requirement is based on the assumption that the quality of the imported coal supplied will be approximately equivalent to the quality of coal imported before the war. Coal recently imported from the United States has had a high ash and volatile substance content and has been of low thermal value and of poor quality as regards sizing. Consequently specific consumption in the various branches of industries has risen in an alarming manner: the specific consumption of [illegible] and rolling mills for instance has increased

Declassified E.O. 12356, Section 3.3/NND No. 785021

Year	Total
1934	12,757
1935	14,589
1936	9,265
1937	12,926
1938	12,139
1939	11,275
1940	13,602
1941	11,580
1942	10,793
1943 (six months) (1)	6,242

(1) Imports for the whole of Italy, including imports from Germany, during second half 1943, in 1944 and first half 1945 are not available.

96. In war time (1939-1944) all the coal had to come by rail from Germany. In 1945 industrial activity came almost to a standstill because of the interruption of the coal supply line.

97. During the period of Allied Military responsibility in South and Central Italy, and during the first months after liberation of the North, little or no coal could be supplied to private consumers, and industry not being first in priority, got next to nothing.

98. From 1 October 1945, the period of military responsibility ceased and the Coal Division, Allied Commission, was entrusted with the entire responsibility for the requisition, importation and distribution of all coal and coke for civilian consumption and also charged with the same responsibility for British military purposes.

99. During the period September through December 1945 loadings, the coal for civilian consumption was included in the F.E.A. supply program. Unfortunately, due to procurement difficulties, strikes in the United States, and delayed sailings in October and December, the F.E.A. shipment program was not completed until February 1946.

100. Apart from one cargo of British coal received early in January 1946, UNRRA supplies did not reach Italy until March. UNRRA assumed the responsibility for the major supply of Italian coal needs as of and from 1 March. At the European Coal Office Conference of January 1946, 432,000 tons were set up for loading in February and again in March from the United States, and 18,000 tons per month from South Africa, making a total of 450,000 tons monthly.

year 1 July 1946 to 30 June 1947, the anticipated essential industrial activity has been carefully estimated with due regard to the following important factors:

(a) Though a great part of the Italian industrial potential has emerged undamaged from the war, it must not be forgotten that Italian docks, roads, and railways were severely damaged by air bombing, and that the country from the South up to the "Gothic" line was bitterly fought over, with resultant inevitable destruction of communications, essential public works, and other important installations.

(b) In the present world food situation, it is evident that Italy will have to be self-reliant to the maximum extent for the next two or three years at least in order to maintain a minimum nutritional level. For this purpose the maximum agricultural rehabilitation is imperative. Consequently reactivation of fertilisers and other coal-consuming activities connected with agricultural rehabilitation, as well as the improvement of transport resources, should be pressed to the utmost practicable.

103. Bearing in mind the above considerations, the estimated minimum quantity of solid fuels which it is required to import in the year amounts to 10,269,000 tons, made up as shown in Table 14. After adding to this figure the maximum estimated indigenous production of solid fuels (reduced to the thermal equivalent of imported solid fuels), which is expected to reach 1,800,000 tons, the total consumption planned by the Government equals 12,069,000 tons, which is nearly equivalent to 75 % of the consumption in 1940.

104. This requirement is based on the assumption that the quality of the imported coal supplied will be approximately equivalent to the quality of coal imported before the war. Coal recently imported from the United States has had a high ash and volatile substance content and has been of low thermal value and of poor quality as regards sizing. Consequently specific consumption in the various branches of industries has risen in an alarming manner: the specific consumption of steel works and rolling mills for instance has increased to nearly double what it was before the war.

105. The program of imports is related to essential industrial requirements and to a high priority for necessary repair and rehabilitation (e.g. of railroads).

Declassified E.O. 12356 Section 3.3/NND No. 763021

TABLE 14

106. The following comparative table shows:

(a) Solid fuel imports during first quarter 1946.
(b) Minimum requirements during first quarter 1947.
(c) Minimum requirements period 1 July 1946 to 30 June 1947.

CATEGORY OF CONSUMERS	(a) Imports First Quarter 1946		(b) Min. Requirements First Quarter 1947		(c) Min. Requirements 1 July 1946 to 30 June 1947	
	Coal	Coke	Coal	Coke	Coal	Coke
State Railways	352,000	—	474,000	—	1,904,000	—
Secondary Railways & Internal Navigation	45,000	—	60,000	—	240,000	—
Bunkers	45,000	—	45,000	—	180,000	—
Iron Industry	98,000	30,200	209,000	77,000	769,000	387,000
Pig Iron Foundries	—	15,000	—	36,000	—	144,000
Non-ferrous metals	25,000	8,000	63,000	17,000	250,000	69,000
General Engineering	37,000	30,000	54,000	75,000	207,000	285,000
General Electrotechnics	8,000	3,000	18,000	9,000	61,000	35,000
Building materials	130,000	15,000	270,000	30,000	1,280,000	357,000
Ceramics and glass	31,000	2,000	95,000	10,000	378,000	37,000
Chemicals	65,000	10,000	180,000	40,000	677,000	207,000
Textiles	60,000	—	156,000	—	572,000	—
Food Processing	35,000	—	47,000	25,000	405,000	145,000
Paper	16,000	—	37,000	—	183,000	—
Rubber	14,000	—	36,000	—	113,000	—
Leather & tanning extracts	1,000	—	12,000	—	18,000	—
Coke ovens	120,000	— 78,000	580,000	— 392,000	2,157,000	—1,508,000
Gas Works	185,000	— 83,000	270,000	— 135,000	1,080,000	— 540,000
Power Stations	97,000	—	103,000	—	375,000	—
Domestic use	75,000	24,000	280,000	120,000	612,000	278,000
Bakeries	40,000	—	60,000	—	240,000	—
Hospitals	60,000	20,000	60,000	30,000	247,000	113,000
Agriculture	—	—	—	—	80,000	—
Total	1,522,000	2,200	3,106,000	—	12,869,000	—
Internal production (in terms of coal)	358,000	—	450,000	—	1,800,000	—
Imports	1,164,000	2,200	2,656,000	—	10,269,000	—

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Declassified E.O. 12356 Section 3.3/NND No. 785021

(b) Minimum requirements during first quarter 1947.
(c) Minimum requirements period 1 July 1946 to 30 June 1947.

CATEGORY OF CONSUMERS	(a) Imports First Quarter 1946		(b) Min. Requirements First Quarter 1947		(c) Min. Requirements 1 July 1946 to 30 June 1947	
	Coal	Coke	Coal	Coke	Coal	Coke
State Railways	372,000	—	474,000	—	1,904,000	—
Secondary Railways & Internal Navigation	45,000	—	60,000	—	240,000	—
Bunkers	15,000	—	45,000	—	180,000	—
Iron Industry	98,000	36,200	209,000	77,000	769,000	387,000
Pig Iron Foundries	—	15,000	—	36,000	—	144,000
Non-ferrous metals	35,000	8,000	63,000	15,000	250,000	59,000
General Engineering	37,000	30,000	54,000	73,000	207,000	286,000
General Electrotechnics	8,000	3,000	18,000	9,000	61,000	35,000
Building materials	130,000	15,000	270,000	100,000	1,260,000	357,000
Ceramics and glass	31,000	2,000	95,000	10,000	378,000	37,000
Chemicals	65,000	10,000	180,000	40,000	677,000	207,000
Textiles	60,000	—	156,000	—	572,000	—
Food Processing	35,000	—	47,000	25,000	405,000	145,000
Paper	16,000	—	57,000	—	183,000	—
Rubber	11,000	—	36,000	—	143,000	—
Leather & tanning extracts	4,000	—	12,000	—	48,000	—
Cokeries	120,000	— 78,000	360,000	— 392,000	2,155,000	— 1,508,000
Gas Works	185,000	— 83,000	270,000	— 135,000	1,080,000	— 540,000
Power Stations	97,000	—	103,000	—	375,000	—
Domestic use	75,000	24,000	280,000	120,000	612,000	278,000
Bakeries	40,000	—	60,000	—	240,000	—
Hospitals	60,000	29,000	60,000	30,000	247,000	113,000
Agriculture	—	—	—	—	80,000	—
Total	1,522,000	2,200	3,106,000	—	12,069,000	—
Internal production (in terms of coal)	358,000	—	150,000	—	1,800,000	—
Imports	1,164,000	2,200	2,956,000	—	10,269,000	—

Note.—In the table above, actual allocations during the first quarter 1946 are shown as a comparison with 1947 to give an idea of the extent to which the lack of coal has retarded the rehabilitation of industry.

0540
Declassified E.O. 12356 Section 3.3/NND No. 785021

Allocation Procedure.

107. As an example of how the UNRRA Mission works with the Italian Government in allocating the imported supplies it is interesting to examine in some detail the coal allocation procedure.

(a) Immediately the tonnage allocated to Italy for any one month becomes known, UNRRA advises the Italian Government, requesting that a tentative allocation program, including the requirements of the State Railroads, be drawn up by category of consumers. A monthly meeting is held in the first days of each month under the auspices of UNRRA's Italian Mission with the representatives of the Ministry of Industry and Commerce, Ministry of Transport (State Railways and Central Coal Office) and of Allied units concerned, under the chairmanship of the Under-Secretary for Industry, Ministry of Industry and Commerce. At this meeting the quantities available for the following month and allocations are discussed in detail.

(b) The requirements of each category of consumers are carefully examined, considering also the proposed allocations of Sardinian coal, lignites and fuel oil, with the intention of utilizing to the maximum advantage all quantities available in view of the general rehabilitation program of Italy.

(c) Should a substantial change of the monthly quantity available occur, the competent Italian departments are immediately advised and a new meeting is convened to examine and discuss the proposed readjustments.

(d) When the final program is agreed, a breakdown allocation to the consumers, belonging to each category, is prepared by the Rome Coal Office of the Ministry of Industry and Commerce for the regions of Central and South Italy and by the Milan Coal Office of the same Ministry for the regions of North Italy, following the directives laid down at the general meeting.

108. With the limited quantity of coal available to Italy it was necessary to establish a system of priorities of allocation. During the period of hostilities, this was handled within the AM Regions and, because of the very meager supply of coal, industry received almost nothing.

109. At the end of hostilities, coal available to Italy began to increase so that industry really began to come into the picture. A series of priorities was established dustry could survive, bakeries for the nation's bread (although full emphasis was placed on the ability of the bakeries to use a large proportion of fuel wood), and hospitals on an extremely limited scale. The balance was divided among all industries, giving preference to those which:

(a) provided the Italian people with essential goods,
(b) assisted most in the rehabilitation of Italy,
(c) gave the most employment.

110. Thus the industries having high priority varied from time to time as the internal situation changed. Further, attempts were made to tie-in the coal allocated with the arrival of other materials, e.g. the arrival of raw cotton necessitated a higher allocation to the textile industry over the period of the processing.

111. In the expectation of a coal strike in the U.S. (which eventually took place), a "Coal Emergency Committee" was convened by Dr. Lombardo, Under-Secretary of the Ministry of Industry and Commerce, with instructions to meet for the purpose of reviewing existing stocks, re-examining the claims of various industries and revising allocations in the light of their importance to Italy's economy and with the desire to alleviate labor lay-off as much as possible. The first meeting took place on 18 March 1946, and the Committee has met several times every week since.

112. It was considered advisable to allocate 945,609 tons of coal for consumption up to the end of June, leaving aside 55,391 tons, which, together with 19,800 tons held by electric power plants not functioning at present in the North of Italy and 4,000 tons stocked at the port of Savona, would constitute an emergency reserve stock of about 79,000 tons to be allocated only when a complete picture of the most urgent requirements was made available. With the recent allocation of coking coals and metallurgical coke from the Ruhr a stimulus has been given to the iron and steel industry. The quantities are, however, still below requirements.

Production of Solid Fuels in Italy.

113. One of Italy's greatest handicaps is the limited local production of solid fuels, which covers only 15 % of the national requirements. These fuels, practically all of inferior quality, and in no way equal to the bituminous or soft coals received from abroad, are found in various fields scattered all over the country. They may be grouped in four classes: xiloid lignites, black lignite, Sulcis and Arsa coals, and anthracite.

Declassified E.O. 12356 Section 3.3/NND No. 759809

(a) Immediately the tonnage allocated to Italy for any one month becomes known, UNRRA advises the Italian Government, requesting that a tentative allocation program, including the requirements of the State Railroads, be drawn up by category of consumers. A monthly meeting is held in the first days of each month under the auspices of UNRRA's Italian Mission with the representatives of the Ministry of Industry and Commerce, Ministry of Transport (State Railways and Central Coal Office) and of Allied units concerned, under the chairmanship of the Under-Secretary for Industry, Ministry of Industry and Commerce. At this meeting the quantities available for the following month and allocations are discussed in detail.

(b) The requirements of each category of consumers are carefully examined, considering also the proposed allocations of Sardinian coal, lignites and fuel oil, with the intention of utilizing to the maximum advantage all quantities available in view of the general rehabilitation program of Italy.

(c) Should a substantial change of the monthly quantity available occur, the competent Italian departments are immediately advised and a new meeting is convened to examine and discuss the proposed readjustments.

(d) When the final program is agreed, a breakdown allocation to the consumers, belonging to each category, is prepared by the Rome Coal Office of the Ministry of Industry and Commerce for the regions of Central and South Italy and by the Milan Coal Office of the same Ministry for the regions of North Italy, following the directives laid down at the general meeting.

108. With the limited quantity of coal available to Italy it was necessary to establish a system of priorities of allocation. During the period of hostilities, this was handled within the AM Regions and, because of the very meager supply of coal, industry received almost nothing.

109. At the end of hostilities, coal available to Italy began to increase so that industry really began to come into the picture. A series of priorities was established which first of all cut off "non-essential" uses of coal; the stringency of the position can be gauged from the fact that no coal whatever was allocated for domestic consumption even during the winter. Then certain "musts" were supplied—railways, without which no in-

ence to those which:

(a) provided the Italian people with essential goods,
(b) assisted most in the rehabilitation of Italy,
(c) gave the most employment.

110. Thus the industries having high priority varied from time to time as the internal situation changed. Further, attempts were made to tie-in the coal allocated with the arrival of other materials, e.g. the arrival of raw cotton necessitated a higher allocation to the textile industry over the period of the processing.

111. In the expectation of a coal strike in the U.S. (which eventually took place), a "Coal Emergency Committee" was convened by Dr. Lombardo, Under-Secretary of the Ministry of Industry and Commerce, with instructions to meet for the purpose of reviewing existing stocks, re-examining the claims of various industries and revising allocations in the light of their importance to Italy's economy and with the desire to alleviate labor lay-off as much as possible. The first meeting took place on 18 March 1946, and the Committee has met several times every week since.

112. It was considered advisable to allocate 945,609 tons of coal for consumption up to the end of June, leaving aside 55,391 tons, which, together with 19,800 tons held by electric power plants not functioning at present in the North of Italy and 4,000 tons stocked at the port of Savona, would constitute an emergency reserve stock of about 79,000 tons to be allocated only when a complete picture of the most urgent requirements was made available. With the recent allocation of coking coals and metallurgical coke from the Ruhr a stimulus has been given to the iron and steel industry. The quantities are, however, still below requirements.

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Xiloid lignites.

114. Xiloid lignite mines are found on the mainland, and also in Sicily. Considerable efforts were made, especially during the war, to increase the output, and the yearly production of 525,000 tons in 1936 was in-

Declassified E.O. 12356 Section 3.3/NND No. 759001

creased, during the war, to about 2,000,000 tons. The present yearly output is estimated at around 1,300,000 tons which, owing to the high percentage of moisture and ash, represents only 600,000 tons in terms of coal.

Black Lignite (Lignite Picea).

115. Black lignite, of a far better quality than xiloid, reaching a calorific value of 5,500/6,000 thermal units, is produced mainly in the Florence district (Ribolla). The yearly output, raised from 83,000 tons in 1936 to over 350,000 tons during the war, is estimated now to be approximately 325,000 tons, representing 246,000 tons in terms of coal.

Sulcis and Arsa Coals.

116. Sulcis and Arsa coals, practically of the same quantity, are produced respectively in Sardinia and in the Istrian Peninsula. The yearly output of the Arsa mines, now under the control of Yugoslavia, had been increased from 289,000 tons in 1934 to 1,161,000 tons in 1942, the latter being equal to approximately 900,000 tons in terms of bituminous coal. The Sulcis coal production had received an even greater impulse, but the hard living conditions of the miners in the immediate post-war period, together with the lack of necessary equipment and difficulties of transporting the coal to the mainland, had caused a considerable decrease in the production, as may be seen by the following figures:

Sulcis (Sardinia) Coal Production

	Tons		Tons
1931	53,000	1946: Jan.	61,467
1933	77,500	Feb.	71,577
1936	161,000	Mar.	88,660
1937	267,000	Apr.	92,000
1938	466,000	May.	88,000
1939	558,000		
1940	805,000		
1941	950,000		
1942	1,041,000		
1943	NA		
1944	375,378		
1945	601,600		

N.A.=Not available.

118. Since the liberation of Italy the Allied Commission had appreciated the importance of this source of fuel for Italy and every help was given to increase the rate of production. With this same view the UNRRA Mission in Italy gave its whole-hearted support to bring the production up to its former level. A higher output of this coal, which would render it also more economical, is of the utmost importance for the rehabilitation of Italy. To obtain this, UNRRA granted extra rations of food and clothing to the miners, and recommended that sufficient sea transport be made available to ship to the Italian ports the quantities produced and those stock-piled during the previous period.

119. It may be considered due also to these efforts that the production was 92,000 tons in April 1946, 89,000 tons in May and 73,000 tons in June. As from July 1946, the yearly production is expected to reach 1,200,000 tons, representing about 940,000 tons in terms of good bituminous coal.

Anthracite.

120. A small quantity of anthracite, of poor quality due to the high ash content, is also produced in Italy, mainly in the northern district of Turin, where it is generally used by local consumers. Strenuous efforts had been made during the war to bring up the yearly production to about 150,000 tons, but owing to the various difficulties involved, the present yearly output is not expected to exceed 100,000 tons.

Coal Imports.

121. The chief source of coal to Italy prior to the war, was Europe. The following table shows comparative sources during four pre-war years:

TABLE 15

Coal Imported Into Italy

(In thousands of tons)

	1913		1924		1933		1938	
		%		%		%		%
Germany . .	970	8.9	1,358	39.0	2,201	25.0	7,003	58.8
U. K.	9,400	86.8	1,896	52.8	4,747	54.0	2,290	19.2
Poland. . . .	—	—	1	—	652	7.4	1,637	13.7
U. S. A. . .	9	0.1	337	4.8	6	0.1	—	—
Others . . .	451	4.8	87	3.4	1,184	13.5	885	8.3

Declassified E.O. 12356 Section 3.3/NND No. 745021
0543

115. Black lignite, of a far better quality than xiloid, reaching a calorific value of 5,500/6,000 thermal units, is produced mainly in the Florence district (Ribolla). The yearly output, raised from 83,000 tons in 1936 to over 350,000 tons during the war, is estimated now to be approximately 325,000 tons, representing 216,000 tons in terms of coal.

Sulcis and Arsa Coals.

116. Sulcis and Arsa coals, practically of the same quantity, are produced respectively in Sardinia and in the Istrian Peninsula. The yearly output of the Arsa mines, now under the control of Yugoslavia, had been increased from 289,000 tons in 1934 to 1,161,000 tons in 1942, the latter being equal to approximately 900,000 tons in terms of bituminous coal. The Sulcis coal production had received an even greater impulse, but the hard living conditions of the miners in the immediate post-war period, together with the lack of necessary equipment and difficulties of transporting the coal to the mainland, had caused a considerable decrease in the production, as may be seen by the following figures:

Sulcis (Sardinia) Coal Production

	Tons		Tons
1934	53,000	1946: Jan.	61,467
1935	77,500	Feb.	74,577
1936	161,000	Mar.	88,660
1937	307,000	Apr.	92,000
1938	466,000	May.	80,000
1939	558,000		
1940	805,000		
1941	950,000		
1942	1,041,000		
1943	NA		
1944	375,378		
1945	601,600		

N.A.=Not available.

117. The Sardinian mines, subsidized by the State, are owned by the Società Carbonifera Sarda, and the allocation of the coal to consumers is arranged by the Government, in agreement with UNRRA.

put of this coal, which would render it also more economical, is of the utmost importance for the rehabilitation of Italy. To obtain this, UNRRA granted extra rations of food and clothing to the miners, and recommended that sufficient sea transport be made available to ship to the Italian ports the quantities produced and those stock-piled during the previous period.

119. It may be considered due also to these efforts that the production was 92,000 tons in April 1946, 89,000 tons in May and 73,000 tons in June. As from July 1946, the yearly production is expected to reach 1,200,000 tons, representing about 940,000 tons in terms of good bituminous coal.

Anthracite.

120. A small quantity of anthracite, of poor quality due to the high ash content, is also produced in Italy, mainly in the northern district of Turin, where it is generally used by local consumers. Strenuous efforts had been made during the war to bring up the yearly production to about 150,000 tons, but owing to the various difficulties involved, the present yearly output is not expected to exceed 100,000 tons.

Coal Imports.

121. The chief source of coal to Italy prior to the war was Europe. The following table shows comparative sources during four pre-war years:

TABLE 15

Coal Imported Into Italy

(in thousands of tons)

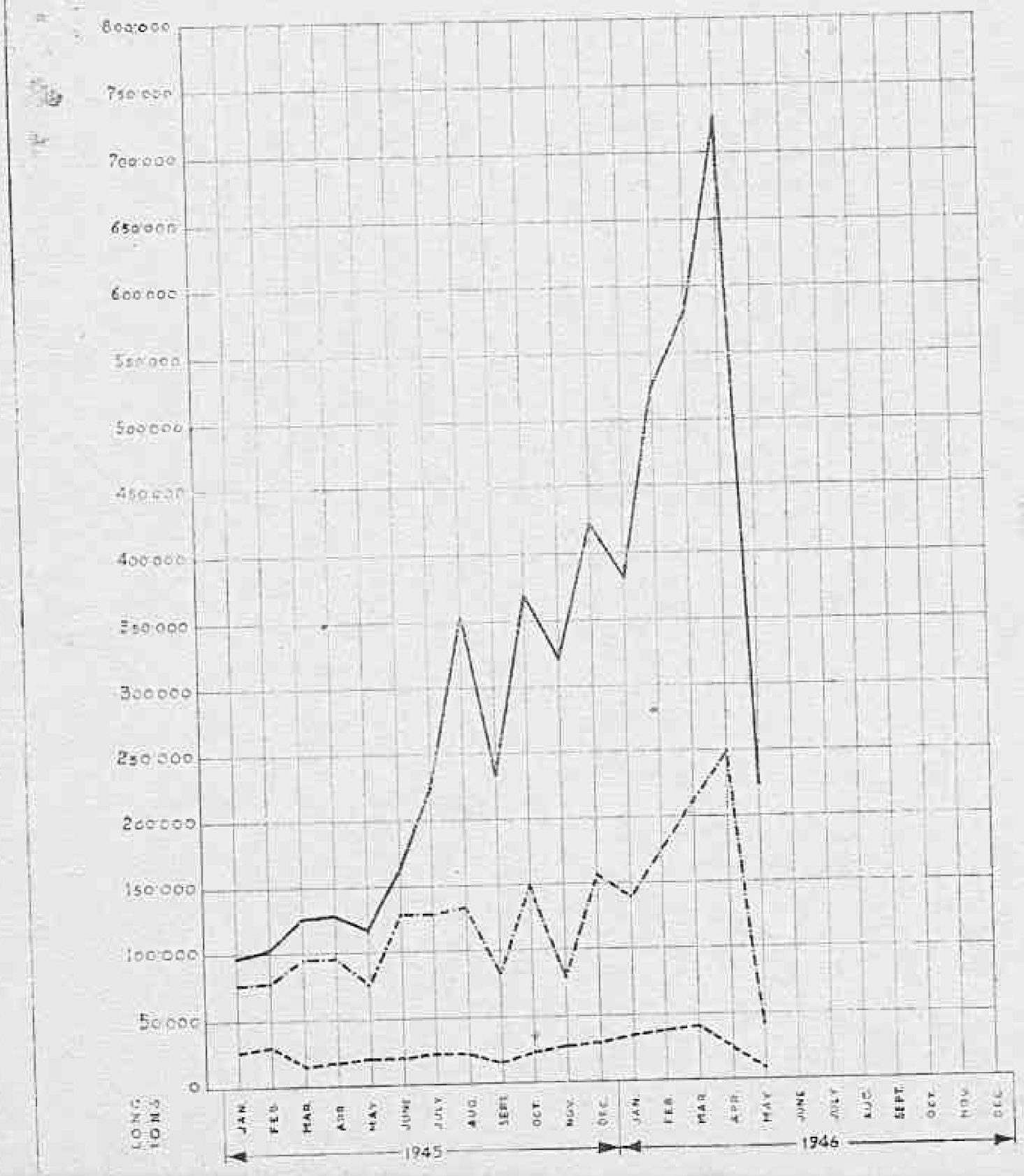
	1913		1923		1933		1938	
		%		%		%		%
Germany . .	970	8.9	4,358	39.0	2,201	25.0	7,003	58.8
U. K.	9,400	86.8	5,896	52.8	4,747	54.0	2,296	19.2
Poland. . .	—	—	1	—	652	7.4	1,637	13.7
U. S. A. . .	9	0.1	537	4.8	6	0.1	—	—
Others. . . .	451	4.2	378	3.4	1,184	13.5	985	8.3
TOTAL	10,830	100.0	11,170	100.0	8,790	100.0	11,915	100.0

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 16

IMPORTED COAL DISCHARGES
ITALY, SICILY & SARDINIA

——— Civilian
– – – – Railways
- - - - - - Military + Miscellaneous (Incl. V. Giulia - Udine)



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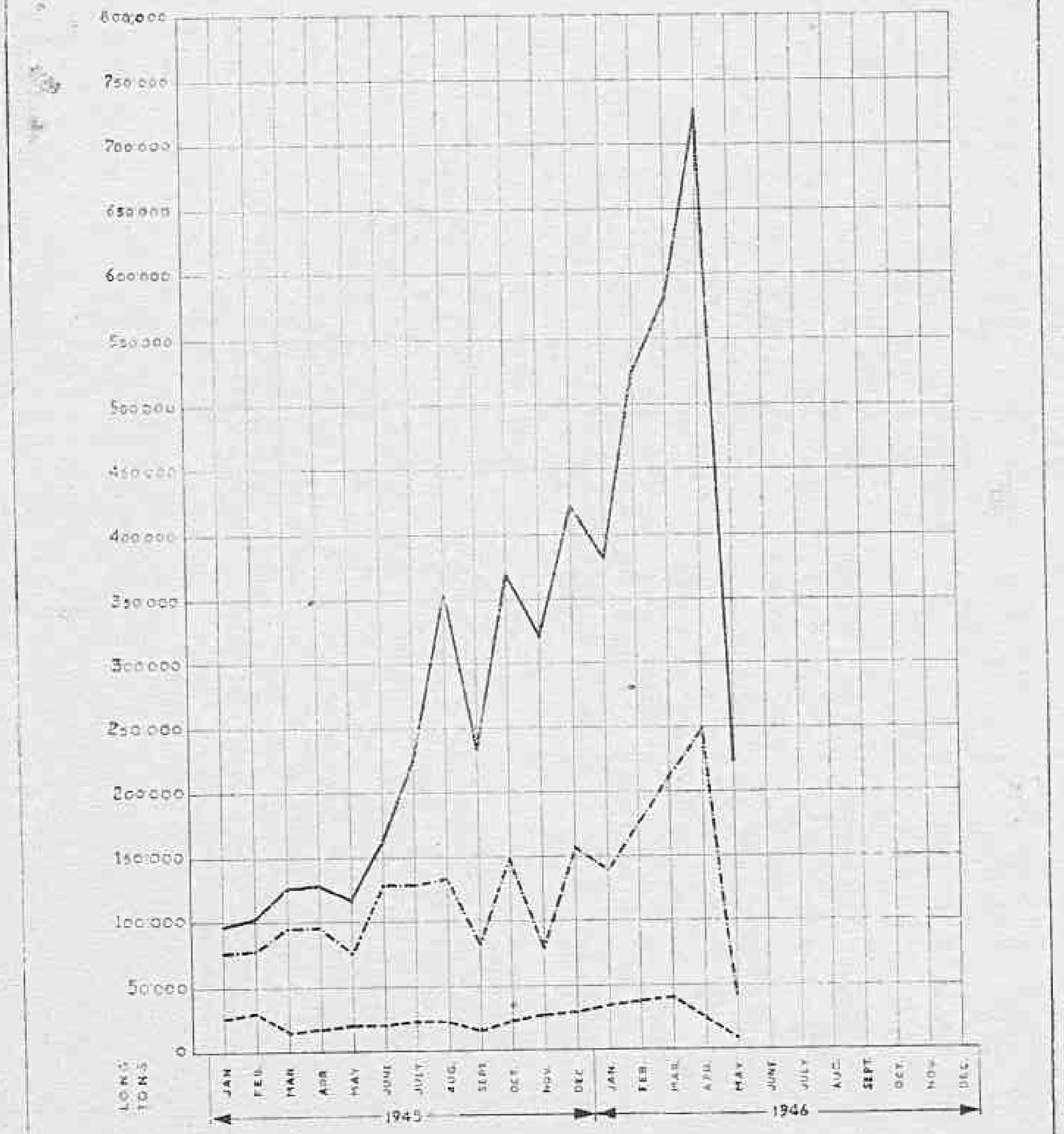
Declassified E.O. 12356 Section 3.3/NND No. 759001

IMPORTED COAL DISCHARGES
ITALY, SICILY & SARDINIA

——— Civilian
– – – – Railways
– – – – – Military + Miscellaneous (Incl V. Giulia - Udine)



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Declassified E.O. 12356 Section 3.3/NND No. 795021

122. From this table it will be seen that the end of the war produced a difficult problem regarding the source from which coal could be obtained for Italy. The production of the greatest supplier, Germany, was nil, that of the U.K. not sufficient, nor that of Poland, which left only the USA and other countries. Thus the bulk of the supplies for Italy brought in by UNRRA had to come from the USA. The great disadvantage of this has been the extra cost. It is estimated that coal from the Ruhr costs 8.5 dollars per ton, plus 5 dollars per ton freight, i.e. 13.5 dollars, against USA coal at 7 dollars per ton plus freight 13 dollars, a total of 20 dollars per ton. This would represent, on an allocation of 200,000 tons of Ruhr coal, a saving over US coal of about 8 million dollars.

123. Thus UNRRA efforts have been directed continuously towards obtaining allocations of fuel from Europe. Italy's case was presented to the European Coal Organization, whose meetings a representative of UNRRA attended. The imports of coal from January to June 1946 have been as follows:

Countries of Origin of Imported Coal
Discharged in Italy under the UNRRA Program 1946

(tons)

Country of origin	Jan.	Feb.	Mar.	Apr.	May	June
U. S. A. . .	—	—	382,186	641,944	223,439	61,234
South Africa	—	1,559	25,391	18,007	16,824	17,651
U. K. . . .	4,084	—	—	—	8,600	11,307
Bahrein .					7,470	8,308
Germany . .	—	—	—	—	8,019	9,244
	4,084	1,559	407,577	659,951	264,352	107,744

124. The graph (Table 16) shows the quantity of coal discharged in Italy in the period January 1945 to May 1946. As has been explained, Italian industry is essentially dependent on the supply of solid fuel from outside and her industries operate in direct proportion to the amount of fuel available. From the graph it can readily be seen that industry from January to May 1945 (before the liberation of the North) was at a very low ebb; after the liberation came the "battle for coal" and, with some set-backs, the supply increased month by month, enabling industry to regain some of its previous production. The sharp decline at the end of the graph is due, of course, to the coal strike in the USA; the special measures taken to meet this emergency have been explained elsewhere.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

LIQUID FUELS

General.

125. Production of liquid fuels in Italy is practically non-existent—annually not more than 13,000 tons. Italy must therefore rely on imports of POL (1) from outside sources. To meet the total civilian requirements the following approximate quantities are required annually (2):

TABLE 17

Normal Annual Requirements for Finished Petroleum Products

	Tons
Gasoline (Automotive)	509,000
Gasoline (Aviation)	35,000
Solvent Gasoline	6,000
Mineral White Spirit	15,000
Kerosene	180,000
Diesel Oil	350,000
Fuel Oil	1,000,000
Lubricating Oils and Greases	115,250
Transformer Oil	6,000
Vaseline Oil	3,750
Paraffin	27,000
Bitumen	80,000
Total	2,330,000

126. With the shortage of coal and, during the winter, of electric power, the tendency has been to use more fuel oil in industry. When crudes are imported again (thus reducing costs in Italy) it is likely that this trend towards fuel oil instead of coal will be more marked, particularly if more economical distribution methods, such as pipe-lines, are introduced.

Procurement and Distribution.

127. During the periods when the military and FEA were responsible for the civil import program, procurement and distribution of POL were handled by the military (Petroleum Section of Allied Force Headquarters). Allocations made by Petroleum Section, which amounted to some 40 % of normal pre-war requirements, were administered through a special Allied-Italian committee, CIP (Comitato Italiano Petroli).

128. Under the FEA program (October 1945-January 1946) a distinction was made between the civilian program and certain special requirements called the Italian National Program. The latter consisted of POL for the Italian Armed Forces, the diplomatic corps, and other consumers not strictly part of the Italian civil population. The Italian Government paid from its own funds for the Italian national requirements.

129. When UNRRA assumed financial responsibility for the civil import program, it continued the system of military procurement and shipment. Thus POL is turned over to the Italian Government by issues from military storage facilities to CIP. The distribution under rationing controls is then watched by UNRRA, which receives reports of end-use allocations from CIP, the distributing agency.

130. The actual procurement of present importations is handled by ANPB (US Army and Navy Petroleum Board) as agent of UNRRA, on receipt of advice as to monthly requirements from UNRRA for civilian use and from the Italian Technical Mission in Washington for Italian National requirements. Since the bulk storage tanks in Italy are not capable of accepting separate shipments for both US and British Forces, as well as UNRRA and Italian National importations, "pool storage" is used and bulk shipments are all consigned to the military, who release required quantities for UNRRA and Italian National consumption.

131. CIP has more than 100 internal storage points in use, fed by road and rail from the port installations, from which distribution is made to the consumer.

132. The consumption of POL imported with UNRRA

Declassified E.O. 12356 Section 3.3/NND No. 785021

side sources. To meet the total civilian requirements the following approximate quantities are required annually (2):

TABLE 17

Normal Annual Requirements
for Finished Petroleum Products

	Tons
Gasoline (Automotive)	500,000
Gasoline (Aviation)	35,000
Solvent Gasoline	6,000
Mineral White Spirit	15,000
Kerosene	180,000
Diesel Oil	350,000
Fuel Oil	1,000,000
Lubricating Oils and Greases	115,250
Transformer Oil	6,000
Vaseline Oil	3,750
Paraffin	25,000
Bitumen	80,000
TOTAL	2,316,000

126. With the shortage of coal and, during the winter, of electric power, the tendency has been to use more fuel oil in industry. When crudes are imported again (thus reducing costs in Italy) it is likely that this trend towards fuel oil instead of coal will be more marked, particularly if more economical distribution methods, such as pipe-lines, are introduced.

(1) Petrol, oils and lubricants.

(2) See Table 20 on crude oil refining for comparison of these needs with refinery capacities.

military (Petroleum Section of Allied Force Headquarters). Allocations made by Petroleum Section, which amounted to some 40 % of normal pre-war requirements, were administered through a special Allied-Italian committee, CIP (Comitato Italiano Petroli).

128. Under the FEA program (October 1945-January 1946) a distinction was made between the civilian program and certain special requirements called the Italian National Program. The latter consisted of POL for the Italian Armed Forces, the diplomatic corps, and other consumers not strictly part of the Italian civil population. The Italian Government paid from its own funds for the Italian national requirements.

129. When UNRRA assumed financial responsibility for the civil import program, it continued the system of military procurement and shipment. Thus POL is turned over to the Italian Government by issues from military storage facilities to CIP. The distribution under rationing controls is then watched by UNRRA, which receives reports of end-use allocations from CIP, the distributing agency.

130. The actual procurement of present importations is handled by ANPB (US Army and Navy Petroleum Board) as agent of UNRRA, on receipt of advice as to monthly requirements from UNRRA for civilian use and from the Italian Technical Mission in Washington for Italian National requirements. Since the bulk storage tanks in Italy are not capable of accepting separate shipments for both US and British Forces, as well as UNRRA and Italian National importations, "pool storage" is used and bulk shipments are all consigned to the military, who release required quantities for UNRRA and Italian National consumption.

131. CIP has more than 100 internal storage points in use, fed by road and rail from the port installations, from which distribution is made to the consumer.

132. The consumption of POL imported with UNRRA funds is controlled by allotting quantities each month to each Province and by the issue of coupons. The following table shows the allocation for the months February through May 1946:

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 18

Allocations of Petrol, Kerosene and Diesel Oil by consumption categories, February - May 1946

(in tons)

CATEGORY	PETROL			KEROSENE		
	Febr.	March	April	Febr.	March	April
Transport	11,184	12,268	12,239	18	47	17
Industry	700	792	862	429	464	484
Railways	400	400	330	83	83	88
Fishing Boats	110	120	120	130	200	250
Coastal Schooners	180	200	250	5	5	8
Malaria Control	—	—	—	—	23	—
Agriculture	175	306	410	2,533	5,083	6,303
Cars	2,575	3347	3,018	6	—	—
Lighting	—	—	—	1,009	1,098	1,700
TOTAL	15,720	17,433	17,889	5,253	7,003	8,850

TABLE 19

Estimated Italian P. O. L. requirements, July 1946 through June 1947

(Firm demand yet to be formulated and justified)

	(tons)
Automotive Gasoline	300,000
Aviation Gas	35,000
Diesel Oil	300,000
Kerosene	160,000
Fuel Oil	1,000,000
Lubricants and Greases	66,000
Paraffin	20,000
Solvents	6,000
White Spirits	15,000
Asphalt (Paving)	75,000
TOTAL	1,977,000

Future Requirements.

133. If the controls on the use of petroleum are maintained, the requirements for the year 1 July 1946 to 30 June 1947 should be met by the following quantities:

134. Importation of finished products for essential purposes can be reduced by whatever quantity it is found possible to refine locally from imported crude. The importation of crude is important to help Italy to save foreign exchange.

135. It will be seen that the quantities above are less than those shown in Table 17, particularly as regards gasoline. This is because gasoline is allocated on a priority basis, based on essential need as far as automobiles are concerned, and that the road transport fleet in Italy is below normal. Therefore if, as has been recommended, the controls are maintained on the consumption of gasoline, the quantity of 300,000 tons should be sufficient for Italy's essential requirements: this reduced figure is, of course, responsible for the reduction in lubricants required.

CRUDE OIL REFINING

Pre-War Position of the Refining Industry.

136. Italy has practically no production of crude oil within present national boundaries. However, during the period of occupation of Albania, the oil resources of that country were rapidly exploited, and in 1939 production had reached an estimated figure of 207,000 tons for the year. Also, the acquisition of Albanian oil gave considerable impetus to the development of refineries under Italian ownership.

137. Prior to the availability of Albanian crude, several refineries had been constructed in Italy by foreign interests, and in 1939 the total refining capacity of the [illegible] estimated figure of 1,760,000

1,500,000 tons for the year due to limited availability of foreign crude oil.

138. Table 20 shows the capacities of the various refineries in Italy in terms of the important products which can be produced.

War Damage.

139. The oil refineries in Italy were badly damaged by bombing or German demolition to the point of complete stoppage with the exception of the ANIC plant at Bari, which is in operating condition. War damage to the other plants is being gradually repaired, and at present it is estimated that approximately 11,000 bar-

Declassified E.O. 12356 Section 3.3/NND No. 759001

CATEGORY	PETROL.			KEROSENE		
	Febr.	March	April	Febr.	March	April
Transport . .	11,484	12,368	12,239	48	47	17
Industry . . .	700	792	802	429	461	464
Railways . .	400	400	399	83	83	88
Fishing Boats .	110	120	120	130	290	250
Coastal Schooners .	180	209	250	5	3	8
Malaria Control .	—	—	—	—	23	—
Agriculture . .	175	306	110	2,533	5,083	6,303
Cars	2,575	3,347	3,619	6	—	—
Lighting . . .	—	—	—	1,999	1,998	1,700
TOTAL	15,720	17,433	17,839	5,233	7,903	8,830

Future Requirements.

133. If the controls on the use of petroleum are maintained, the requirements for the year 1 July 1946 to 30 June 1947 should be met by the following quantities:

	(Tons)
Automotive Gasoline	300,000
Aviation Gas	35,000
Diesel Oil	300,000
Kerosene	180,000
Fuel Oil	1,000,000
Lubricants and Greases . . .	66,000
Paraffin	20,000
Solvents	6,000
White Spirits	15,000
Asphalt (Paving)	75,000
TOTAL	1,977,000

134. Importation of finished products for essential purposes can be reduced by whatever quantity it is found possible to refine locally from imported crude. The importation of crude is important to help Italy to save foreign exchange.

135. It will be seen that the quantities above are less than those shown in Table 17, particularly as regards gasoline. This is because gasoline is allocated on a priority basis, based on essential need as far as automobiles are concerned, and that the road transport fleet in Italy is below normal. Therefore if, as has been recommended, the controls are maintained on the consumption of gasoline, the quantity of 300,000 tons should be sufficient for Italy's essential requirements; this reduced figure is, of course, responsible for the reduction in lubricants required.

CRUDE OIL REFINING

Pre-War Position of the Refining Industry.

136. Italy has practically no production of crude oil within present national boundaries. However, during the period of occupation of Albania, the oil resources of that country were rapidly exploited, and in 1939 production had reached an estimated figure of 207,000 tons for the year. Also, the acquisition of Albanian oil gave considerable impetus to the development of refineries under Italian ownership.

137. Prior to the availability of Albanian crude, several refineries had been constructed in Italy by foreign interests, and in 1939 the total refining capacity of the country had reached an estimated figure of 1,760,000 tons per year. This capacity was sufficient to supply approximately 80 % of Italian needs; but, in 1938, the total production from the refineries amounted to only 1,500,000 tons for the year due to limited availability of foreign crude oil.

138. Table 20 shows the capacities of the various refineries in Italy in terms of the important products which can be produced.

War Damage.

139. The oil refineries in Italy were badly damaged by bombing or German demolition to the point of complete stoppage with the exception of the ANIC plant at Bari, which is in operating condition. War damage to the other plants is being gradually repaired, and at present it is estimated that approximately 11,000 barrels per day of crude oil can be processed through topping and thermal cracking installations. Also, five hydrogenation units at Bari are in operating condition,

Declassified E.O. 12356 Section 3.3/NND No. 785021

At the present time there are no facilities in operating condition in Italy for the manufacture of lubricating oils and waxes.

Post-War Position of Crude Oil Refining.

140. In spite of adverse crude oil prices, it is evident that a resumption of operation of the refineries is desirable in the Italian economy even though existing price structure for crude oil are such as to maintain rather high prices on finished petroleum products in Italy. As a measure to save foreign exchange, UNRRA began in 1946 an import program of crude oil in order to start those refineries which are in a position to function immediately.

141. In the post-war economy, petroleum as a source of hydrocarbons fills an important position in the chemical field; as yet this phase of the refining industry has not been developed in Italy. There is little doubt that the Italian economy will require a number of organic chemicals produced from petroleum and its derivatives. This is a future development which should receive early attention in this country.

Methane Fuel.

142. Intensive exploitation of methane gas (natural gas) both from seepages and drilled wells during the war years has resulted in a production of some 3,795,000 cubic feet per day, which is equivalent to 730 bbls. of gasoline or 520 bbls. of fuel oil if burned for industrial purposes.

TABLE 20

Annual capacities of Italian oil refineries

(in tons)

PRODUCTS	A.N.I.C. Livorno	A.N.I.C. Bari	AGIP P. Marghera	ROMSA Fiume	VACUMM Napoli	SIAP Trieste	AQUILA Trieste	INPET La Spezia	FERMOLIO Rome Milan	Total	Approx. needs of Italy
Gasoline	100,000	100,000	120,000	30,000	80,000	20,000	40,000	110,000	10,000	610,000	500,000
Kerosene	—	—	50,000	14,000	17,000	10,000	15,000	50,000	1,000	157,000	180,000
Gas Oil	40,000	40,000	70,000	20,000	60,000	4,000	40,000	61,000	5,000	340,000	350,000
Fuel Oil	80,000	40,000	70,000	—	—	10,000	75,000	10,000	30,000	315,000	1,000,000
Petroleum Coke	5,000	—	10,000	—	10,000	—	—	30,000	—	55,000	40,000
Bitumen	—	20,000	—	15,000	10,000	16,000	12,000	—	20,000	93,000	80,000
Lub. Oils high grade	30,000	—	—	8,000	17,000	—	8,000	—	—	63,000	30,000
Lub. Oils other grades	30,000	—	—	7,000	6,000	20,000	7,000	—	6,000	76,000	75,000
Paraffin	15,000	—	—	1,000	500	—	3,000	—	—	19,500	25,000
TOTAL	300,000	200,000	320,000	95,000	200,500	80,000	200,000	260,000	73,000	1,758,500	2,300,000

CHEMICAL AND ALLIED INDUSTRIES

Introduction.

143. It is convenient to group with the chemical industry certain logically associated industries, such as artificial fibers, cellulose and paper, oil and fats, and

expanded its manufacturing facilities to the point where it was beginning to approach France in the size and diversity of its chemical operations. Germany, England and France, in that order, were leaders in European chemical production.

144. In Italy, this group of industries gave employ-

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

140. In spite of adverse crude oil prices, it is evident that a resumption of operation of the refineries is desirable in the Italian economy even though existing price structure for crude oil are such as to maintain rather high prices on finished petroleum products in Italy. As a measure to save foreign exchange, UNRRA began in 1946 an import program of crude oil in order to start those refineries which are in a position to function immediately.

derivatives. This is a future development which should receive early attention in this country.

Methane Fuel.

142. Intensive exploitation of methane gas (natural gas) both from seepages and drilled wells during the war years has resulted in a production of some 3,795,000 cubic feet per day, which is equivalent to 780 bbls. of gasoline or 520 bbls. of fuel oil if burned for industrial purposes.

TABLE 20

Annual capacities of Italian oil refineries

(In tons)

PRODUCTS	A.N.I.C.		AGIP	ROMSA	VACUMM	SIAP	AQUILA	INFET	PERM-OLIO	Total	Approx. needs of Italy
	Livorno	Bari	P. Marghera	Fiume	Napoli	Trieste	Trieste	La Spezia	Rome Milan		
Gasoline	100,000	100,000	120,000	30,000	80,000	20,000	40,000	110,000	10,000	610,000	500,000
Kerosene	—	—	30,000	14,000	17,000	10,000	15,000	30,000	1,000	157,000	180,000
Gas Oil	40,000	40,000	70,000	20,000	80,000	4,000	40,000	40,000	6,000	340,000	350,000
Fuel Oil	80,000	40,000	70,000	—	—	10,000	75,000	40,000	30,000	345,000	1,000,000
Petroleum Coke	5,000	—	10,000	—	10,000	—	—	30,000	—	55,000	40,000
Bitumen	—	20,000	—	15,000	10,000	18,000	12,000	—	20,000	93,000	80,000
Lub. Oils high grade	30,000	—	—	8,000	17,000	—	8,000	—	—	63,000	50,000
Lub. Oils other grades	30,000	—	—	7,000	6,000	20,000	7,000	—	6,000	76,000	75,000
Paraffin	15,000	—	—	1,000	500	—	3,000	—	—	19,500	25,000
TOTAL	300,000	200,000	320,000	95,000	260,500	80,000	200,000	230,000	73,000	1,758,500	2,300,000

CHEMICAL AND ALLIED INDUSTRIES

Introduction.

143. It is convenient to group with the chemical industry certain logically associated industries, such as artificial fibers, cellulose and paper, oil and fats, and soap. The principal developments of Italian chemical and allied industries, which hereinafter will be described simply as "chemical industry," took place in the main during 1919-29. Prior to the war, Italy had steadily expanded its manufacturing facilities to the point where it was beginning to approach France in the size and diversity of its chemical operations. Germany, England and France, in that order, were leaders in European chemical production.

144. In Italy, this group of industries gave employment in 1937 to 128,000 persons. The total value of the production was about 9 billion lire, of which about 500 million were paid in wages.

Declassified E.O. 12356 Section 3.3/NND No. 758021

115. Classifying the various industries according to their percentage share of added value, the list would read as follows: Distillation of (imported) coal, 11.7 %; Distillation and refining of (imported) mineral oils, 8.6 %; Chemical nitrogen, 8.4 %; Pharmaceutical products, 8.1 %; Soap and allied products, 7.0 %; Sulphuric acid, phosphate fertilizers and allied products, 6.7 %; Alkali, chlorine, etc. 4.2 %; Varnishes, paints, 2.4 %.

116. The development of the chemical industry is shown by the following comparison of its production indices with those of the Italian industry as a whole.

TABLE 21

Chemical Industry, Production Indices

Base Year 1922			Base Year 1928		
	General Industrial Activity	Chemical Industry		General Industrial Activity	Chemical Industry
1922	100	100	1928	100	100
1925	157.3	156.0	1933	102.4	139.7
1929	204.5	187.2	1938	107.5	142.6
			1940	120	157.2

War Damage.

117. The havoc of war fell with unequal intensity on the Italian chemical industry in that by far the greater part of the damage occurred in the center and south. Taken as a whole, the damage relative to the national economy was small and, for purposes of illustration only, may be set at 10 to 15 %, of the total physical plant. Except in the case of the explosives industry, which was perhaps 50 % destroyed by Allied air bombing, the great majority of the destruction was by enemy sabotage as the Germans retired slowly up the Peninsula. A very rough estimate of the original damage done, according to industries, is as follows:

Superphosphate	— 25 %
Nitrogenous fertilizer	— 50 %
Copper Sulphate	— 33 %
Calcium Carbide	— 25 %
Caustic Soda and Soda Ash	— 10 — 20 %
Coke Ovens	— 50 %
Paper Mills	— 10 %
Artificial Fiber	— 20 %

118. In general, it cannot be said that war damage [illegible] such perceptibly retarded the revival of the Italian ful whether the industry operated at even as much as 20 % of normal. With the increasing rate of arrival of Allied raw material, the position has substantially improved and the rate of activity may have reached 50 % of pre-war, but, of course, not in all branches. For example, the important rayon industry is operating at little over 5 % through lack of coal and cellulose, which latter, although scheduled for import under the Italo-Swedish trade agreement, has not yet arrived in substantial quantities.

119. On the other hand, superphosphate production is being pushed steadily to the maximum of existing capacity, but here also the volume of the necessary phosphate rock has until recently been low. With increased regularity of substantial shipments of rock from French North Africa, it is expected shortly to reach a monthly output of 75,000 tons of superphosphate, which represents 30 % of existing capacity or 60 % of pre-war capacity.

Influence of Allied Assistance.

150. In 1944, under the military "Disease and Unrest" Program, the first flow of raw materials to the central and southern regions was initiated. This took the form, principally, of some 30,000 tons of phosphate rock, which was shipped from Tunisia during the last few months of the year on military account.

151. During the early part of 1945, the flow of rock continued until a total of 100,000 tons had been delivered, but little other raw materials were obtainable, despite an intense effort to convert surplus military ammunition and cartridge cases into fertilizers and copper sulphate, respectively. Until the mid-year the industry was stagnant, with here and there certain factories starting into production on a hand-to-mouth basis. For example, the Solvay Company's soda ash plant resumed operations on a reduced scale in the spring. A few sulphuric acid plants were able to start operations, thanks to the ample deposits of high-grade pyrites on the Italian mainland, copper sulphate manufacture began at three of four plants and by mid-year, half a dozen electrolytic caustic soda and chlorine plants were working. These, plus a few miscellaneous activities, such as glue manufacture, carbon bisulphide and three rayon plants, represented the general status of the economic recovery.

152. By the fall of 1945, four coke ovens—two of them large ones, namely, S. Giuseppe di Cairo and Vetrocoke, were able to get enough suitable coal in stock to justify their reactivation. This immediately released from idleness a number of subsidiary plants whose

Declassified E.O. 12356 Sec. 3.3/NND No. 785001

6.7 %; Alkali, chlorine, etc. 4.2 %; Varnishes, paints, 2.4 %.

146. The development of the chemical industry is shown by the following comparison of its production indices with those of the Italian industry as a whole.

TABLE 21

Chemical Industry, Production Indices

Base Year 1922			Base Year 1928		
	General Industrial Activity	Chemical Industry		General Industrial Activity	Chemical Industry
1922	100	100	1928	100	100
1925	137.3	156.9	1933	102.4	130.7
1929	204.5	187.2	1938	107.5	142.6
			1940	120	157.2

War Damage.

147. The havoc of war fell with unequal intensity on the Italian chemical industry in that by far the greater part of the damage occurred in the center and south. Taken as a whole, the damage relative to the national economy was small and, for purposes of illustration only, may be set at 10 to 15 % of the total physical plant. Except in the case of the explosives industry, which was perhaps 50 % destroyed by Allied air bombing, the great majority of the destruction was by enemy sabotage as the Germans retired slowly up the Peninsula. A very rough estimate of the original damage done, according to industries, is as follows:

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Calcium Carbide	— 25 %
Caustic Soda and Soda Ash	— 10 — 20 %
Coke Ovens	— 50 %
Paper Mills	— 10 %
Artificial Fiber	— 20 %

148. In general, it cannot be said that war damage as such perceptibly retarded the revival of the Italian chemical industry for the reason that, until quite recently, there prevailed a chronic shortage of every form of raw material. Thus, during 1945, it is doubtful if more than 5 % of the capacity of the sulphuric acid industry was in operation, this being due to the lack of pyrites, which latter, although scheduled for import under the Italo-Swedish trade agreement, has not yet arrived in substantial quantities.

149. On the other hand, superphosphate production is being pushed steadily to the maximum of existing capacity, but here also the volume of the necessary phosphate rock has until recently been low. With increased regularity of substantial shipments of rock from French North Africa, it is expected shortly to reach a monthly output of 75,000 tons of superphosphate, which represents 80 % of existing capacity or 60 % of pre-war capacity.

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151. During the early part of 1945, the flow of rock continued until a total of 100,000 tons had been delivered, but little other raw materials were obtainable, despite an intense effort to convert surplus military ammunition and cartridge cases into fertilizers and copper sulphate, respectively. Until the mid-year the industry was stagnant, with here and there certain factories starting into production on a hand-to-mouth basis. For example, the Solvay Company's soda ash plant resumed operations on a reduced scale in the spring. A few sulphuric acid plants were able to start operations, thanks to the ample deposits of high-grade pyrites on the Italian mainland, copper sulphate manufacture began at three of four plants and by mid-year, half a dozen electrolytic caustic soda and chlorine plants were working. These, plus a few miscellaneous activities, such as glue manufacture, carbon bisulphide and three rayon plants, represented the general status of the economic recovery.

152. By the fall of 1945, four coke ovens—two of them large ones, namely, S. Giuseppe di Cairo and Vetrocoke, were able to get enough suitable coal in stock to justify their reactivation. This immediately released from idleness a number of subsidiary plants whose existence depends on benzol, toluol, naphthalene and coal tar, by-products of coke-oven operation. By the year's end the flow of raw materials from abroad com-

Declassified E.O. 12356 Section 3.3/NND No. 759021

ing in under the "YT Program" (financed through the Troop-Pay Fund, granted to the Italian Government by the United States) furnished certain much-needed basic raw materials, including petroleum coke and blister copper.

153. At the same time, the flow of fuel in the form of coal and petroleum products continued on a rising curve so that by the spring of 1946, the general situation became much easier and would have continued to improve but for the disastrous effects of the threat and actuality of the US coal strike, which compelled Italy to retrench in all its coal-consuming industries. Thus, the chemical industry was gravely affected in all its branches, excepting the manufacture of sulphuric acid, superphosphate and copper sulphate, which do not require coal.

154. Typical of the chemical industry as a whole are the following statistical data of the Montecatini concern, which is by far the largest in the chemical field:

TABLE 22

"Montecatini Group"
Production Indices for the Group as a Whole and for its Chemical Division (65 % of total in 1938)

Year	All Operations	Chemicals
1938	100	100
1939	108.6	108.6
1940	118.6	121.0
1941	122.7	128.3
1942	123.6	111.7
1943 first half:	107.2	102.0
1943 second half:	78.3	73.0
1944	44.7	38.4
1945 Jan.	12.2	12.4
» Feb.	12.3	10.5
» March	12.6	10.7
» April	7.2	7.3
» May	7.7	9.4
» June	9.1	10.4
» July	12.1	14.8
» Aug.	12.8	14.3
» Sept.	16.3	15.4
» Oct.	22.7	20.1
» Nov.	21.7	17.8
» Dec.	23.5	21.3

155. The table above shows the production indices of the most important branch of the Montecatini group, i.e. chemicals (1), the output of which represents nearly two-thirds of the total production of this great industrial combine. Chemical production commenced to fall in the second half of 1943 and continued falling until April 1945. Production then revived and in March 1946 was one-third of 1938.

UNRRA's Assistance to the Chemical Industry.

156. Under UNRRA's present plan for industrial rehabilitation, the following value of raw materials is being asked on Italy's behalf:

	$
Heavy Chemicals	3,500,000
Industrial Fats and Oils	12,000,000 (2)
Pharmaceuticals	8,000,000
TOTAL	23,500,000

157. The full extent of the proposed UNRRA assistance to the Italian chemical industry can be seen in Table 51, "Revised Industrial Requirements for 1946" (See Apendices). Largely because of the inevitable delays in procurement and arrivals, the reactivation program has fallen behind. With the US coal strike settled, there appear to be no serious obstacles in the way of a general satisfactory return towards normal levels of production by the end of the year within the limits, of course, of export sales possibilities and political stability.

158. There is no reason, however, to expect that all sectors of the chemical industry will revive in equal degree. Indeed, as has been intimated above, those of the industry's branches which had national self-sufficiency as their main "raison d'être" will lapse to such

(1) The chemical production total is composed of the following key branches:

	%
Synthetic Nitrogen	20.4
Sulphuric Acid	23.1
Calcium Carbide	14.7
Dyestuffs	11.1
Caustic Soda	9.1
All Others	12.6
	100.0

Declassified E.O. 12356 Section 3.3/NND No. 745001

153. At the same time, the flow of fuel in the form of coal and petroleum products continued on a rising curve so that by the spring of 1946, the general situation became much easier and would have continued to improve but for the disastrous effects of the threat and actuality of the US coal strike, which compelled Italy to retrench in all its coal-consuming industries. Thus, the chemical industry was gravely affected in all its branches, excepting the manufacture of sulphuric acid, superphosphate and copper sulphate, which do not require coal.

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Production Indices for the Group as a Whole and for its Chemical Division (65 % of total in 1938)

Year	All Operations	Chemicals
1938	100	100
1939	108.6	108.6
1940	118.6	121.0
1941	122.7	123.3
1942	123.6	141.7
1943 first half:	107.2	102.0
1943 second half:	78.3	73.0
1944	44.7	38.4
1945 Jan.	12.2	12.1
» Feb.	12.3	10.5
» March	12.6	10.7
» April	7.2	7.3
» May	7.7	9.4
» June	9.1	10.1
» July	12.1	14.8
» Aug.	12.8	14.2
» Sept.	16.3	15.4
» Oct.	22.7	20.1
» Nov.	21.7	17.8
» Dec.	23.5	21.3
1946 Jan.	26.9	23.5
» Feb.	28.8	27.1
» March	36.3	34.7

until April 1945. Production then revived and in March 1946 was one-third of 1938.

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(1) The chemical production total is composed of the following key branches:

	%
Synthetic Nitrogen	29.4
Sulphuric Acid	23.1
Calcium Carbide	14.7
Dyestuffs	11.1
Caustic Soda	9.1
All Others	12.6
	100.0

(2) As a result of shortage of supplies this request must be reduced.

Declassified E.O. 12356 Section 3.3/NND No. 785021

levels as their inherent competitive vitality will dictate. On the other hand, it must be borne in mind that once a plant has been built and the invested capital amortized, it has only to be able to meet direct manufacturing costs and maintenance. It may, therefore, find itself on a competitive basis with more modern plants abroad even though the latter be favored by lower manufacturing and raw material costs. Hence, even in its autarchic branches, many of these borderline activities may have economic grounds, at least to Italy, for continuing in existence, provided, of course, they can satisfy the criterion of being able to meet free competition abroad.

Labor.

159. Because of its special nature, the chemical industry, relative to the high unit value of its products, requires on the average less labor than manufacturing industry in general. Thus in 1938, the "chemical industry" (as defined above) employed 183,000 workers. In 1946, it was reported that 140,000 workers were employed as compared with the 1938 figure, indicating an unemployment of 25 %. This presents a false picture of the situation, since in actual practice factory owners were compelled to carry their workers on their payrolls, regardless of whether there was any work for them to do or not.

Salient Features of Italian Chemical Industry.

160. In an endeavor to portray the principal characteristics of the Italian chemical industry, a brief description of the main sectors is given below, outlining their relative importance in the economy and their relation to each other, together with salient relevant statistics.

Agricultural Chemicals.

161. Despite the notable progress towards industrialization, Italy still remains largely an agricultural economy and, accordingly, agricultural chemicals have been in the forefront of developments in the chemical industry. These fall into two groups: fertilizers—superphosphate, nitrogenous fertilizers and potash; and pesticides—copper sulphate and arsenicals.

(a) *Superphosphate.*

162. This industry depends for its raw materials on French North Africa for the phosphate rock and mainly on the high-grade pyrites mines in the Maremma District of Tuscany. Although the sulphur content of

163. In pre-war days the production of sulphuric acid of all grades reached nearly 2,000,000 tons per year. Of this, approximately half went into the manufacture of superphosphate, which averaged for some years before the war approximately 1,500,000 tons a year. This was produced in 75 plants and three-fourths of the capacity was owned by the Montecatini group.

164. The war caused damage or destruction to more than a score of plants, and today there are only 15 active or waiting to resume operations. At the time of liberation, Italy had only two plants working on rock phosphate with a monthly output of 2-3,000 tons. Today, 50,000 tons a month of rock are arriving from Tunisia, and a target of 75,000 tons of superphosphate a month is aimed at. This represents a reactivation of 80 % of maximum present theoretical capacity.

165. Other important outlets for sulphuric acid are in the manufacture of rayon, ammonium sulphate and copper sulphate, in that order of importance.

(b) *Nitrogenous Fertilizers.*

166. There are five different commercial forms in which nitrogen is sold: viz., the nitrates of ammonium, calcium and sodium, ammonium sulphate and calcium cyanamide. Furthermore, there are four different methods for obtaining chemical nitrogen, each of which is of approximately the same importance: viz., (a) coke ovens by direct recovery of ammonia from gases obtained from the distillation of coal and by synthesis from the hydrogen fraction of the gases; (b) from hydrogen obtained in water-gas and producer-gas plants; (c) by electrolysis of water; and (d) from carbide made in electric furnaces from lime and coke. The technical aspect cannot here be dealt with in detail, but it is important to bring out the following:

167. Method (c) is the only truly "autarchic" one in that nothing but hydro-electric power, relatively abundant in Italy, is consumed therein. Unfortunately, this provides less than one-fourth of the total chemical nitrogen required, leaving the rest to be provided from coal, which had to be imported since the quality of domestic deposits is too poor for use in coke ovens.

168. Italy's pre-war nitrogen requirements for agriculture are approximately 135,000 tons per annum. Of this, with normal rainfall, it can produce by hydro-electric power alone approximately 65,000 tons, or nearly half. This already represents a strain on the Italian water power resources so that the other systems were adopted more and more.

169. Three large cokeries were built in conjunction with nitrogen-fixation plants, for which the hydrogen

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(a) *Superphosphate.*

162. This industry depends for its raw materials on French North Africa for the phosphate rock and mainly on the high-grade pyrites mines in the Maremma District of Tuscany. Although the sulphur content of pyrites is less than 50 %, it is still cheaper than Sicilian sulphur for sulphuric acid production.

164. The war caused damage or destruction to more than a score of plants, and today there are only 15 active or waiting to resume operations. At the time of liberation, Italy had only two plants working on rock phosphate with a monthly output of 2-3,000 tons. Today, 50,000 tons a month of rock are arriving from Tunisia, and a target of 75,000 tons of superphosphate a month is aimed at. This represents a reactivation of 30 % of maximum present theoretical capacity.

165. Other important outlets for sulphuric acid are in the manufacture of rayon, ammonium sulphate and copper sulphate, in that order of importance.

(b) *Nitrogenous Fertilizers.*

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169. Three large cokeries were built in conjunction with nitrogen-fixation plants, for which the hydrogen was furnished by the fractionation of the coke-oven gases. Thus, at the outbreak of war, the three largest

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coke ovens were capable of providing annually 75,000 tons of chemical nitrogen and 1,000,000 tons of coke. One of these plants will remain out of action until the latter part of the year; the other two are operating at one-fourth capacity, partly owing to inadequate maintenance facilities, but mainly owing to the lack of imported coal.

(c) *Copper Sulphate.*

170. To Italy with its important wine-growing industry, the protection of its vines is of paramount importance. There are also other basic crops, such as potatoes, which need copper sulphate protection against fungicides.

171. Italy normally requires about 125,000 tons of copper sulphate, for which 30,000 tons of copper are consumed. Of this, all but a few thousand tons, produced domestically as a by-product, had to be imported at a cost of approximately $7,000,000 per annum. Despite the loss through war damage of approximately one-third of its pre-war capacity, there still remain some 10 large plants easily capable of turning out the 100,000 tons of copper sulphate that is planned for the 1946-47 campaign.

Electrothermal Industries.

172. Principal activities in this industry are as follows:—

	1939 Production Metric tons
Steel, ferro-alloys and pig iron . .	830,000
Calcium carbide	200,000
Aluminium	35,000
Abrasives	18,000

173. Steel and its alloy, and aluminum are by far the largest consumers of carbon electrodes and of electric power.

174. The production of carbon electrodes represents a sizable industry in itself, which is evident from the fact that nearly 100,000 tons were consumed in 1938. Most of the raw materials necessary for this production, amounting to over 80,000 tons, have to be imported.

dustry; e.g. calcium carbide, carbon bisulphide, sodium sulphide and the electrolytic production of caustic soda, sodium chlorate etc.

Petroleum coke (special calcined) . .	3,800 tons
Petroleum coke (calcined)	4,400 "
Special anthracite	12,000 "
Graphite	1,000 "

176. In the metal industries large quantities are used in the form of anodes in aluminum production; in the steel industries almost as large a tonnage is used in the making of pig iron and steel.

177. Calcium carbide was consumed as follows:

Manufacture of calcium cyanamide .	40 %
Production of acetylene	30 %
Chemical manufacture (acetone, acetic acid, chlorinated hydrocarbons) .	15 %
Lighting and various	15 %

178. The manufacture of abrasives was partly from native alumina, but also depended on the importation of nearly 10,000 tons of superior quality sand from France.

Electrolytic Industry.

179. With relatively ample electric power and salt, both rock and solar, Italy has developed and adequate production of caustic soda and chlorine, which by 1940 amounted to a total of 110,000 tons of caustic soda (100 %) and 95,000 tons of chlorine produced in a score of small plants, the largest of which had a capacity of only 14,650 tons a year of 100 % NaOH.

180. These have not been seriously affected by war damage, but their reactivation has been delayed by lack of transportation and by drastically limited markets, owing to the virtual standstill in both the rayon and soap industries, the two largest consumers.

181. Italy has only two soda ash plants, both owned by the Solvay Company. The largest, at Rosignano near Leghorn, has a theoretical capacity of 1,000 tons

Declassified E.O. 12356 Section 3.3/NND No. 785021

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175. UNRRA has programmed for import during 1946 the following quantities of raw materials essential for the manufacture of carbon electrodes, which are essential to various basic branches of the chemical in-

Petroleum coke (calcined) . . .	4,400 "
Special anthracite	12,000 "
Graphite	4,000 "

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181. Italy has only two soda ash plants, both owned by the Solvay Company. The largest, at Rosignano near Leghorn, has a theoretical capacity of 1,000 tons per day, but owing to grave shortage in coal, has operated at only 10 to 15 % capacity since the liberation. The other Solvay plant at Monfalcone in Venezia Giulia, still remains inactive.

Declassified E.O. 12356 Section 3.3/NND No. 785021

Synthetic Organic Chemicals.

182. The three principal branches of synthetic organic chemicals are dye-stuffs, medicinals and synthetic resins. In nitrogen, as in most other branches, Montecatini is the leader, producing nearly 50 % of the total, which just before the war had reached approximately 12,000 tons in terms of pure colors. Nearly every type of dyestuff is produced so that, except for specialties, Italy's textile industry needs were satisfied by home production. The two largest-tonnage families of dyes were sulphur dyes, with over 3,000 tons a year of pure colors and nearly 6,000 tons per year of mixtures, and direct dyestuffs, with nearly 2,000 tons of pure colors and over 4,000 tons of mixtures.

183. To produce the foregoing 7 to 8,000 tons of benzol are required: 1,500 tons of toluol; and 1,500 tons of naphthalene, part of which has to be imported to supplement the limited domestic production of coal tar primaries, and in order to assist in the rehabilitation of this section of the Italian chemical industry, UNRRA has planned to import the following materials during 1946:

Benzol (nitration grade) . . .	500 tons
Benzol (industrial grade) . . .	2,500 "
Toluol (nitration grade) . . .	1,270 "
Naphthalene (purified)	500 "
Naphthalene (refined)	500 "

184. The production of organic intermediates is probably the weakest link in the chain of organic synthesis, since there are only two medium-sized factories in Italy of any significance for their manufacture. In 1939, over 20,000 tons of one-ring and 6,500 tons of two- and three-ring aromatic intermediates were produced.

185. The manufacture of synthetic organic medicinal products is largely concentrated at the Montecatini plant at Settimo Torinese. The production of synthetic resins and plastics, highly important industrial products, although growing at an accelerated tempo, is still not large. Even under the stimulus of war, the total output did not surpass 12,000 tons, estimated for 1942, as compared with well over a half-million tons in the U.S. in that year. All principal kinds were produced, such as Bakelite, Urea, Polyvinyl, etc., as well as industrial finishes of the 100 % phenolic, nitrocellulosic and glycerol-phthalic type. For their manufacture during 1946 UNRRA has planned to import:

186. In the important accessory class, viz., solvents and plasticizers, Italy is particularly deficient. Less than a dozen products are made on anything like a commercial scale, compared with the many score available in the leading industrial nations.

Rayon Industry.

187. Italy's remarkable development of the viscose rayon industry in the two decades between the World Wars is probably the most outstanding single development in the chemical industry. This was almost entirely brought about by the SNIA-Viscosa Group. Italy, by 1939, had reached an output of 140,000 tons of filament and staple rayon, which put it in fourth place in world rayon production and in third place as a producer of staple fiber. Approximately 85 % of the total was produced by SNIA-Viscosa with 15 plants owned by it and its affiliates.

188. The Viscose rayon industry, despite every effort, has not been able to surpass 5 to 7 % of normal output, due originally to lack of cellulose and now to severe restriction in coal allotments. Artificial fibers are relatively heavy consumers of coal. (For further discussion, see paras. 234 to 242.)

189. There was also some acetate and synthetic wool production. These are comparatively negligible.

190. The Montecatini nylon plant at Verbania (Novara) deserves special mention. It has been in production since 1942, and has recently been averaging 500 kilos per day of yarn and bristle.

Paper and Pulp.

191. Italy was producing 600,000 tons of all types of paper products before the war, but today production is probably not over one-fifth of normal. Since suitable native sources of cellulose in Italy today are negligible and the industry as such does not enjoy a high economic priority in national rehabilitation, there has been little help furnished, and no supplies under the UNRRA program other than a few thousand tons of resin are being considered.

192. It might be mentioned that the great "autarchic" plant at Torre Viscosa built at huge cost by the SNIA-Viscosa in the province of Udine had proved rather promising in initial tests in 1942 and was destined to supply up to 10 % of Italy's chemical cellulose requirements. It was most severely damaged by air bombing in 1943 (about 40 % total destruction) and will not be able to resume activities until late in 1947. Since its

Declassified E.O. 12356 Sec. 3.3/NND No. 763021

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Cresylic Acid	100 "

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Declassified E.O. 12356 Section 3.3/NND No. 785021

Oils, Fats and Soaps.

193. Before the war 250,000 tons of soap were produced, requiring 155,000 tons of oils and fats, of which 80,000 tons were imported.

194. Principal source of industrial oils and fats in Italy is "sulphur" oil, which is extracted from olive pressings and which used to provide more than 80% of native sources of industrial oils and fats.

195. Today, Italy is in the throes of a virtual famine in these basic commodities, which has resulted in the hoarding and black marketing of olive oil pressings. Until the present world allocation policy of not allowing the importation of any oils and fats, excepting for minimum edible purposes, is modified, this industry must remain in a state of suspended animation.

The Future of the Chemical Industry.

196. As has been pointed out, Italy before the war came fourth in order of importance in the European chemical industry. Until its defeat, Germany for the past few decades had appreciably overshadowed Italy in that as soon as any new enterprise showed signs of becoming a serious competitor to German interests, it was either bought out or opposed by various indirect, but effective methods, such as threat of patent suits, "dumping" of chemical products and ruinously low prices, etc. Despite this opposition, Italy has been able to show substantial progress.

197. The share of world markets assigned to Italy in the various pre-war international cartels is not known, but it is believed to have been less than Italy could have secured on a strictly competitive basis, in spite of the handicap inherent in heavy dependence on imported raw materials.

198. Whatever were the basic under-lying causes, the fact is that the Italian market for chemicals was limited; hence Italian chemical operations were held back. Despite the powerful financial resources of Montecatini, it is surprising to see how few really large plants they have constructed. There are no factories in Italy comparable to the gigantic chemical centers to be found in Germany and the US. There are only three nitrogen fixation plants in the country, with an annual capacity in terms of ammonia of 23,000 tons a year. This is to be compared with US practice, where the smallest plant that is regarded as commercially competitive is at least double that figure, with the gigantic DuPont operation capable of producing more than eight times Italy's annual capacity. Similarly, with superphosphate production, the largest Italian plant has an annual capacity of less than 100,000 tons per year, compared with the plant at Baltimore, which can produce three to four times that quantity. This smallness of size has naturally militated against those bold industrial developments which the US, England and Germany have displayed during the war.

199. In the field of applied research, despite the meritorious achievements of individual scientists and engineers, as a whole, in scope of activities and in technical facilities available, Italy has fallen far behind. This is not surprising in view of the grave obstacles placed, during the fascist period, in the way of Italian scientists and engineers travelling abroad periodically for the purpose of studying contemporary developments in other countries.

200. The ill effects of this sequestration of Italian science and technology were mitigated by turning more to Germany for technological development. But it proved to be an unequal partnership, since the more outstanding and basic scientific and engineering developments were not fully divulged by the senior partner.

201. Now that Italy is free to work out its own destiny and Germany, at least for some years to come, will not be in a position to exert anything comparable to its pre-war influence, it is believed that Italy may have a golden opportunity to display to the full its vitality and its technical skill. Italy is currently getting many demands from abroad for synthetic organic chemicals and dyestuffs which, thanks to the negligible destruction in this branch of the industry, could easily have been filled but for the lack of coal and its by-products, viz., tar, benzol, toluol and naphthalene.

202. In the light of the foregoing, it is believed that the prospects for Italian chemical industry are bright, provided business conditions return more nearly to normal and that Italian enterprise rises to meet the challenge over the next few years, in modernizing existing plants, in building new ones, and in energetic development of foreign markets.

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Declassified E.O. 12356 Section 3.3/NND No. 745021

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ECONOMIC NOTES

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CONTENTS

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2. Fuel for Fishing Craft
3. Better Coal Supplies
4. Wheat Amassing Progress
5. Movements of Ships

MR. LAGUARDIA ON PROBLEMS OF 1947

The problem of carrying on UNRRA's work after UNRRA funds are exhausted at the end of the year was discussed by the Director General, Mr. Fiorello LaGuardia, in Rome this week, during the course of his four-day visit to the UNRRA Italy Mission. Mr. LaGuardia has already visited Greece, and plans to complete a world tour of UNRRA-assisted countries, including later a visit to China.

"We terminate on 31 December, but the need is not over", he said. "I do not know what some of the countries are going to do. To-day, three times, I heard the hope expressed 'Well, UNRRA must continue'. Suppose UNRRA does continue? There is no money after midnight 31 December, 1946. You cannot help people by passing resolutions or by sending expressions of sympathy. In my own country, it will take several months to get the necessary financial appropriations—if we get them". In other countries, he pointed out, there is equally no financial provision for UNRRA in 1947.

Shipments to Italy

It would be impossible to terminate the Italy Mission by the end of the year. Circumstances beyond UNRRA's control had delayed shipments to Italy, and the Director General said that he was glad to be able to say that the Italian people's appreciation of UNRRA's work was appreciated, and from the Provisional Head of the Italian State and the Italian Prime Minister, how keenly that work was appreciated in Italy.

Referring to the Fifth UNRRA Council which was due to meet in Geneva on 5 August, the Director General gave a warning that it would be unable to produce any definite plan for the future. With the best of intentions and the best of goodwill, the delegates attending the Council would lack the necessary authority to bind their respective governments.

When UNRRA Ends

If UNRRA should disappear, perhaps there would develop some system by which individual nations would help other individual nations, or groups of nations help other groups. Such assistance, said, Mr. LaGuardia, was bound to lead to some political control by the donor nations over countries in receipt of aid. UNRRA had often been accused, by one side or the other, of discrimination in favour of Communists or against them, but the accusations cancelled out. It was UNRRA's policy to show no discrimination.

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From His Holiness the Pope, said Mr. La Guardia, he had learnt how greatly UNRRA's work was appreciated, and from the Provisional Head of the Italian State and the Italian Prime Minister, how keenly that work was appreciated in Italy.

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"I am deeply concerned in the medical services" he said. "I hope the United Nations Health Organisation will be in a position to take them over, but assuming that they have perfected their organisation by 1 January, they will still have no funds."

Declassified E.O. 12356 Section 3.3/NND No. 785006

The same was true of displaced persons. The world would be faced next year with the task of supporting 600,000 diplaced persons. "This is no stock-pile of surplus property. It is a stock-pile of human misery," he continued. "I do not say that the United Nations Organisation will *not* do it, but there is no-one ready to take over in January."

Referring to the cost of feeding and supporting the displaced persons, Mr. LaGuardia pointed out that, in addition, a sum of 350 million dollars (£87,500,000 sterling) would be required for the first six months of resettlement.

Tour of Visits

Mr. LaGuardia arrived in Rome on Sunday, 21 July. During the course of his brief stay, he saw the UNRRA shoe processing factory in the World's Fair Exhibition buildings, the bomb-damaged school of the Suore Poverelle di Pergamo, where 300 needy children are daily being fed on UNRRA supplementary rations, and the Italian and non-Italian displaced persons camps at Cinecittà. He also visited Cisterna where he examined plans of the new houses to be built by CASAS and saw houses built last year with UNRRA assistance under the experimental program inaugurated by the High Commissariat for Refugees, which has now been absorbed into the Ministry of Post-War Assistance.

On Tuesday, 23 July, the Director General was officially welcomed at the Campidoglio by the Sindaco of Rome, Prince Doria Pamphilj. Immediately afterwards he attended a gathering of 2,000 children from UNRRA-aided schools in Rome.

Address to Constituent Assembly

Later in the morning the Director General on the invitation of the Constituent Assembly addressed a representative gathering of deputies in the Sala della Lupa at Montecitorio.

On the following day he flew to Milan where he inspected industrial works operating on supplies had planned to hold in Roma in 1942. In contrast with the system now gone, that had produced marble palaces built to satisfy one man's pride, was UNRRA's belief that every individual had a right to live, and that there was enough in the world to satisfy everyone's needs.

FUEL FOR FISHING CRAFT

A substantial increase in Italy's fish supply should result from the decision of the Italian Government, in agreement with UNRRA, to increase the August allocation of P.O.L. to power driven fishing craft by 100 per cent. in the case of gasoline, and by about 50 per cent. in the case of diesel oil and 40 per cent. in the case of kerosene, as compared with quantities supplied in July.

National consumption of fish dropped from a yearly average of four to five kilograms (about 9 to 11 lbs) per head pre-war, to barely two kilograms (4-1/2 lbs) per head during the last few years, as a result of almost a complete stoppage of the fishing industry for long periods and over considerable areas (see *Economic Notes* No. 19 of 24 May).

One of the main obstacles to full resumption of fishing, in the past—apart from the loss of craft—has been the lack of fuel for power-driven vessels. The position has now been considerably improved, as is indicated by the following table, which shows the upward trend in June, July and August compared with last January.

	Requested	Supplied	Percentage of Requirements
January:			
Diesel Oil	3,800 tons	1,700 tons	45
Kerosene	280 "	120 "	43
Gasoline	250 "	87 "	33
June:			
Diesel Oil	5,800 "	3,500 "	61
Kerosene	530 "	439 "	83
Gasoline	420 "	128 "	30
July:			
Diesel Oil	6,000 "	3,600 "	60
Kerosene	530 "	400 "	75
Gasoline	420 "	280 "	42

Declassified E.O. 12356 Section 3.3/NND No. 785021

"I do not say that the United Nations Organisation will *not* do it, but there is no-one ready to take over in January."

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On the following day he flew to Milan where he inspected industrial works operating on supplies provided by UNRRA.

Nothing, Mr. LaGuardia suggested, so well illustrated UNRRA's purpose as the E-42 boot repair workshops, established in one of the World's Fair Exhibition which Mussolini was enough in the world to satisfy everyone's needs.

FUEL FOR FISHING CRAFT

A substantial increase in Italy's fish supply should result from the decision of the Italian Government, in agreement with UNRRA, to increase the August allocation of P.O.L. to power driven fishing craft by 100 per cent. in the case of gasoline, and by about 50 per cent. in the case of diesel oil and 40 per cent. in the case of kerosene, as compared with quantities supplied in July.

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	Requested	Supplied	Percentage of Requirements
January:			
Diesel Oil	3,800 tons	1,700 tons	45
Kerosene	280 "	120 "	40
Gasoline	250 "	87 "	33
June:			
Diesel Oil	5,300 "	3,500 "	64
Kerosene	160 "	130 "	85
Gasoline	480 "	150 "	30
July:			
Diesel Oil	6,800 "	3,600 "	60
Kerosene	500 "	400 "	70
Gasoline	100 "	250 "	42
	Requested	Allocated	Percentage of requirements
August:			
Diesel Oil	7,000 tons	5,430 tons	77
Kerosene	590 "	550 "	92
Gasoline	820 "	400 "	48

Declassified E.O. 12356 Section 3.3/NND No. 759021

January allocations were sufficient to allow fishermen an average of some six days in the month at sea, for approximately 14 hours a day. August allocations will cover 16 to 18 days' fishing during the month.

Prices Remain High

Better catches consequent on increased allocations of fuel have not been reflected in price cuts to any appreciable extent. Many other cost factors—such as shortage of suitable transport, lack of refrigerated rail cars and lack of storage facilities—have admittedly influenced the retail price of fish to the inland consumer. Last year's exceptional drought, moreover, has had, according to some authorities, adverse biological effects upon salt-water "blue fish," i.e., sardines, mackerel and anchovies, which usually figure largely in Mediterranean fishing.

Nevertheless, an increase of nearly 300 per cent. in the monthly fishing hours has brought prices down very little. Retail prices of fish in June averaged 300, 260 and 190 lire per kilogram (about 2-1/4 lbs) for first, second and third quality respectively, as against about 350, 220 and 150 lire in November, 1945. This is disappointing and prices during the next few weeks will be carefully watched. Should the expectations warranted by increased fuel allocations not be fulfilled, and fish continue to be too expensive for large sections of the Italian population, these allocations may have to be re-adjusted to serve the best interests of Italy's economic rehabilitation.

BETTER COAL SUPPLIES

UNRRA-imported coal supplies for Italy's economic rehabilitation are reaching Italian ports in increasing quantities. Expected allocations for August amount to 626,500 tons. The sources of this coal suggest the international character of UNRRA activity.

Coal from five different countries in three continents is scheduled to be shipped to Italy during August:—

425,000 tons

This is the highest monthly allocation since March, when a special effort was made by UNRRA to procure the maximum quantity of coal for Italy, in view of the coal strike which was then impending in the United States. A further new source of coal has been opened up through UNRRA negotiations with Turkey. Though arrangements have not yet been completed, there is reasonable assurance that 20,000 - 30,000 tons of Turkish coal may be secured in August or September.

August allocations to consumers in Italy will largely follow the usual pattern, priority being given to public utilities such as railways, cokeries and gas works. The improved coal situation is reflected in the increased supply of gas for domestic use, which is now available for 2-1/2 hours a day instead of one.

60 Day Reserve for Railways

It should now be possible to build up railway stocks to a reserve sufficient for 60 days, as compared with only 18 days' reserve supply in February. Thanks to improved deliveries and drastic action by the Italian authorities in agreement with UNRRA, February's critical shortage was overcome and stock piles built up to 65 days' supply. Since then, reserves have never dropped below one month's requirements. But, in order to meet the grave situation created in April by the United States coal stoppage, it was necessary to withdraw more than 100 passenger trains and to curtail freight services. With the improved coal situation, these have all now been restored.

Urgent seasonal requirements of the canning industry are now under review. Tomatoes and other crops for preserving are now ripe or are ripening, and any delay in their industrial processing would mean the loss, to home and export markets, of vitally needed food. This is of special urgency at the moment, since, apart from the benefit to Italy's important food processing industry, there is the prospect that UNRRA may obtain in Italy canned food products for relief supplies in other countries.

The CASAS housing scheme to provide dwellings in the areas of the Gothic and Gustav lines will, it is hoped, be allocated a special supply of coal. On the principle that local labour and materials should be used wherever

Declassified E.O. 12356 Sec. 3.3/NND No. 759021

days' rising during the month.

Prices Remain High

Better catches consequent on increased allocations of fuel have not been reflected in price cuts to any appreciable extent. Many other cost factors—such as shortage of suitable transport, lack of refrigerated rail cars and lack of storage facilities—have admittedly influenced the retail price of fish to the inland consumer. Last year's exceptional drought, moreover, has had, according to some authorities, adverse biological effects upon salt-water "blue fish," i.e., sardines, mackerel and anchovies, which usually figure largely in Mediterranean fishing.

Nevertheless, an increase of nearly 300 per cent. in the monthly fishing hours has brought prices down very little. Retail prices of fish in June averaged 330, 200 and 100 lire per kilogram (about 2-1/4 lbs) for first, second and third quality respectively, as against about 350, 220 and 150 lire in November, 1945. This is disappointing and prices during the next few weeks will be carefully watched. Should the expectations warranted by increased fuel allocations not be fulfilled, and fish continue to be too expensive for large sections of the Italian population, these allocations may have to be re-adjusted to serve the best interests of Italy's economic rehabilitation.

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Coal from five different countries in three continents is scheduled to be shipped to Italy during August:—

United States	427,000 tons
United Kingdom	14,500 "
South Africa	47,000 "
Ruhr	116,000 "
Poland	30,000 "

further new source of coal has been opened up through UNRRA negotiations with Turkey. Though arrangements have not yet been completed, there is reasonable assurance that 20,000 - 30,000 tons of Turkish coal may be secured in August or September.

August allocations to consumers in Italy will largely follow the usual pattern, priority being given to public utilities such as railways, coke-ries and gas works. The improved coal situation is reflected in the increased supply of gas for domestic use, which is now available for 2-1/2 hours a day instead of one.

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The CASAS housing scheme to provide dwellings in the areas of the Gothic and Gustav lines will, it is hoped, be allocated a special supply of coal. On the principle that local labour and materials should be used wherever possible in rehabilitation schemes, an attempt is being made to give work to local lime and brick-kilns in the war-devastated areas. Fuel is a basic requirement, however, and unless a

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

certain proportion of coal is brought in from outside, work on producing bricks, tiles, lime and other building materials will be seriously delayed.

Program for Winter Months

With the easing of the coal situation, the Emergency Coal Committee (representative of the Italian Government and UNRRA) is now meeting weekly instead of daily. Special attention is in future to be given to the program for the winter months when industrial and domestic demands will be greater. The start of the considerable rehabilitation program scheduled for the autumn will also call for substantial supplies of fuel.

Since Italy is almost without fuel of her own and is to an unusual degree dependent upon imports, a steady flow of coal and petroleum supplies from abroad is essential to national recovery. The following table indicates the quantity of coal imported into Italy by the Allied Commission and UNRRA, since the beginning of January 1946:—

Month	A. C. (U.S. Account)	Supplied Tons UNRRA Account
January	250,739	4,084
February	456,141	1,539
March	124,039	407,577
April	8,016	639,937
May		264,372
June		107,754
July		287,124 (1)
Total	845,886	1,702,451
		845,886
GRAND TOTAL		2,548,337

(1) Up to 20 July.

Every effort has been made by the Allied Commission, and subsequently by UNRRA, to increase domestic production, but the only coal actually available has come from Sardinia, since the Arsa mines, in the Istrian peninsula, which formerly produced about 90,000 tons of

Italy also produces a certain amount of lignite. Workings of xiloid lignite deposits—located in various parts of the country—have an estimated monthly output of about 150,000 tons, which represents 50,000 tons in terms of coal. The estimated monthly production of black lignite (lignite picea) is 27,000 tons, which is equal to about 18,000 tons of coal.

WHEAT AMASSING PROGRESS

The following table gives a statistical indication of the amassing position in Italy at the present time.

Column 1 gives estimated total production for this year's harvest, according to estimates made on 10 July. The figures are subject to revision. Figures in column 2 are based on estimates taken also on 10 July 1946, and are also subject to revision.

Column 3 shows the amounts reported to have been amassed by 19 July 1946. The figure for Marche is actually higher than the amassing goal, but all figures will need to be revised before final and definite information is available.

The figures are given in metric tons.

Compartment	Estimated Production (1)	Amassing Goal (2)	Total Collected 19 July 1946 (3)
Piemonte	400,640	81,274	18,515
Liguria	21,140	1,024	80
Lombardia	590,530	350,912	141,962
Venezia T.	15,780	2,031	8
Veneto	698,980	405,634	283,112
Venezia G.	10,800	1,693	37
Emilia	1,037,829	525,587	278,091
NORTHERN ITALY	2,745,630	1,382,405	771,700
Toscana	470,500	172,737	59,251
Marche	403,000	172,294	181,088
Umbria	245,000	80,986	39,412
Lazio	253,700	70,721	15,950
Abruzzi e M.	327,000	75,023	24,977
Campania	265,750	50,017	6,184
Puglie	312,500	101,515	16,610
Lucania	164,000	48,850	14,750
Calabria	137,300	27,846	6,458
Sicilia	591,000	178,184	18,755
Sardegna	150,250	31,538	5,928

Declassified E.O. 12356 Section 3.3/NND No. 795021

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Month	A. C. (Y.B. Account)	Supplied Tons UNRRA Account
January	256,730	1,084
February	456,141	1,509
March	124,069	407,377
April	8,016	630,957
May		204,352
June		197,774
July		287,121 (1)
Total	843,886	1,732,151
		843,886
GRAND TOTAL		2,576,037

(1) Up to 26 July.

Every effort has been made by the Allied Commission, and subsequently by UNRRA, to increase domestic production, but the only coal actually available has come from Sardinia, since the Arsa mines, in the Istrian peninsula, which formerly produced about 90,000 tons of coal per month, are now under Yugoslav control. The July output from the Sardinian mines is about 85,000 tons, corresponding to approximately 68,000 tons of good bituminous coal.

The estimated monthly production of black lignite (lignite pieca) is 27,000 tons, which is equal to about 18,000 tons of coal.

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The following table gives a statistical indication of the amassing position in Italy at the present time.

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The figures are given in metric tons.

Compartment	Estimated Production (1)	Amassing Goal (2)	Total Collected 19 July 1946 (3)
Piemonte	460,610	61,671	18,515
Liguria	21,140	1,021	80
Lombardia	360,550	350,212	141,032
Venezia T.	15,700	2,031	7
Veneto	698,480	405,534	232,112
Venezia G.	10,800	1,698	57
Emilia	1,037,820	520,537	378,081
NORTHERN ITALY	2,745,630	1,382,305	771,700
Toscana	470,300	172,737	59,254
Marche	403,790	172,291	181,088
Umbria	210,600	89,980	99,412
Lazio	258,700	70,721	45,052
Abruzzi e M.	327,950	73,723	24,978
Campania	205,770	80,067	6,780
Puglie	312,300	161,345	49,010
Lucania	164,000	48,836	14,750
Calabria	187,300	27,240	6,408
Sicilia	501,000	178,184	18,755
Sardegna	150,250	80,538	5,005
CENTRAL, SOUTHERN & INSULAR ITALY	3,252,920	999,110	459,379
GRAND TOTAL	6,038,950	2,381,545	1,231,079

Declassified E.O. 12356 Section 3.3/NND No. 785021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(JULY 15 - 20 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
George Luks	Savona	15 July	Ital. Govt.	Asphalt	8,051
Marie	Genoa	" "	UNRRA	"	1,800
Northwestern Victory	Leghorn	" "	"	Wheat	8,005
John P. Poe	Cagliari	" "	"	"	8,366
Colechester County	Genoa	16 "	"	"	9,132
Stephen Girard	Catania	" "	"	"	8,437
Empire Eden	Genoa	17 "	"	General	1,756
Harberton	"	" "	"	"	3,580
John Maffitt	Castellammare	" "	"	Wheat Oats	6,975 2,701
Cornelius Ford	Venice	" "	"	Cereals	7,582
Fernebo	Genoa	18 "	Commercial	Cotton	1,700
George Dewey	"	" "	UNRRA	General	6,108
Roger Swift	"	" "	"	Fish (in boxes)	1,250
Dagmar Solen	Naples	" "	"	General	3,288
Alberto Giampaolo	Crotone	" "	It. Govt.	Phosphates	4,350
Thomas Hart Benton	Naples	19 "	UNRRA	Wheat	7,995
Mount Gaspe	Venice	" "	"	General	3,071

LATEST COAL SHIPMENTS

(JULY 15 - 20 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Robert Hill	Genoa	15 July	United States	UNRRA	8,912
Bethlehem	"	" "	Germany	"	7,698
James Roy Welles	"	16 "	United States	"	8,726
Royal Emblem	Venice-Ancona *	" "	South Africa	"	8,281
Samuel Griffin	Genoa-Leghorn *	" "	United States	"	8,206
Philip Barbour	Savona	17 "	" "	"	8,559
William Libby	"	" "	" "	"	8,663
Baron Dunmore	"	" "	United Kingdom	"	5,864
Thomas Mitchell	Venice	" "	United States	"	4,731
Elijah White	Bagnoli	18 "	" "	"	8,759
Fort Covington	Venice	" "	Persia	"	9,654
Olga Topic	"	" "	Germany	"	7,356
James Mac Henry	Savona	" "	United States	"	8,584
San Anthony	"	19 "	United Kingdom	"	7,502
Josiah Tattnall	Genoa	" "	United States	"	8,584
Art Young	Savona	" "	" "	"	8,406
Glaisdale	Piombino	20 "	Germany	"	5,533
Salomon Juneau	Genoa	" "	United States	"	8,313
Anne Bradstreet	Venice	" "	" "	U.S. Army	8,475

Declassified E.O. 12356 Section 3.3/NND No. 785021

		ARRIVAL			TONS
George Luks	Savona	15 July	Ital. Govt.	Asphalt	8,051
Marie	Genoa	" "	UNRRA	"	1,800
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John P. Poe	Cagliari	" "	"	"	8,366
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Stephen Girard	Catania	" "	"	"	8,437
Empire Elen	Genoa	17 "	"	General	1,756
Harberton	"	" "	"	"	3,580
John Maffitt	Castellammare	" "	"	Wheat	6,975
Cornelius Ford	Venice	" "	"	Oats	2,701
Ferncbo	Genoa	18 "	Commercial	Cereals	7,582
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Alberto Ciampaolo	Crotone	" "	"	General	3,288
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		" "	"	General	3,071

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Robert Hill	Genoa	15 July	United States	UNRRA	8,912
Bethlehem	"	" "	Germany	"	7,698
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Royal Emblem	Venice-Ancona *	" "	South Africa	"	8,281
Samuel Griffin	Genoa-Leghorn *	" "	United States	"	8,206
Philip Barbour	Savona	17 "	" "	"	8,559
William Libby	"	" "	" "	"	8,663
Baron Dunmore	"	" "	United Kingdom	"	5,864
Thomas Mitchell	Venice	" "	United States	"	4,731
Elijah White	Bagnoli	18 "	" "	"	8,759
Fort Covington	Venice	" "	Persia	"	9,654
Olga Topic	"	" "	Germany	"	7,356
James Mac Henry	Savona	" "	United States	"	8,584
San Anthony	"	19 "	United Kingdom	"	7,502
Josiah Tattnall	Genoa	" "	United States	"	8,584
Art Young	Savona	" "	" "	"	8,406
Glaisdale	Piombino	20 "	Germany	"	5,333
Salomon Juneau	Genoa	" "	United States	"	8,313
Anne Bradstreet	Venice	" "	" "	U.S. Army	8,475
Noemi	Genoa	" "	United Kingdom	UNRRA	5,500

** Arrived at first-named port on the date shown; discharging at the second port later*

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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AGRICULTURE AND FOOD

PART ONE - AGRICULTURE

The Importance of Agriculture.

1. Agriculture is Italy's most important activity. In normal times nearly one-half of the gainfully-employed population is engaged in agricultural pursuits and more than 36 % of the national income comes from agriculture and forestry. In the late Thirties agriculture provided about 92 % of the total food consumption and 93 % of the feed requirements. With regard to raw materials, the contribution of domestic production to total consumption was much smaller, ranging from 60 % for lumber to practically nil for cotton. Agricultural exports amounted to two-fifths of the total export trade of Italy. Although agricultural imports represented a somewhat smaller share of the import trade, the money value of agricultural imports exceeded that of exports.

Fundamentals of Italian Agriculture.

2. Much of Italy is not naturally suited to agricultural production; yet, with about half of the people depending upon agriculture for their livelihood, virtually all the land which returns a mere subsistence income has been brought under cultivation as follows: (a) one-half largely mountainous, sub-arid country worked with the plough and the spade; (b) one-fifth classified as permanent meadows and pastures; (c) one-fifth woods and forests; (d) one-fifteenth uncultivated productive land; and (e) less than one-tenth unproductive. Such intensity of land utilization has been achieved through centuries of toil by terracing hillsides, draining swamps and marshes, and erecting irrigation works. Nowaday about 9.7 % of the arable land is drained mechanically and 16.9 % is under artificial irrigation.

3. The effort to utilize all available land, together with a variety of soils, climate, and topography, and the impact of different historical and social developments have given Italy an agricultural economy which exhibits sharp variations from section to section. Thus any sketchy description of Italian agriculture involves

4. Most farm holdings are small, and 96 % of all farms are under 20 hectares in size. Yet large holdings—which represent only 1 % of all farms—comprise 42 % of all land in farms. The large holdings also receive 46.1 % of all agricultural income. About three-fifths of all the land is operated by the owner, either with family labor or with hired help; about 14 % is leased for a consideration in cash or kind, and the rest is held under a variety of arrangements which provide for a form of partnership between landlord and tenant, who share both expenditures and returns on a percentage basis. The most important type of share tenancy arrangements, known as mezzadria (metayage), provides for a 50-50 method of sharing expenditure and produce.

5. Food crops rather than feeds or agricultural raw materials are the leading agricultural products (see Table 1). By all yardsticks, wheat ranks first among all agricultural products; it occupies about 40 % of all arable land and is the most important crop from the Alps to Sicily. A bountiful harvest spells prosperity; a poor one upsets both the farm economy and that of the country as a whole, for wheat products are the staple food of all Italians. Together with wheat, other small grains and pulses are grown in the South, while in the North wheat enters a rotation, which also comprises corn, potatoes, industrial crops—such as sugar-beets, flax, fodder, legumes etc. Vegetables in open fields and gardens, citrus and deciduous fruits as well as nuts, grapes and wines, olives, and olive oil are also parts of the complex production picture.

6. Because of poor feed production and ill-developed livestock breeding animal husbandry does not play in Italian agriculture the dominant part it has in the Netherlands or Denmark (see Table 2). Thus, although Italy devotes 38 % of the agricultural land to feed production, livestock production represents only one-fourth of the total value of agricultural production.

7. Cattle raising is the major branch of animal husbandry, but lacks specialization; in fact, Italian cattle

Declassified E.O. 12356 Section 3.3/NND No. 785091

PART ONE - AGRICULTURE

The Importance of Agriculture.

1. Agriculture is Italy's most important activity. In normal times nearly one-half of the gainfully-employed population is engaged in agricultural pursuits and more than 36 % of the national income comes from agriculture and forestry. In the late Thirties agriculture provided about 92 % of the total food consumption and 93 % of the feed requirements. With regard to raw materials, the contribution of domestic production to total consumption was much smaller, ranging from 60 % for lumber to practically nil for cotton. Agricultural exports amounted to two-fifths of the total export trade of Italy. Although agricultural imports represented a somewhat smaller share of the import trade, the money value of agricultural imports exceeded that of exports.

Fundamentals of Italian Agriculture.

2. Much of Italy is not naturally suited to agricultural production; yet, with about half of the people depending upon agriculture for their livelihood, virtually all the land which returns a mere subsistence income has been brought under cultivation as follows: (a) one-half largely mountainous, sub-arid country worked with the plough and the spade; (b) one-fifth classified as permanent meadows and pastures; (c) one-fifth woods and forests; (d) one-fifteenth uncultivated productive land; and (e) less than one-tenth unproductive. Such intensity of land utilization has been achieved through centuries of toil by terracing hillsides, draining swamps and marshes, and erecting irrigation works. Nowaday about 9.7 % of the arable land is drained mechanically and 16.9 % is under artificial irrigation.

3. The effort to utilize all available land, together with a variety of soils, climate, and topography, and the impact of different historical and social developments have given Italy an agricultural economy which exhibits sharp variations from section to section. Thus any sketchy description of Italian agriculture involves some generalizations subject to qualifications. Yet it is possible to state, in general terms, certain salient features which differentiate Italian agriculture from that of any other country.

4. Most farm holdings are small, and 90 % of all farms are under 20 hectares in size. Yet large holdings—which represent only 1 % of all farms—comprise 42 % of all land in farms. The large holdings also receive 46.1 % of all agricultural income. About three-fifths of all the land is operated by the owner, either with family labor or with hired help; about 14 % is leased for a consideration in cash or kind, and the rest is held under a variety of arrangements which provide for a form of partnership between landlord and tenant, who share both expenditures and returns on a percentage basis. The most important type of share tenancy arrangements, known as mezzadria (metayage), provides for a 50-50 method of sharing expenditure and produce.

5. Food crops rather than feeds or agricultural raw materials are the leading agricultural products (see Table 1). By all yardsticks, wheat ranks first among all agricultural products; it occupies about 40 % of all arable land and is the most important crop from the Alps to Sicily. A bountiful harvest spells prosperity; a poor one upsets both the farm economy and that of the country as a whole, for wheat products are the staple food of all Italians. Together with wheat, other small grains and pulses are grown in the South, while in the North wheat enters a rotation, which also comprises corn, potatoes, industrial crops—such as sugar-beets, flax, fodder, legumes etc. Vegetables in open fields and gardens, citrus and deciduous fruits as well as nuts, grapes and wines, olives, and olive oil are also parts of the complex production picture.

6. Because of poor feed production and ill-developed livestock breeding animal husbandry does not play in Italian agriculture the dominant part it has in the Netherlands or Denmark (see Table 2). Thus, although Italy devotes 38 % of the agricultural land to feed production, livestock production represents only one-fourth of the total value of agricultural production.

7. Cattle raising is the major branch of animal husbandry, but lacks specialization: in fact, Italian cattle are mostly dual-purpose animals. Pig-breeding is ill-developed because of the shortage of grain. Sheep and goats are raised throughout the country, with large migratory flocks predominating South of the Apennines.

Declassified E.O. 12356 Section 3.3/NND No. 760031

TABLE 1

Agriculture Products Available for Food in pre-war Average Consumption Years 1933-34 - 1937-38 from Domestic Sources Plus Foreign Trade

(All figures in thousand metric tons)

PRODUCTS	National Production (1)	NON-FOOD USES					NET TRADE (+ imports) (— exports)	FOOD AVAILABILITY	
		Seed	Feed	Others	Waste	Total non-Food Used		Total	Per capita (kg.)
Wheat	7,193	716	—	—	216	932	+ 444	6,705	157
Rye	150	15	13	—	4	32	+ 9	127	3
Barley	210	25	183	—	6	214	+ 60	56	1
Corn	2,946	60	1,684	—	88	1,832	+ 157	1,271	30
Rice	738	21	4	—	22	47	— 102	494	12
Total other cereals in wheat equivalent	3,504	102	1,688	—	105	1,895	+ 47	1,686	40
All Cereals in wheat flour	8,431	613	1,927	—	252	2,792	+ 380	6,595	144
Potatoes	2,789	432	697	—	(3)	1,129	— 42	1,627	38
Pulses	938	92	303	—	(3)	395	+ 27	510	13
Tomatoes									
Fresh vegetables (2)	3,001	—	—	—	1,131	1,131	— 336	2,134	57
Fresh pulses									
Soft fruit									
Hard fruit	1,532	—	—	—	276	276	— 166	1,090	26
Nuts									
Chestnuts	616	—	(3)57	—	24	81	— 128	407	10
Citrus fruit	769	—	—	—	153	153	— 326	286	7
Beef and veal	329	—	—	—	(4)	—	+ 63	392	9
Mutton and lamb	49	—	—	—	(4)	—	— 1	18	1
Pork	224	—	—	—	(4)	—	— 5	219	5
Horse meat	13	—	—	—	(4)	—	—	13	0.3
Offals	37	—	—	—	(4)	—	+ 3	40	0.9
Poultry, game, rabbit	119	—	—	—	(4)	—	+ 2	121	3
Fish	178	—	—	—	(4)	—	+ 78	256	6
Milk for direct cons. (lit.)	2,265	—	—	—	(5)	—	—	2,265	53
Cheese (manip.)	232	—	—	—	(5)	—	— 20	212	5
Butter	48	—	—	—	(5)	—	+ 1	49	1
Olive oil									
Seed oil	219	—	—	(7)84	—	84	(7) + 142	277	7
Animal fats (pure fat content)	202	—	—	25	—	25	+ 3	180	4
Eggs	298	—	—	—	(6)		+ 7	305	7
Sugar	296	—	—	—	—	—	+ 4	300	7

(1) Average consumption years 1933-34 - 1937-38.
(2) Inclusive of 1,200,000 tons of fresh vegetables estimated to be produced by family gardens.
(3) Waste consumed as feed.
(4) Waste of all meats already deducted from the dressed weight.
(5) Most of the milk which turned bad during distribution is again employed for cheese manufacture.

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

PRODUCTS	National Production (1)	NON-FOOD USES					NET TRADE (+ imports) (— exports)	FOOD AVAILABILITY	
		Seed	Feed	Others	Waste	Total non-Food Used		Total	Per capita (kg.)
Wheat	7,193	716	—	—	216	932	+ 444	6,705	157
Rye	150	15	13	—	4	32	+ 9	127	3
Barley	210	25	183	—	6	214	+ 60	56	1
Oats	2,946	40	1,681	—	88	1,832	+ 157	1,271	30
Rice	733	21	4	—	22	47	— 492	194	12
Total other cereals in wheat equivalent	3,731	102	1,688	—	105	1,895	+ 47	1,686	40
ALL CEREALS in wheat flour	8,131	633	1,527	—	252	2,032	+ 386	6,595	144
Potatoes	2,789	132	697	—	(3)	1,129	— 42	1,627	38
Pulses	808	92	303	—	(3)	395	+ 27	340	13
Tomatoes									
Fresh vegetables (2)	5301	—	—	—	1,131	1,131	— 336	2,434	57
Fresh pulses									
Soft fruit									
Hard fruit	1,532	—	—	—	276	276	— 166	1,090	26
Nuts									
Chestnuts	616	—	(3) 57	—	24	81	— 128	407	10
Citrus fruit	785	—	—	—	153	153	— 326	286	7
Beef and veal	329	—	—	—	(4)	—	+ 63	392	9
Mutton and lamb	49	—	—	—	(4)	—	— 1	18	1
Pork	224	—	—	—	(4)	—	— 5	219	5
Horse meat	13	—	—	—	(4)	—	—	13	0.3
Offals	37	—	—	—	(4)	—	+ 3	40	0.9
Poultry, game, rabbit	119	—	—	—	(4)	—	+ 2	121	3
Fish	178	—	—	—	(4)	—	+ 78	256	6
Milk for direct cons. (lit.)	2,265	—	—	—	(5)	—	—	2,265	53
Cheese (curip.)	232	—	—	—	(5)	—	— 20	212	5
Butter	48	—	—	—	(5)	—	+ 1	49	1
Olive oil									
Seed oil	219	—	—	(7) 84	—	84	(7) + 142	277	7
Animal fats (pure fat content)	202	—	—	25	—	25	+ 3	180	4
Eggs	308	—	—	—	(6)	—	+ 7	307	7
Sugar	296	—	—	—	—	—	+ 4	300	7

(1) Average consumption years 1927-28 - 1931-38.
(2) Inclusive of 1,200,000 tons of fresh vegetables estimated to be produced by family gardens.
(3) Waste consumed as feed.
(4) Waste of all meats already deducted from the dressed weight.
(5) Most of the milk which turned bad during distribution is again employed for cheese manufacture.
(6) Losses during distribution taken into account in computation of unit weight.
(7) It has been presumed that about 20,000 tons of domestic vegetable fats are processed for industrial purposes; the remainder is given by imported vegetable fats. Therefore the amount of imported vegetable fats for edible purposes is 78,000 tons (219,000 tons of national oils less 20,000 tons processed by industry give 199,000 tons; 277,000 of total availability of vegetable oils less 199,000 = 78,000).

Declassified E.O. 12356 Section 3.3/NND No. 750021

TABLE 2

Livestock in Italy

(Figures in thousand head)

	1930	1941	1942	1945	1945 as per cent of 1930=100	1945 as per cent of 1942=100
Cattle	7,656	8,488	8,372	6,550	85.6	78.2
Cows (1)	3,602	3,916	3,865	2,992	85.0	77.4
Swine	4,745	3,645	3,725	3,036	64.0	81.5
Sheep and goats	13,133	11,599	11,599	7,761	59.1	66.9
Horses	948	743	770	620	65.7	80.5
Mules	485	319	313	220	47.3	70.2
Asses	995	879	882	589	65.1	80.0
Poultry	—	76,000 (pre-war estimate)	—	57,000	75.0	—
Rabbits	—	50,000 (1936)	—	10,000	80.0	—

(1) Cows already included in all cattle figures.

All data from 1941 to 1945 as of July of each year. The 1930 data were originally taken in March, but are here increased by a given percentage for July so as to be comparable with other years, avoiding seasonal variations.

8. The production of draft power is among the important purposes of livestock breeding; about 29 % of the animal units—including 26 % of all cattle—are used for farm work. Animals supply 60 % of all power used in agriculture and perform 38 % of all work (see Table 3). With Italy's high density of population, land rather than labor is the high-cost factor. Hence accrue high inputs of manpower, fertilizers, and means of plant protection and little emphasis on labor-saving devices, since the general goal is high production per unit of land rather than per man.

TABLE 3

Animal Draft Power Available to Italian Agriculture

YEAR	Total Power (1,000 Kilowatts)	Variation in % 1938=100
1930	2,381	100.6
1936	2,283	96.5
1938	2,368	100.0
1941	2,308	97.5
1942	2,297	97.0
1945	1,810	76.4

9. Mechanization is low; little over 10 % of the arable land is ploughed with tractors and only 60 % of the grain harvest is threshed mechanically. Less than one-half of the fields is sown with mechanical drills.

10. Chemical fertilizers are used to a considerable extent. Their application is mainly concentrated in the intensive areas where, together with the natural fertility of the soil, they are one of the basic factors of high yields. Conversely, in the South, farmers still use annual and pluriannual fallow as a means of restocking soil fertility.

11. Italian forestry is far less productive and intensive than could be expected from its share of the land, for its output is relatively small. Yet forests perform vitally important functions, which go far beyond their visible produce. Nearly all of the forest land is in mountainous areas, where the slopes are steep and rocky. Rainfall is extremely seasonal, occurs in torrential outbursts, and is insufficient to support dense vegetative growth. Forests under such conditions are of major importance in retarding water run-off, in preventing serious soil erosion, in controlling "flash" floods on agricultural plains, and in reducing wind damage to coastal and mountainous farm crops.

12. Poor fishing grounds and low domestic consumption of fish products kept Italian fisheries at a much lower level of output than would be warranted by the peninsular and insular position of Italy. The over-

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Declassified E.O. 12356 Section 3.3/NND No. 785021

					1930=100	1942=100
Cattle	7,656	8,488	8,372	6,550	85.6	78.2
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Horses	915	743	770	620	85.7	80.5
Mules	465	319	313	220	47.3	70.2
Asses	965	670	682	589	65.1	80.0
Poultry		76,000 (pre-war estimate)		57,000	75.0	
Rabbits		50,000 (elite)		10,000	80.0	

(1) Cows already included in all cattle figures.

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Note: Number of draft animals assumed from livestock censuses. The computation of total power has been made by the Analysis Division, Sub-Bureau of Relief Supply, and based on the following assumptions: 1 adult cattle head = 1 HP; 1 horse = 0.736 HP; 1 mule = 0.55 HP; 1 ass = 0.25 HP.

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Declassified E.O. 12356 Section 3.3/NND No. 758181

Fascism and Agriculture.

13. From 1922 to 1940, the year in which Italy entered the Second World War, fascism, its principles, its progress, its activities thoroughly influenced Italian agriculture. Far more important than certain widely-publicized ventures (the drainage of the Pontine Marshes, the "Battle of Wheat," etc.) were heavy subsidies, tariff protection, and a generally favorable price structure, which permitted Italian agriculture to share in the technological advancement of European agriculture during the Twenties and Thirties.

14. In many fields, such as reclamation and resettlement, use of fertilizers, mechanization, and wheat cultivation, truly remarkable progress was achieved. Yet hardly anything was accomplished toward solving the great technical, social, and economic problems of the disadvantaged areas of the South and Isles (which comprise 41 % of the agricultural land and 36 % of the agricultural population) nor was there any effective attempt to achieve reform of land tenure.

15. Moreover, among the fruits of fascism were the crippling of a once-flourishing body of farm co-operatives, the suppression of farm labor unions, and the perversion of the nature and functions of a once-excellent service of technical advice to farmers. On a more general level, the apparent prosperity of Italian agriculture, which was achieved through quantitative and qualitative impairment of food-consumption levels, depended upon virtual economic isolation for Italy. Like other sectors of the Italian economy, agriculture was geared for war and, in its production patterns and price structure, was getting further and further away from an internationally competitive basis.

Italian Agriculture during the First Three Years of War.

16. From June 1940, to June 1943, Italian agriculture underwent no major changes in land utilization, cultivation patterns, crop utilization, and animal husbandry practices. No great expanses of land were planted to new crops as was done in Eastern Europe, and in the Balkans, nor were herds and flocks curtailed as in England. *Per se*, Italy's wartime production plans and goals differed but little from those of the immediate post-war period, when they were geared to a self-sufficiency policy; moreover, actual achievements fell short even of the limited goals. Although production plans underwent little or no change, the supply position with regard to production factors was modified by developments that were beyond the control of the planners. First, labor inputs and manpower supplies were reduced pre-war. Secondly, the output of agricultural supplies that were manufactured from imported raw materials of extra-European origin (superphosphate, copper pesticides) declined rapidly. Thirdly, the supply of nitrogenous fertilizers was reduced by shortage of coal and electric power and by the competing demands of war industries. Thus, while Italian soils were depleted rapidly, the means of restocking their fertility became less and less adequate.

17. The first signs of war weariness appeared in 1942. By 1943, when the Allied Armies landed in Sicily, Italian agriculture was an ailing body to which aerial and ground warfare, as well as enemy plundering, would soon inflict most serious wounds.

Developments from 1943 to 1945.

18. From July 1943, to April 1945, Italy was the theater of active warfare. After a speedy advance across Sicily and the southern portion of the peninsula, the Allied armies were stalled at the Gustav Line and the Anzio beach-head until the spring of 1944. Thereafter, virtually all of central Italy was liberated, but in the winter of 1944 a new stalemate was reached on the Gothic Line. Meanwhile, the growth of the resistance movement behind German lines brought about violent nazi-fascist repressions. Thus, by the end of the Italian campaign the two areas around the 1943 and 1944 winter lines and those sections that were the foci of partisan activities had been laid waste by war damage and enemy plundering. The total area affected amounts to a few hundred thousand hectares which cannot be cultivated because of war damage and military restrictions: among them an estimated one hundred thousand hectares will require from two to six years for reclamation. In this group are 30,000 hectares of flooded land and 10,000 hectares of mined soil.

19. Besides that, as a consequence of innumerable dislocations that attended military operations, other damages have been suffered by Italian agriculture, even more serious than the ones mentioned above.

20. The battle lines separated the North, the economic heart of the country, from the South, thus making economic islands of provinces and regions. The area held by the Allies could not be supplied with means of agricultural production because of lack of shipping space.

21. North and South alike suffered from shortage of fertilizers, pesticides, machinery repairs and replacements, feed concentrates, etc.

22. The consequent deterioration of the production

Declassified E.O. 12356 Section 3.3/NND No. 785021

agriculture. Far more important than certain widely-publicized ventures (the drainage of the Pontine Marshes, the "Battle of Wheat," etc.) were heavy subsidies, tariff protection, and a generally favorable price structure, which permitted Italian agriculture to share in the technological advancement of European agriculture during the Twenties and Thirties.

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15. Moreover, among the fruits of fascism were the crippling of a once-flourishing body of farm cooperatives, the suppression of farm labor unions, and the perversion of the nature and functions of a once-excellent service of technical advice to farmers. On a more general level, the apparent prosperity of Italian agriculture, which was achieved through quantitative and qualitative impairment of food-consumption levels, depended upon virtual economic isolation for Italy. Like other sectors of the Italian economy, agriculture was geared for war and, in its production patterns and price structure, was getting further and further away from an internationally competitive basis.

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and electric power and by the competing demands of war industries. Thus, while Italian soils were depleted rapidly, the means of restocking their fertility became less and less adequate.

17. The first signs of war weariness appeared in 1942. By 1943, when the Allied Armies landed in Sicily, Italian agriculture was an ailing body to which aerial and ground warfare, as well as enemy plundering, would soon inflict most serious wounds.

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19. Besides that, as a consequence of innumerable dislocations that attended military operations, other damages have been suffered by Italian agriculture, even more serious than the ones mentioned above.

20. The battle lines separated the North, the economic heart of the country, from the South, thus making economic islands of provinces and regions. The area held by the Allies could not be supplied with means of agricultural production because of lack of shipping space.

21. North and South alike suffered from shortage of fertilizers, pesticides, machinery repairs and replacements, feed concentrates, etc.

22. The consequent deterioration of the production potential is widespread and deep, even where it cannot be brought to light by physical inventories. Some aspects of it are the depletion of soil fertility, which

Declassified E.O. 12356 Section 3.3/NND No. 745021

is far more significant than the relatively small amount of ground that, as said above, has been lost to cultivation. Fertilizer shortage is a sort of hidden damage suffered by soil at a time when high production was urgently needed. As a consequence, although the arable area is at present about the same as in 1936 (about 13 million hectares) the fallow land has increased by more than 40 %. Unless fertilizer supplies increase, the amount of land left fallow will rise steadily.

23. Likewise, whereas farm machinery has suffered no reduction in numbers, much of it is now hopelessly obsolete. Again, Italy has only limited quantitative seed deficiencies but much of the available seed material is extremely poor. Forced to "make things last and to do without," Italian agriculture is now showing the signs of the tremendous strain it had to undergo.

24. Heavy war damage was suffered by rural buildings, which even before the war did not provide adequate housing. Negligible was the reduction in numbers of trees and vines, yet the areas damaged were highly productive and played an important rôle in the Italian economy and especially in the export trade of the country.

25. Again, forests destroyed or damaged occupy only 1.4 % of the forest areas of Italy, but these were among the most important sources of timber of the country. In cutting, the large and best timber was taken first, and the very best forests—those owned by the State and by the communes—were those most seriously exploited and depleted. The very foundations of re-afforestation programs were also wrecked though the neglect of nurseries.

26. Damage to movable items and especially to livestock was most serious. Whereas livestock numbers had been well maintained up to 1942, by 1945 all species had been reduced from 20 % to 35 % of 1942 levels (Table 2). This meant not only a reduction in output of animal products but also a damage to agriculture as a whole, since draft animals have been reduced by about one-fourth (Table 3). Meat and milk yields also declined because of poor feeding.

27. In the field of fisheries most vessels of all types and sizes were destroyed or damaged, as was true of much of the equipment, especially nets and cables.

28. The total losses of Italian agriculture caused by war were evaluated at 320,000 million lire (1945 basis).

29. Again, an overall consideration of war damages does not allow for the problems created by concentrated destruction. Certain provinces lost most of their buildings, livestock, and machinery—in short, the very sinews of production. Some areas were deprived of their main sources of cash income by the flooding or mining of land. Other sections, where the population depended upon an active export trade of specialities for its livelihood, are still faced with the problem of finding new outlets for their fruits or early vegetables.

30. Thus, even if the Italian countryside does not show scenes of desolation comparable to those of the flooded polders of Holland or the huge wastes of Poland and Russia, nevertheless the war damage to Italian agriculture is one of the greatest problems of reconstruction.

The Crop Year 1944-45.

31. From 1940 to 1944 agricultural production had declined slowly and yet remained at higher levels than in a peacetime year characterized by extremely adverse weather conditions, such as 1936. However, in 1945 the combination of war-caused dislocations with an unprecedented drought brought production to the lowest level reached in the last 50 years. The food output declined to about 60 % of pre-war, feed production to 55 %; equally sharp reductions occurred in the output of agricultural raw material (fibers, tobacco etc.). Even when allowance is made for the effects of exceptionally adverse weather conditions, the statistical data for the crop year 1944-45 are still a good indication of the crisis of Italian agriculture. (Table 1).

32. This is especially evident when data for the crop year 1944-45 are compared with averages for pre-war years. The latter, it is true, show the effects of the self-sufficiency drive; but, when compared with those of other European countries, they fit well into the general picture of agricultural progress presented by continental Europe in the Thirties.

33. In the crop year 1944-45 the area planted to food grain had declined to 89.1 % of the pre-war while the total grain area had been reduced by 11.2 %. Thus, the crops that are vital to the agriculture and food economy of the country had lost considerable ground. The area planted to pulses had declined by 22 %. Pulse cultivation is strictly connected with the availability of

Declassified E.O. 12356 Section 3.3/NND No. 785021

13 million hectares) the fallow land has increased by more than 40 %. Unless fertilizer supplies increase, the amount of land left fallow will rise steadily.

23. Likewise, whereas farm machinery has suffered no reduction in numbers, much of it is now hopelessly obsolete. Again, Italy has only limited quantitative seed deficiencies but much of the available seed material is extremely poor. Forced to "make things last and to do without," Italian agriculture is now showing the signs of the tremendous strain it had to undergo.

24. Heavy war damage was suffered by rural buildings, which even before the war did not provide adequate housing. Negligible was the reduction in numbers of trees and vines, yet the areas damaged were highly productive and played an important rôle in the Italian economy and especially in the export trade of the country.

25. Again, forests destroyed or damaged occupy only 1.4 % of the forest areas of Italy, but these were among the most important sources of timber of the country. In cutting, the large and best timber was taken first, and the very best forests—those owned by the State and by the communes—were those most seriously exploited and depletel. The very foundations of re-afforestation programs were also wrecked though the neglect of nurseries.

26. Damage to movable items and especially to livestock was most serious. Whereas livestock numbers had been well maintained up to 1942, by 1945 all species had been reduced from 20 % to 35 % of 1942 levels (Table 2). This meant not only a reduction in output of animal products but also a damage to agriculture as a whole, since draft animals have been reduced by about one-fourth (Table 3). Meat and milk yields also declined because of poor feeding.

27. In the field of fisheries most vessels of all types and sizes were destroyed or damaged, as was true of much of the equipment, especially nets and cables.

28. The total losses of Italian agriculture caused by war were evaluated at 380,000 million lire (1945 basis). Expressed in terms of pre-war values, this is the equivalent of about two-thirds of the gross value of annual agricultural production.

land. Other sections, where the population depended upon an active export trade of specialities for its livelihood, are still faced with the problem of finding new outlets for their fruits or early vegetables.

30. Thus, even if the Italian countryside does not show scenes of desolation comparable to those of the flooded polders of Holland or the huge wastes of Poland and Russia, nevertheless the war damage to Italian agriculture is one of the greatest problems of reconstruction.

The Crop Year 1944-45.

31. From 1940 to 1944 agricultural production had declined slowly and yet remained at higher levels than in a peacetime year characterized by extremely adverse weather conditions, such as 1936. However, in 1945 the combination of war-caused dislocations with an unprecedented drought brought production to the lowest level reached in the last 50 years. The food output declined to about 60 % of pre-war, feed production to 55 %; equally sharp reductions occurred in the output of agricultural raw material (fibers, tobacco etc.). Even when allowance is made for the effects of exceptionally adverse weather conditions, the statistical data for the crop year 1944-45 are still a good indication of the crisis of Italian agriculture. (Table 4).

32. This is especially evident when data for the crop year 1944-45 are compared with averages for pre-war years. The latter, it is true, show the effects of the self-sufficiency drive; but, when compared with those of other European countries, they fit well into the general picture of agricultural progress presented by continental Europe in the Thirties.

33. In the crop year 1944-45 the area planted to food grain had declined to 89.1 % of the pre-war while the total grain area had been reduced by 11.2 %. Thus, the crops that are vital to the agriculture and food economy of the country had lost considerable ground. The area planted to pulses had declined by 22 %. Pulse cultivation is strictly connected with the availability of superphosphate. Supplies of this all-important fertilizer had declined to 6 % of pre-war, so that it was hardly profitable to grow horse beans and other legumes typical of the Mediterranean areas.

Declassified E.O. 12356 Section 3.3/NND No. 783021

TABLE 1

Agricultural Products Available for Food in 1945-46 from Domestic Sources Plus Foreign Trade

(All figure in thousand metric tons)

PRODUCTS	Produc. from domestic sources	NON FOOD USED					Available for food from domestic sources	Main imports through FEA, UNRRA and other programs	Ex-ports (1)	FOOD AVAILABLE	
		Seed	Food	Others	Waste	Total non Food Used				Total	Per capita (kg.)
Wheat	4,206	658	—	—	126	784	3,422	1,742	—	5,164	113
Rye	70	14	32	—	2	48	31	—	—	31	0.7
Barley	124	29	74	—	1	107	17	28	—	45	0.9
Corn	1,416	63	991	—	42	1,096	320	—	—	320	7
Rice	415	21	5	—	12	38	377	—	—	377	8
Total other cereals in wheat equiv.	1,772	107	980	—	52	1,138	634	10	—	643	14
TOTAL cereals in flour	5,260	675	872	—	153	1,700	3,560	1,550	—	5,110	112
Potatoes	1,526	100	505	—	—	605	921	—	A 19	902	43
Pulses	187	70	38	—	—	112	75	47	—	122	3
Tomatoes	536	—	—	—	107	107	429	—	A 75	2,400	52
Fresh vegetables	2,755	—	—	—	826	826	1,929	—			
Fresh pulses	155	—	—	—	38	38	117	—			
Soft fruit	724	—	—	—	145	145	579	—	A 30	975	21
Hard fruit	523	—	—	—	78	78	445	—	P 105		
Nuts	279	—	—	—	28	28	251	—	A 9	225	5
Chestnuts	120	—	18	—	—	18	102	—	P 17	102	2
Citrus fruit	482	—	—	30	30	126	356	—	A 29 P 176	161	4
Beef and veal	175	—	—	—	—	—	175	11	—	186	4.7
Mutton, lamb, goat	31	—	—	—	—	—	31	—	—	31	0.7
Pork	144	—	—	—	—	—	144	—	—	144	3
Horse meat	15	—	—	—	—	—	15	—	—	15	0.3
Offals	23	—	—	—	—	—	23	—	—	23	0.5
Poultry, game, rabbits	61	—	—	—	—	—	61	—	—	61	1
Fish	138	—	—	—	—	—	138	23	—	161	3
Milk for direct consumption	1,395	—	—	—	—	—	1,395	201	—	1,596	35
Cheese	127	—	—	—	—	—	127	—	—	127	3
Butter	25	—	—	—	—	—	25				
Olive oil	96	—	—	10	—	10	86	6	—	202	4
Seed oil	8	—	—		—		8				
Animal fats	77	—	—		—		77				
Eggs	152	—	—	—	—	—	152	11	A 1	162	4
Sugar	22	—	—	—	—	—	22	50	—	72	2

Declassified E.O. 12356 Section 3.3/NND No. 785031

PRODUCTS	Produc. from domestic sources	NON FOOD USES: Seed	Feed	Others	Waste	Total non-Food Used	Available for food from domestic sources	Imports through FEA, UNRRA and other programs	Exports (1)	AVAILABLE: Total	Per capita (kg.)
Wheat	1,206	658	—	—	126	784	3,422	1,742	—	5,164	113
Rye	79	14	32	—	2	48	31	—	—	31	0.7
Barley	124	29	74	—	1	107	17	26	—	43	0.9
Corn	1,446	63	991	—	42	1,096	320	—	—	320	7
Rice	415	21	5	—	12	38	377	—	—	377	8
Total other cereals (in whole)	1,772	107	989	—	52	1,148	624	19	—	643	14
Total cereals in flour	5,260	675	872	—	153	1,700	3,560	1,550	—	5,110	112
Potatoes	1,526	100	505	—	—	605	921	—	A 19	902	13
Pulses	187	70	33	—	—	112	75	47	—	122	3
Tomatoes	536	—	—	—	107	107	429	—	A 75	2,400	52
Fresh vegetables	2,755	—	—	—	826	826	1,929	—			
Fresh pulses	155	—	—	—	38	38	117	—			
Soft fruit	724	—	—	—	145	145	579	—	A 39	975	21
Hard fruit	323	—	—	—	78	78	445	—	F 10		
Nuts	279	—	—	—	28	28	251	—	A 9	425	5
Chestnuts	120	—	18	—	—	18	102	—	F 17	102	2
Citrus fruit	482	—	—	30	96	126	356	—	A 22 F 170	164	4
Beef and veal	175	—	—	—	—	—	175	11	—	186	4.7
Mutton, lamb, goat	31	—	—	—	—	—	31	—	—	31	0.7
Pork	144	—	—	—	—	—	144	—	—	144	3
Horse meat	15	—	—	—	—	—	15	—	—	15	0.3
Offals	23	—	—	—	—	—	23	—	—	23	0.5
Poultry, game, rabbits	61	—	—	—	—	—	61	—	—	61	1
Fish	138	—	—	—	—	—	138	23	—	161	3
Milk for direct consumption	1,395	—	—	—	—	—	1,395	201	—	1,596	35
Cheese	127	—	—	—	—	—	127	—	—	127	3
Butter	25	—	—	—	—	—	25				
Olive oil	96	—	—	10	—	10	86	6	—	202	4
Seed oil	8	—	—		—		8				
Animal fats	77	—	—		—		77				
Eggs	152	—	—	—	—	—	152	11	A 1	162	4
Sugar	22	—	—	—	—	—	22	50	—	72	2

(1) Purchase to the Allied Armies without replacement in kind and exports authorized by the High Commissariat for Food.

A = Exports to Allied Army.

F = Plan for exports prepared by Ministry of Foreign Trade.

Declassified E.O. 12356 Section 3.3/NND No. 785021

34. With a reduction in the area planted to legumes, the system of rotation had been upset, and the nitrogen balance showed an ever-increasing deficit. At the same time, supplies of nitrogen from chemical fertilizer (which up to 1943 had remained at levels approximately equal to those obtaining in pre-war times) fell in 1945 to some 20 % of pre-war (Table 5).

TABLE 5

Italy Fertilizer Consumption in Terms of Plant Food

(Index number: 1936-38 = 100)

Year	Nitrogen (as N_2) Index	Phosphates (as P_2O_5) Index	Potash (as K_2O) Index
1936-38	100.0	100.0	100.0
1939	137.8	120.8	98.9
1940	117.1	106.0	247.3
1941	119.2	75.6	257.5
1942	90.3	49.5	230.4
1943	97.0	9.5	113.8
1944	58.6	2.2	66.0
1945	18.8	6.8	—

35. The availability of other production factors and of processing facilities sharply affected the area planted to specific crops. Among the heaviest losers were the crops which yield the largest amount of food per unit of land. Thus, sugar-beets, a high calorie-producing crop, fell to 28 % of pre-war acreage; rice, which has the highest food output among all grains, fell to 66 %.

36. Among the crops which gained some ground were those which normally are used mainly as feed: e.g., oats and barley.

37. As in all belligerent countries, Italy's acreage planted to fresh vegetables increased considerably, perhaps to 115 % of pre-war. Under Italian conditions this development has neither the significance nor the favorable aspects to be found in other countries. In fact, Italy has always had large surpluses of vegetables, and the disrupted transportation and storage facilities did not permit an effective handling of truck crops.

38. With accumulated fertilizer deficiencies, lower-quality seed, labor shortages, and adverse weather conditions, yields per hectare fell to an unprecedented low; barley yields were one-half of pre-war, wheat yields two-thirds, haricot beans about 30 %.

39. In terms of out-put the decline is even sharper of grain for food, which normally represents two-thirds of the Italian diet, dropped to some 53 % of pre-war. Because of factory destruction and the utilization of about 40 % of the beet crop for feed rather than for processing, the sugar output, which should normally cover Italy's requirements, fell to 6 % of pre-war. Feeding of beets to animals was partly due to the lack of processing facilities and partly to the shortage of other feeds. The production of roughage, which normally represents some two-thirds of Italy's feed supplies, fell in 1945 to 60 % of pre-war.

40. In short, Italian agriculture, deprived of many essential means of production, had reverted to more primitive patterns of land utilization and farming practices. It had lost most of the ground gained under the self-sufficiency drive and fallen back to levels of output that would support perhaps two-thirds of the present population of the country.

41. At this point begins the long road of agricultural rehabilitation. World-wide problems of supply make the path to recovery a devious one, and internal factors create all sorts of obstacles difficult to surmount.

Objectives of Agricultural Rehabilitation.

42. The ultimate goal of agricultural rehabilitation in Italy cannot be a return to pre-war conditions, partly because the economic orbit to which Italy belonged has been largely wrecked and partly because the whole self-sufficiency program must be discarded if Italy is to achieve social and economic progress.

43. Thus, new programs and new goals must be established that will modify the structure of Italian agriculture. The general outline of these programs is dictated by the need for improving qualitatively and quantitatively past levels of food consumption, for balancing the economy of disadvantaged areas (especially the extensive grain-growing areas of the South and the Islands), and for eliminating uneconomical enterprises.

44. In broad lines, these goals involve a partial shift from the production of grains for direct food consumption to a grain-livestock economy and the reversion to pasture of much marginal land now used for grain production. Such shifts may affect as much as one-sixth of the arable land. They will involve many difficult steps, ranging from the resettlement of the underpopulated areas of the South and the Isles to an

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to some 20 % of pre-war (Table 5).

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39. In terms of out-put the decline is even sharper and clearly shows how under adverse weather conditions the agricultural economy of the country can be brought to the point of collapse. Thus, the production of processing facilities and partly to the shortage of other feeds. The production of roughage, which normally represents some two-thirds of Italy's feed supplies, fell in 1945 to 60 % of pre-war.

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44. In broad lines, these goals involve a partial shift from the production of grains for direct food consumption to a grain-livestock economy and the reversion to pasture of much marginal land now used for grain production. Such shifts may affect as much as one-sixth of the arable land. They will involve many difficult steps, ranging from the resettlement of the underpopulated areas of the South and the Isles to an education program to increase and develop the skill of the peasants and make them able to handle modern machinery and raise improved types of livestock.

Declassified E.O. 12356 Sec. 3.3/NND No. 730021

45. The achievement of long-term rehabilitation goals would make Italy more dependent upon imports of staple foodstuffs than in the late Thirties. Conversely, Italy's export trade, hitherto largely dependent on speciality products, would in future have to rely upon industrial exports to offset her greater agricultural imports.

46. Nevertheless, for the immediate future Italy must husband all her resources toward direct food production, while keeping her food imports at as low a level as possible. In fact, not only are food shortages plaguing the entire world, so that large food imports would be physically impossible; but it is also desirable that the country's limited foreign assets be used for purchase of capital goods and raw materials rather than for the purchase of foodstuffs and other consumption goods. Only after a reasonable degree of recovery in direct food production has been achieved will it become advisable to think and act in terms of long-range adjustments.

47. Thus, the immediate goals of agricultural rehabilitation differ from self-sufficiency plans only in so far as the former are dictated by the supply position of the world as a whole. There is no need to plan today for cotton production because domestic requirements are fully covered by world surpluses. Moreover, Italy does not need to produce within her boundaries all types of agricultural commodities. It is only necessary to see to it that Italian agriculture contributes to the greatest possible extent to relieve food shortages.

48. The branch of the agricultural economy which is directly affected by the immediate demand for direct food production is animal husbandry. In the face of food shortages, no rehabilitation of that part of the livestock population which feeds on cereals fit for human consumption can be envisaged. Nor can feed production deserve any high priority in the allocation of such production factors as land, machinery and fertilizer.

49. Likewise, all other agricultural rehabilitation activities which do not yield immediate increase in food production deserve only minor consideration in the short run. Nothing could be more fallacious than the popular conception of agricultural reconstruction as a considerable import program of all sorts of agricultural requisites, attended by general uplifting of farmers' skill and levels of living. This conception, albeit realistic when applied to the reconstruction of limited areas

UNRRA and Agricultural Rehabilitation.

50. UNRRA is principally concerned with the immediate goals of agricultural rehabilitation: namely, an increase in direct food production through the importation of critically needed supplies. As a secondary task, UNRRA initiates improvement programs which may represent the basis of the long-term rehabilitation of Italian agriculture.

51. In the all-important field of critical supplies the provision of plant food ranks first. Within the limitation imposed by world-wide shortages of fertilizer and in coordination with other programs, UNRRA plans to bring to Italy in 1946 the equivalent of 57,000 tons of plant food in terms of nitrogenous fertilizer, which is roughly one-half of the pre-war average consumption. The remainder is to be supplied from domestic production.

52. Italy's requirements for potash (25,000 metric tons) will be covered from UNRRA sources. The phosphate rock to be processed in Italian factories is being bought directly by the Italian Government from North Africa. UNRRA is supplying only token amounts of superphosphate.

53. For the protection of crops UNRRA is supplying pesticides, such as copper sulphate and sodium arsenite. It is further supplying raw materials to Italian factories operating in this field.

54. With regard to seed material, UNRRA has helped Italian agriculture through the supplying of seed potatoes, of flaxseed, and of legume seed. This program has been undertaken to fill qualitative and quantitative deficiencies in the Italian seed stock.

55. In the field of farm machinery UNRRA's first concern has been the supplying of additional draft power. By the end of 1946 UNRRA hopes to have imported into Italy some 1,400 tractors which, strategically located, and under proper organization, can make a substantial contribution toward the solution of the power problem. Together with the tractors UNRRA is importing ploughs as well as harvesting machinery. Since Italy has a well-developed farm machinery industry, UNRRA is merely importing items which cannot be produced in time or are simply not manufactured within the country and are needed to produce and conserve the maximum amount of food.

56. Besides contributing to the solution of critical supply problems UNRRA endeavors to take the first steps toward agricultural improvement. Under this heading come UNRRA's efforts to import small amounts of seeds

Declassified E.O. 12356 Section 3.3/NND No. 745021

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48. The branch of the agricultural economy which is directly affected by the immediate demand for direct food production is animal husbandry. In the face of food shortages, no rehabilitation of that part of the livestock population which feeds on cereals fit for human consumption can be envisaged. Nor can feed production deserve any high priority in the allocation of such production factors as land, machinery and fertilizer.

49. Likewise, all other agricultural rehabilitation activities which do not yield immediate increase in food production deserve only minor consideration in the short run. Nothing could be more fallacious than the popular conception of agricultural reconstruction as a considerable import program of all sorts of agricultural requisites, attended by general uplifting of farmers' skill and levels of living. This conception, albeit realistic when applied to the reconstruction of limited areas within an otherwise unscathed economy, has no place in a world whose food position has become worse in the first year of peace than it was in the last year of war.

may represent the basis of the long-term rehabilitation of Italian agriculture.

51. In the all-important field of critical supplies the provision of plant food ranks first. Within the limitation imposed by world-wide shortages of fertilizer and in coordination with other programs, UNRRA plans to bring to Italy in 1946 the equivalent of 37,000 tons of plant food in terms of nitrogenous fertilizer, which is roughly one-half of the pre-war average consumption. The remainder is to be supplied from domestic production.

52. Italy's requirements for potash (25,000 metric tons) will be covered from UNRRA sources. The phosphate rock to be processed in Italian factories is being bought directly by the Italian Government from North Africa. UNRRA is supplying only token amounts of superphosphate.

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56. Besides contributing to the solution of critical supply problems UNRRA endeavors to take the first steps toward agricultural improvement. Under this heading come UNRRA's efforts to import small amounts of seeds for large-scale experimentation and the provision of new types of machinery, designed to produce more efficient methods of crop production.

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Declassified E.O. 12356 Section 3.3/NND No. 759021

57. With regard to livestock, UNRRA's activities are limited by the inadequacy of feed supplies as well as by the general necessities of an emergency program. Provided feed supplies improve during the summer of 1946 UNRRA will import small numbers of animals for breeding, which may become the foundation of a long-range program of livestock improvement.

58. The provincial allocations and the use of UNRRA-imported supplies are determined by agreement between UNRRA and the Italian Ministry of Agriculture. UNRRA supplies are made available to farmers through the Federation of Agrarian Consorzia. The Federation was originally an association of farmers' co-operatives but became a State-controlled body during the last years of fascism. After liberation the Federation was designated by the Allied Military Government as the sole agency entitled to handle supplies imported by the military and was directly responsible to them. This procedure was the logical one, since the Federation was the only functioning organization that had both central and local offices and was in a position physically to handle supplies and to account for their disposal. Subsequently, the Federation retained the distribution task with regard to supplies imported by the Foreign Economic Administration and by the Italian Government with the U.S. Troop-pay account. Thus, UNRRA found it advisable to maintain the existing machinery for the distribution of imported supplies.

59. Besides rehabilitation on a steady program, UNRRA has shown itself able to provide rapid assistance in an emergency.

60. An eminent Italian entomologist has described the struggle against the grasshopper infestation of Sardinia, which still continues, as the greatest in history. As soon as the gravity of the situation and the lack of adequate defences became apparent, the Italian authorities had the material, personal and moral assistance of UNRRA supplies and specialists. UNRRA's contribution in this campaign included nearly 150 vehicles with trailers, all of which were shipped to the island in double-quick time and without which the Italians would have been almost helpless. To assist in the supply of insecticides, 25 tons of the newly-developed Gammexane have been flown out from the United Kingdom and 25 tons are following, while 52 tons of sodium arsenite have come from the United Kingdom by sea.

61. The Italian authorities had had no illusions about this threat to their economy and food supply. The Ministry of Agriculture has given of its best and the defences and by stimulating a wavering morale with the presence of their own specialists, UNRRA's contribution may well have turned the tables.

62. UNRRA has played a considerable part this year in urging the Government to ensure a maximum collection of cereals of the 1946 harvest. The "Amassing" Decree, as first proposed, was not considered to be likely to achieve that goal; UNRRA, in consultation with Professor Keith Murray, of Oxford University, therefore strongly recommended to the Italian Government that the Decree should be strengthened, in particular advising that the proposed increase of retentions for producers should be abandoned and that oats should be included in the cereals to be amassed. As a result the retentions are now fixed at last year's level (see graph - Table 6); the question of oats amassing is still under consideration.

63. The price to be paid for cereals for this year's harvest is the main factor in a successful collection campaign. Last year's prices were far too low (900 to 1,000 lire per quintal), well below production cost in fact. UNRRA has supported the Government in the fixing for this year of prices which should provide a fair return to the farmer and encourage him to surrender his grain from this harvest and to sow more grain for the next crop year. The prices being considered for the 1946 harvest are over twice as high as in 1945 and include special premiums for early deliveries.

64. A large rise in grain prices means a rise in the price of bread or a heavy burden on the Government in the form of subsidies. UNRRA has stated it is prepared to consider favorably the utilization of lire from the "Proceeds of Sales" Lire Fund to meet a part of this extra burden that will be placed upon consumer or Government provided:

(a) the machinery of amassing be greatly strengthened;

(b) appropriate steps be taken by the control of meat prices, or otherwise, to prevent loss of grain through excessive feeding of animals;

(c) the Government undertake a drive for greater agricultural production in 1947;

(d) the black market for bread be suppressed;

(e) efforts be made to eliminate luxury restaurants.

Declassified E.O. 12356 Section 3.3/NND No. 759021

38. The provincial allocations and the use of UNRRA-imported supplies are determined by agreement between UNRRA and the Italian Ministry of Agriculture. UNRRA supplies are made available to farmers through the Federation of Agrarian Consorzia. The Federation was originally an association of farmers' co-operatives but became a State-controlled body during the last years of fascism. After liberation the Federation was designated by the Allied Military Government as the sole agency entitled to handle supplies imported by the military and was directly responsible to them. This procedure was the logical one, since the Federation was the only functioning organization that had both central and local offices and was in a position physically to handle supplies and to account for their disposal. Subsequently, the Federation retained the distribution task with regard to supplies imported by the Foreign Economic Administration and by the Italian Government with the U.S. Troop-pay account. Thus, UNRRA found it advisable to maintain the existing machinery for the distribution of imported supplies.

59. Besides rehabilitation on a steady program, UNRRA has shown itself able to provide rapid assistance in an emergency.

60. An eminent Italian entomologist has described the struggle against the grasshopper infestation of Sardinia, which still continues, as the greatest in history. As soon as the gravity of the situation and the lack of adequate defences became apparent, the Italian authorities had the material, personal and moral assistance of UNRRA supplies and specialists. UNRRA's contribution in this campaign included nearly 150 vehicles with trailers, all of which were shipped to the island in double-quick time and without which the Italians would have been almost helpless. To assist in the supply of insecticides, 25 tons of the newly-developed Gammexane have been flown out from the United Kingdom and 25 tons are following, while 52 tons of sodium arsenite have come from the United Kingdom by sea.

61. The Italian authorities had had no illusions about this threat to their economy and food supply. The Ministry of Agriculture has given of its best and the Ministry of War has assisted with chemical warfare weapons and technicians. Nearly 1,500 million lire have been voted without hesitation. But by making the defenders mobile, by supplementing their technical Decree, as first proposed, was not considered to be likely to achieve that goal: UNRRA, in consultation with Professor Keith Murray, of Oxford University, therefore strongly recommended to the Italian Government that the Decree should be strengthened, in particular advising that the proposed increase of retentions for producers should be abandoned and that oats should be included in the cereals to be amassed. As a result the retentions are now fixed at last year's level (see graph - Table 6): the question of oats amassing is still under consideration.

63. The price to be paid for cereals for this year's harvest is the main factor in a successful collection campaign. Last year's prices were far too low (900 to 1,000 lire per quintal), well below production cost in fact. UNRRA has supported the Government in the fixing for this year of prices which should provide a fair return to the farmer and encourage him to surrender his grain from this harvest and to sow more grain for the next crop year. The prices being considered for the 1946 harvest are over twice as high as in 1945 and include special premiums for early deliveries.

64. A large rise in grain prices means a rise in the price of bread or a heavy burden on the Government in the form of subsidies. UNRRA has stated it is prepared to consider favorably the utilization of lire from the "Proceeds of Sales" Lire Fund to meet a part of this extra burden that will be placed upon consumer or Government provided:

(a) the machinery of amassing be greatly strengthened;

(b) appropriate steps be taken by the control of meat prices, or otherwise, to prevent loss of grain through excessive feeding of animals;

(c) the Government undertake a drive for greater agricultural production in 1947;

(d) the black market for bread be suppressed;

(e) efforts be made to eliminate luxury restaurants.

This undoubtedly encouraged the Government to fix remunerative prices, which should achieve the primary object of getting in the maximum amount of cereals.

Declassified E.O. 12356 Section 3.3/NND No. 785021

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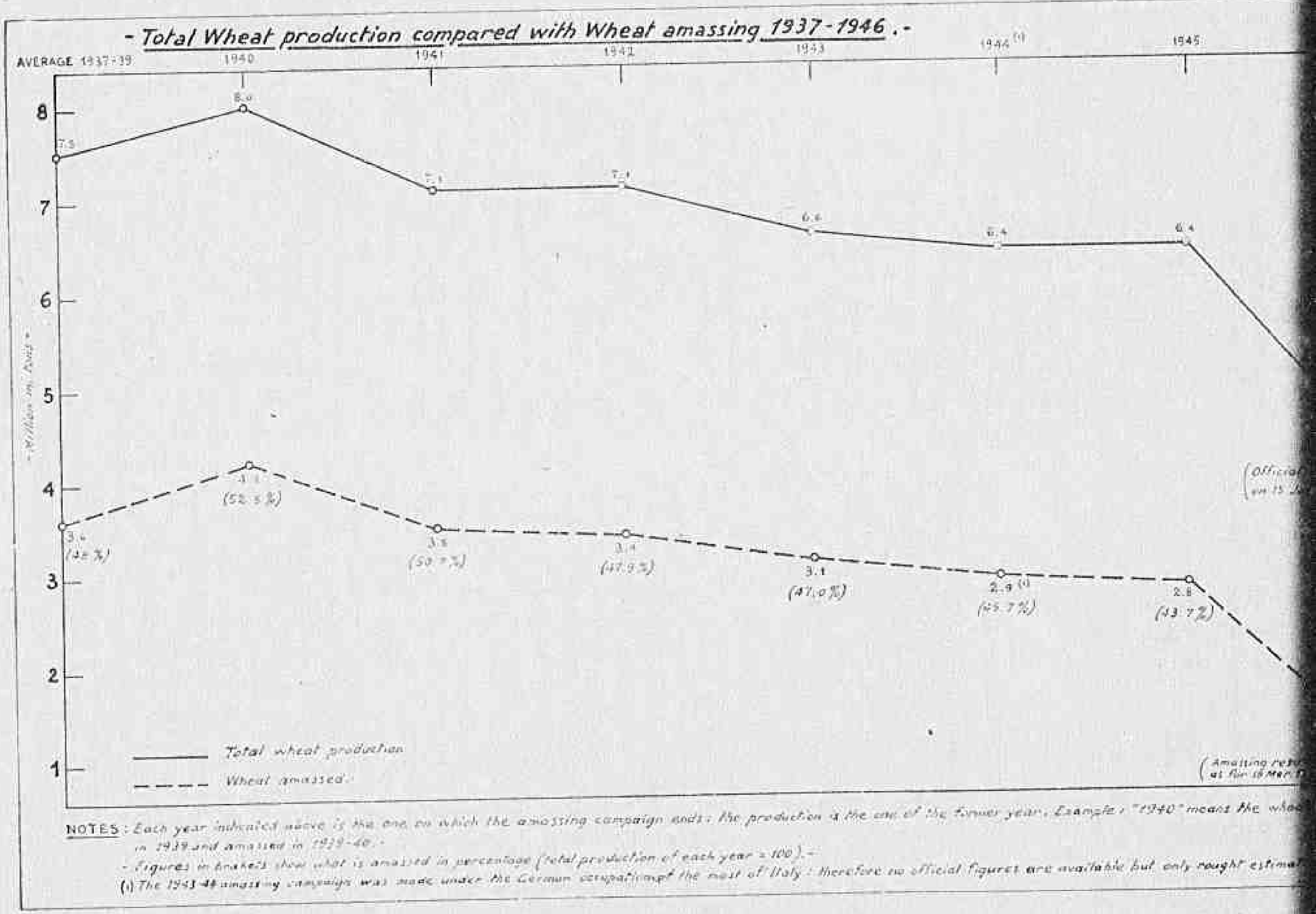
Declassified E.O. 12356 Section 3.3/NND No. 785021

ANNEXE II

- Total Wheat production compared with Wheat amassing 1937-1946 .-



NOTES : Each year indicated above is the one on which the amassing campaign ends : the production is the one of the former year. Example : "1940" means the whea
in 1939 and amassed in 1939-40.-
- figures in brakets show what is amassed in percentage (total production of each year = 100).-
(1) The 1943-44 amassing campaign was made under the German occupation of the most of Italy : therefore no official figures are available but only rought estimat

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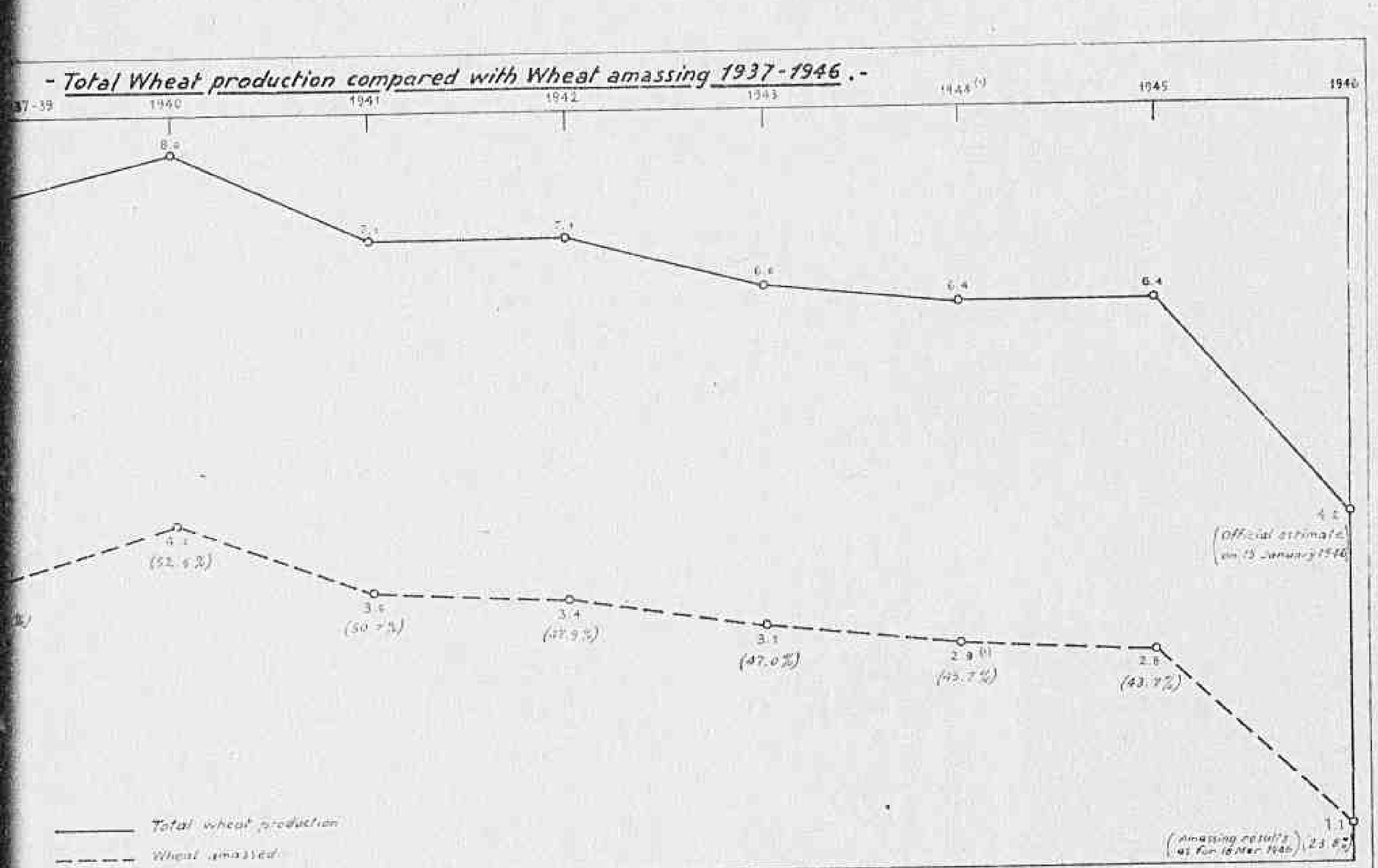

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Obstacles to Agricultural Rehabilitation.

65. The main obstacles to agricultural rehabilitation in Italy are a lag in private initiative and a lack of public policy. These circumstances delay and complicate the reconstruction of Italian agriculture.

66. True, the repairing of direct war damage to the production potential is a task which Italian peasants have undertaken with enthusiasm and success; from the very beginning of the Italian campaign the bravery and tenacity with which farmers undertook to clear the rubble and repair their buildings, to plough their battle-scarred fields and put them into production with the limited resources available, have aroused the admiration of Allied observers. Nevertheless, the repair of the indirect war damage creates a problem of capital investments which is yet to be solved because the social and economic outlook acts as a deterrent to private enterprise.

67. In most parts of Italy any reconstruction activity which requires inputs of production factors other than family labor is being delayed because farm operators fear that social reforms will deprive them of the fruits of their investments. Where large estates, extensively exploited for cereal growing and sheep raising and operated with casual laborers and sharecroppers, form the basic pattern of land tenure—namely in the plains of Tuscany and Latium, the central plateaux of Southern Italy and Sicily and much of Sardinia—the landowners fear a sweeping land reform which could either give the land to associations of workers or place upon the landlord the burden of compulsory basic changes in the structure of the agricultural economy. Moreover, in all areas where crop-sharing contracts prevail—Central Italy and Emilia, as well as the hilly regions of the remainder of Northern Italy—the question of modifying standing agreements to the end of increasing the share of tenants and laborers is still a subject of dispute. Finally, throughout Italy the general expectation that landlords' returns and profits will be reduced by higher wages and social costs does not encourage individual long-term investments in agriculture.

68. Thus, economic inducements to agricultural reconstruction are lacking or inadequate; whereas in the early post-liberation days any agricultural supply was quickly disposed of, today this is true only of those input factors which yield immediate returns. For

69. The farm operators are also rather reluctant to purchase farm machinery, fixed improvements, and breeding stock. In many sections of the country the agricultural economy has reverted to a less intensive form than during the self-sufficiency drive. An example of this development may be found in the areas of dry-farm where the fallow, eventually grazed by sheep flocks, has partially replaced the cultivation of legumes, which is normally attended by heavy applications of phosphatic fertilizer. Likewise, in other sections of the country farm operators have allowed cultivation practices to deteriorate rather than to purchase more adequate tillage improvements.

70. Economic stimulus to agricultural reconstruction has also been inadequate because of exceeding low official prices fixed for grains delivered to the "ammassi" in 1945. Official prices established for soft and hard wheat were 9,000 and 10,000 lire per ton respectively, while prices for other cereals varied between 6,500 and 9,500 lire per ton. These prices were so low compared with prices of other crops that they undoubtedly contributed to the high percentage of cereals which went into the black market during 1945-46 consumption year, and to the lack of any appreciable increase in the area under cereals in the crop year 1945-46.

71. Very recently new prices have been fixed by the Italian Government, which are more adequate to the present general conditions of the Italian food market and which give a reasonable return to the farmer. Wheat prices vary between 22,500 and 25,000 lire per ton for soft wheat according to the different regions, plus a premium for early delivery varying between 3,000 and 6,000 lire per ton and an additional premium of 3,500 lire per ton for Durum wheat delivered at any time. Prices of rye are now the same as for wheat, while prices for barley vary now between 17,500 and 26,100 lire per ton according to the different regions and varieties.

72. Government policies have failed to offset the deficiencies of private initiative. In contrast with what took place during the First World War there has been no well-defined policy or prior planning aimed at a production increase. No regulation has been issued affecting the utilization of land or promoting the expansion of arable land. Moreover, the Government has failed to promote the cultivation of any particular crop by giving to it a higher priority in the allocation of fertilizer and other factors of production.

73. As has been stated above, many areas that were theaters of active warfare need help in the form of

Declassified E.O. 12356 Section 3.3/NND No. 759021

reconstruction of Italian agriculture.

66. True, the repairing of direct war damage to the production potential is a task which Italian peasants have undertaken with enthusiasm and success; from the very beginning of the Italian campaign the bravery and tenacity with which farmers undertook to clear the rubble and repair their buildings, to plough their battle-scarred fields and put them into production with the limited resources available, have aroused the admiration of Allied observers. Nevertheless, the repair of the indirect war damage creates a problem of capital investments which is yet to be solved because the social and economic outlook acts as a deterrent to private enterprise.

67. In most parts of Italy any reconstruction activity which requires inputs of production factors other than family labor is being delayed because farm operators fear that social reforms will deprive them of the fruits of their investments. Where large estates, extensively exploited for cereal growing and sheep raising and operated with casual laborers and sharecroppers, form the basic pattern of land tenure—namely in the plains of Tuscany and Latium, the central plateaux of Southern Italy and Sicily and much of Sardinia—the landowners fear a sweeping land reform which could either give the land to associations of workers or place upon the landlord the burden of compulsory basic changes in the structure of the agricultural economy. Moreover, in all areas where crop-sharing contracts prevail—Central Italy and Emilia, as well as the hilly regions of the remainder of Northern Italy—the question of modifying standing agreements to the end of increasing the share of tenants and laborers is still a subject of dispute. Finally, throughout Italy the general expectation that landlords' returns and profits will be reduced by higher wages and social costs does not encourage individual long-term investments in agriculture.

68. Thus, economic inducements to agricultural reconstruction are lacking or inadequate; whereas in the early post-liberation days any agricultural supply was quickly disposed of, today this is true only of those input factors which yield immediate returns. For instance, though the market for nitrogenous fertilizer continues to be most active, sales of superphosphate are lagging because the latter fertilizer does not exhaust its effect in one year.

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73. As has been stated above, many areas that were theaters of active warfare need help in the form of allocations of draft animals and tractors. Again, the Government has taken only limited steps to transport draft animals from the least damaged areas to the neediest ones, and all schemes for the creation of

Declassified E.O. 12356 Section 3.3/NND No. 760021

tractor pools have remained ineffective in the very country which took its first step towards mechanization through the creation of State ploughing centers during the First World War.

74. Agricultural planning had been largely ineffective even under fascism. In fact, the fascist regime had achieved most of its goals merely through subsidies. However, in a few cases, and more specifically with regard to programs affecting land use, fascism had not hesitated to employ the threat of expropriation in order to goad landowners into action.

75. The present structure of the Italian Government and the very fact that it is a coalition of six political parties, which differ widely in aims and goals has made it impossible for the Government to exert any effective pressure upon the large landowners.

76. It has been stated above that large holdings represent 40 % of the farm area of the country. However, with regard to production and in particular to delivery to Government pools, the rôle of large holdings is much larger.

77. In all-important fields affecting crop production and food supplies the Government tends to move further and further away from a policy of public controls. Although it is possible to induce the Government to maintain what controls still exist, it is extremely difficult to promote the re-establishment of controls that had been removed at one time or another since the Italian campaign began.

Outlook for 1945-46. (See Table 7).

78. The crop year 1945-46 is characterized by a very limited degree of recovery in the acreage planted to major crops, especially with regard to small grains. Thus, the acreage sown to wheat is only 3 % above last year, while other food grains show no recovery. The one outstanding exception is rice, the acreage of which may approximate 1944 levels and yet remain about 15 % below pre-war.

79. A degree of recovery is found in the acreage planted to horse beans, but this crop still does not occupy an amount of ground comparable to what it held up to 1943. Practically the sole other crop for which a marked increase in acreage over last year's levels occurred is sugar beet. Naturally, this crop recovers as the sugar factories are repaired.

season with the exception of limited areas of wheat and oats, where lodging has taken place. Hot winds and limited drought areas have also affected yields slightly.

81. On the whole, it must be emphasized that, using food production, which is the most convenient potential measure of agricultural output, as a yardstick, Italian agriculture in 1946-47 may be expected to produce about three-fourths of her pre-war output.

The Long-range Outlook.

82. A forecast of the long outlook for Italian agriculture is extremely difficult and risky because of the high number of variables involved. In this connection it is interesting to note that any poll of Italian agricultural economists indicates a wide range of opinion even on the less controversial features of an outlook statement.

83. Perhaps the simplest approach to the task of gazing into the future of Italian agriculture is to examine first the tendencies that are evident at present and to discuss later the factors which may modify the realization of these tendencies.

84. The outstanding feature in Italian agriculture today is the downward trend in wheat area. There is a tendency to reduce wheat cultivation on the low-fertility land. Likewise, a tendency to shift the more fertile fields from wheat to other grains is apparent. Based on present trends, the wheat acreage may fall from about 5 to 4.5 million by 1949.

85. An opposite trend is to be found with regard to maize. This is perhaps the sector of the Italian agricultural economy where the greatest technological development can and should take place. Whereas Italy kept well abreast of other nations in the improvement of other cereals, with regard to maize the country failed to keep up with the work done elsewhere and especially with American work on hybrid corn. Even if no basic improvement in maize seed takes place, this crop will expand in the next five years, especially in the irrigated areas.

86. Also favorable are the prospects for rice cultivation especially in the newly-reclaimed areas in the Po Valley. Conversely, it is unlikely that rice yields will show any marked increase above pre-war levels.

87. Small increases can be expected in the acreage devoted to rye and barley. More uncertain are the prospects for oats cultivation.

Declassified E.O. 12356 Section 3.3/NND No. 759081

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80. Yields per unit of land are expected to show some improvements as a consequence of imports undertaken under various programs. However, the major factor affecting yield remains the weather, which has been relatively favorable throughout the whole agricultural

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86. Also favorable are the prospects for rice cultivation especially in the newly-reclaimed areas in the Po Valley. Conversely, it is unlikely that rice yields will show any marked increase above pre-war levels.

87. Small increases can be expected in the acreage devoted to rye and barley. More uncertain are the prospects for oats cultivation.

88. An examination of the trend of grain acreages and a reasonable forecast of yields shows that the recovery in grain production will be slow and that Italy will not reach pre-war levels until 1948.

Declassified E.O. 12356 Section 3.3/NND No. 759021

TABLE 7

Agricultural Products Available for Food in 1946-47 from Domestic Source Only

(All figures in thousand metric tons)

PRODUCTS	National Production (1)	NON-FOOD USED					FOOD AVAILABILITY	
		Seed	Feed	Others	Waste	Total non Food Used	Total	Per capita (kg.)
Wheat	5,692	658	—	—	171	829	4,863	165
Rye	108	14	32	—	3	49	59	1
Barley	216	30	150	—	6	186	50	1
Corn	2,197	60	1,318	—	66	1,444	753	16
Rice	194	21	5	—	15	41	451	10
Total Cereals in wheat equivalent	8,635	165	1,329	—	79	1,513	1,122	24
Total Cereals in wheat flour	7,928	671	1,170	—	220	2,061	5,267	114
Potatoes	(7) 2,500	100	625	—	(3)	1,025	1,475	33
Pulses	581	59	135	—	(3)	194	387	8
Tomatoes	1,063	—	—	—	213	213	850	19
Fresh vegetables (2)	3,116	—	—	—	934	934	2,182	47
Fresh pulses	266	—	—	—	66	66	200	4
Soft fruit	950	—	—	—	190	190	760	17
Hard fruit	530	—	—	—	80	80	450	10
Nuts	161	—	—	—	16	16	145	3
Chestnuts	140	—	21	—	(3)	21	119	3
Citrus fruit	629	—	—	40	126	166	463	10
Beef and veal	194	—	—	—	(4)	—	194	4
Mutton, lamb	39	—	—	—	(4)	—	39	0.8
Pork	150	—	—	—	(4)	—	150	3
Horse meat	14	—	—	—	(4)	—	14	0.3
Offals	24	—	—	—	(4)	—	24	0.5
Poultry, game, rabbit	105	—	—	—	(4)	—	105	2
Fish	150	—	—	—	(4)	—	150	3
Milk for direct consumption (fn)	14,718	—	—	—	(5)	—	14,715	32
Cheese	137	—	—	—	(5)	—	137	3
Butter	29	—	—	—	(5)	—	29	0.6
Olive oil and seed oil	207	—	—	12	—	12	195	4
Animal fats (pure fat content)	80	—	—	—	—	—	80	2
Eggs	160	—	—	—	(6)	—	160	4
Sugar	200	—	—	—	—	—	200	4

(1) As forecast on 15 April 1946.
(2) Inclusive of 1,400,000 tons of fresh vegetables estimated to be produced by family gardens.

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Declassified E.O. 12356 Section 3.3/NND No. 785001

PRODUCTS	National Production (1)	AVAILABILITY						
		Seed	Feed	Others	Waste	Total non Food Used	Total	Per capita (kg.)
Wheat	5,692	658	—	—	171	829	4,863	105
Rye	108	14	32	—	3	49	59	1
Barley	216	30	130	—	6	166	50	1
Corn	2,197	60	1,318	—	66	1,444	753	16
Rice	492	21	5	—	15	41	451	10
Total Cereals in wheat equivalent	8,685	195	1,329	—	79	1,513	1,122	24
Total Cereals in wheat flour	7,328	671	1,170	—	220	2,061	5,267	114
Potatoes	(7) 2,560	400	625	—	(3)	1,025	1,475	33
Pulses	581	59	135	—	(3)	194	387	8
Tomatoes	1,063	—	—	—	213	213	850	19
Fresh vegetables (2)	3,116	—	—	—	934	934	2,182	47
Fresh pulses	266	—	—	—	66	66	200	4
Soft fruit	950	—	—	—	190	190	760	17
Hard fruit	530	—	—	—	80	80	450	10
Nuts	161	—	—	—	16	16	145	3
Chestnuts	140	—	21	—	(3)	21	119	3
Citrus fruit	629	—	—	40	126	166	463	10
Beef and veal	194	—	—	—	(4)	—	194	4
Mutton, lamb	39	—	—	—	(4)	—	39	0.8
Pork	150	—	—	—	(4)	—	150	3
Horse meat	14	—	—	—	(4)	—	14	0.3
Offals	24	—	—	—	(4)	—	24	0.5
Poultry, game, rabbit	105	—	—	—	(4)	—	105	2
Fish	150	—	—	—	(4)	—	150	3
Milk for direct consumption (hl)	14,715	—	—	—	(5)	—	14,715	32
Cheese	137	—	—	—	(5)	—	137	3
Butter	29	—	—	—	(5)	—	29	0.6
Olive oil and seed oil	207	—	—	12	—	12	195	4
Animal fats (pure fat content)	80	—	—	—	—	—	80	2
Eggs	160	—	—	—	(6)	—	160	4
Sugar	200	—	—	—	—	—	200	4

(1) As forecast on 15 April 1946.
(2) Inclusive of 1,500,000 tons of fresh vegetables estimated to be produced by family gardens.
(3) Waste consumed as feed and there indicated.
(4) Waste of all meats already deducted from the dressed weight.
(5) Most of the milk which turned bad during distribution is again employed for cheese manufacture.
(6) Losses during distribution taken into account in computation of unit weight.
(7) The forecast made by Italian Government Agencies is much higher (around 2,900,000 tons); as it seems too early to assume such an optimistic figure a more conservative one has been assumed subject to further revision.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

89. Much improvement is expected in the acreage and production of pulses. With a better supply of phosphate fertilizer and the re-establishment of normal or quasi-normal rotations in the south, legume production should return to pre-war levels by 1948.

90. The reduction in wheat acreage implies an expansion in the area devoted to forage production. However, it is unlikely that the area expansion will be attended by intensive work of pasture improvement. Consequently, feed production will continue to fall short of the basic requirements of livestock.

91. The very fields which are commonly thought of as the most promising ones for Italian agriculture offer but limited possibilities of expansion in the next five years. Contrary to common opinion, Italy cannot increase her production of vegetables as long as the export market is radically upset.

92. The difficult years of post-war reconstruction in Europe will not be favorable for large exports of vegetables—which is to say non-essential foodstuffs—to countries that will have to devote all of their foreign assets to the purchase of suitable foods and basic raw materials. It is important to note that even if at any particular time the Italian production of vegetables will be expanded, the consequent glutting of markets will not permit the stabilization of production gains.

93. In the field of animal husbandry the recovery will be irregular and will involve many setbacks due to feed shortages and price crises. This is especially true of the smaller species (swine and sheep); the trend in cattle numbers will be a more regular one in so far as draft and meat animals are concerned.

94. The potential trends, discussed heretofore, can and will be sharply modified by political and economic developments. It has been pointed out before that the fear of social reforms acts as a deterrent against agricultural reconstruction because it introduces an element of greater risk in the plans of entrepreneurs. In a reasonable forecast of the future of Italian agriculture the prospect of institutional changes deserves first consideration.

95. It is not likely that Italy will engage in a sweeping program of land reform, partly because there seems to be no deciding predominance of radical tendencies and partly because the adverse immediate effects of a land reform upon food production will be a strong

all major political parties will find partial realization in a series of resettlement programs that will affect mostly the areas of extensive grain farming. It is probable that this development will reserve the potential for a decline in wheat acreage. It is also likely that to provide a source of income to the new settlers the acreage devoted to certain industrial crops, e.g., oil seeds, will be expanded.

96. The problem of finding employment for the surplus population is likely to lead to far-reaching programs of public works. The great influence of agricultural groups within all political parties will make it necessary to give agriculture a large share of the public works programs. Taking into account both this fact and the absence of a far-reaching plan for land reform, one can only conclude that a major share of the public works programs affecting agriculture will be concentrated in northern Italy and will take the form of an expansion of irrigation projects. It is thus probable that by 1948 or 1950 Italian agriculture will be faced with the problem of founding new remunerative crops to be grown on irrigated land. It is well known that wheat does not fall into this category and that the greatest advantages of irrigation are usually reaped through dairy farming.

97. With limited export possibilities, the Italian dairy industry will have to find an outlet at home through consumption subsidies to needy groups.

98. The problem of adapting Italian agriculture and the whole price structure of Italy to conditions of free trade appears today less urgent than is usually believed because for many years to come the size of Italian imports will be a function of Italy's foreign assets rather than of tarif protection. Thus, all discussions about what would happen to Italian agriculture if tariffs were removed are rather unrealistic. In fact, unilateral action on the part of Italy cannot be expected. Conversely, a reduction or an elimination of trade barriers can come only from effective world economic planning. Such planning would have to take into account the particular problems of every country and, in the case of Italy, make ample allowance for the high cost of speedy changes in her agricultural economy.

99. In short, the long-term outlook for Italian agriculture is not one of startling changes, for the combined effort of social and economic factors is a restraining one. Even the changes that are deemed possible under any particular set of assumptions appear rather limited when couched in terms of acreage and output. New

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Declassified E.O. 12356 Section 3.3/NND No. 787001

90. The reduction in wheat acreage implies an expansion in the area devoted to forage production. However, it is unlikely that the area expansion will be attended by intensive work of pasture improvement. Consequently, feed production will continue to fall short of the basic requirements of livestock.

91. The very fields which are commonly thought of as the most promising ones for Italian agriculture offer but limited possibilities of expansion in the next five years. Contrary to common opinion, Italy cannot increase her production of vegetables as long as the export market is radically upset.

92. The difficult years of post-war reconstruction in Europe will not be favorable for large exports of vegetables—which is to say non-essential foodstuffs—to countries that will have to devote all of their foreign assets to the purchase of suitable foods and basic raw materials. It is important to note that even if at any particular time the Italian production of vegetables will be expanded, the consequent glutting of markets will not permit the stabilization of production gains.

93. In the field of animal husbandry the recovery will be irregular and will involve many setbacks due to feed shortages and price crises. This is especially true of the smaller species (swine and sheep); the trend in cattle numbers will be a more regular one in so far as draft and meat animals are concerned.

94. The potential trends, discussed heretofore, can and will be sharply modified by political and economic developments. It has been pointed out before that the fear of social reforms acts as a deterrent against agricultural reconstruction because it introduces an element of greater risk in the plans of entrepreneurs. In a reasonable forecast of the future of Italian agriculture the prospect of institutional changes deserves first consideration.

95. It is not likely that Italy will engage in a sweeping program of land reform, partly because there seems to be no deciding predominance of radical tendencies and partly because the adverse immediate effects of a land reform upon food production will be a strong argument against any change in the present of Italian agriculture. In the best Italian tradition, a compromise solution can be expected. In other words, the proposals for land reform which are included in the platform of acreage devoted to certain industrial crops, e.g., oil seeds, will be expanded.

96. The problem of finding employment for the surplus population is likely to lead to far-reaching programs of public works. The great influence of agricultural groups within all political parties will make it necessary to give agriculture a large share of the public works programs. Taking into account both this fact and the absence of a far-reaching plan for land reform, one can only conclude that a major share of the public works programs affecting agriculture will be concentrated in northern Italy and will take the form of an expansion of irrigation projects. It is thus probable that by 1948 or 1950 Italian agriculture will be faced with the problem of founding new remunerative crops to be grown on irrigated land. It is well known that wheat does not fall into this category and that the greatest advantages of irrigation are usually reaped through dairy farming.

97. With limited export possibilities, the Italian dairy industry will have to find an outlet at home through consumption subsidies to needy groups.

98. The problem of adapting Italian agriculture and the whole price structure of Italy to conditions of free trade appears today less urgent than is usually believed because for many years to come the size of Italian imports will be a function of Italy's foreign assets rather than of tarif protection. Thus, all discussions about what would happen to Italian agriculture if tariffs were removed are rather unrealistic. In fact, unilateral action on the part of Italy cannot be expected. Conversely, a reduction or an elimination of trade barriers can come only from effective world economic planning. Such planning would have to take into account the particular problems of every country and, in the case of Italy, make ample allowance for the high cost of speedy changes in her agricultural economy.

99. In short, the long-term outlook for Italian agriculture is not one of startling changes, for the combined effort of social and economic factors is a restraining one. Even the changes that are deemed possible under any particular set of assumptions appear rather limited when couched in terms of acreage and output. New crops will appear and others will be expanded. Nevertheless, wheat, grapevine and olive tree wil remain the cornerstones of Italian agriculture.

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Declassified E.O. 12356 Section 3.3/NND No. 745021

Italy's Food.

100. The Italians never were a well-fed people: both family consumption surveys and statistical computations of the average per capita levels of consumption for the country as a whole show the peacetime levels of food intake but slightly higher than the minimum requirements and far below optimal standards.

101. The salient features of the Italian dietary under peacetime conditions must be analyzed in some detail because, in terms of food patterns and consumption levels, Italy differs sharply from her neighbors beyond the Alps or on the other side of the Mediterranean and Adriatic Seas, and *a fortiori*, from the Anglo-Saxon countries. Even Spain and Portugal, which have in common with Italy many social and economic problems as well as a common cultural heritage and a host of physical and ethnological features, have food habits and consumption patterns startlingly different from those of the Italians.

102. The peculiarities of the Italian dietary, long known as a matter of scientific interest, come into the limelight in times of food shortages, when Italy must obtain food allocations in competition with nations that have entirely different problems. Already, during the First World War, the submission of Italy's request for food imports to the Inter-Allied Committee on Food Supplies brought about many debates on the validity of Italian claims. During the Second World War the deeply-rooted characteristics of the Italian diet greatly contributed to the difficulties which hindered the efficient management of available food resources. At present the very differences which obtain between the food habits of Italy and those of other food-importing nations would render invalid many comparisons of the Italian food situation with that of those countries. Unfortunately, in attempting an equitable allocation of available supplies international comparisons cannot be dispensed with. Nevertheless, a study of the Italian dietary is an essential prerequisite for truly fair comparisons.

Consumption Levels.

103. The determination of average per capita levels of food consumption in any particular country is now handled by workers on this problem according to a standard procedure: the food supplies available to the population in any one year or series of years are [illegible] of domestic

Central Institute of Statistics, the Office of Foreign Agricultural Relations of the U.S. Department of Agriculture, the British and the German Ministries of Food, etc. The results of these studies are in most significant agreement, and the few differences found in the figures supplied from various sources can be wholly accounted for by slight variations in the details of the procedure used. It can thus be said that the question of average peacetime levels of food consumption in Italy is no longer a matter of opinion; rather it appears to have been determined with as much accuracy as can be expected in this field (see Table 8).

104. Over the period 1933-37 per capita food intake in Italy was in the neighborhood of 2,500 to 2,600 calories per day, as compared with 2,800 calories in Austria, Belgium, France, Germany, and the Netherlands. The Italian food intake was considerably lower than that of Sweden, Switzerland, and Denmark and only slightly higher than that of Greece and Portugal. The average Spaniard ate better than the average Italian. During the same period average per capita food supplies in the United States, Canada and the United Kingdom were the equivalent of 3,293, 3,124, and 2,981 calories per day respectively.

105. The Italian diet was deficient not only from a quantitative viewpoint, i.e., in terms of overall caloric intake; it was also inadequate from the standpoint of food constituents (see Table 9). If the total intake of proteins was practically at the same level in better-fed countries, the bulk of the protein supply in Italy came from vegetable sources, whereas in the United States, Canada and United Kingdom about 60 % of all proteins came from animal products. Fats in Italy supplied but one-fifth of the total caloric intake, which is probably not enough from a physiological viewpoint; during the same period fats contributed two-fifths of the calories in the British diet.

106. Available data on the composition of Italian foodstuffs do not warrant a detailed analysis of food consumption in terms of vitamins and minerals, nor were the observation and reporting of nutritional diseases sufficiently accurate to permit recognition of general nutritional problems such as those obtaining among the low-income groups of the South of the United States, India, or North Africa.

107. Accordingly, a general review of food consumption levels in Italy cannot be as complete as would be desirable from a scientific viewpoint. Yet the few basic

Declassified E.O. 12356 Section 3.3/NND No. 763 0 81

ments and far below optimal standards.

101. The salient features of the Italian dietary under peacetime conditions must be analyzed in some detail because, in terms of food patterns and consumption levels, Italy differs sharply from her neighbors beyond the Alps or on the other side of the Mediterranean and Adriatic Seas, and *a fortiori*, from the Anglo-Saxon countries. Even Spain and Portugal, which have in common with Italy many social and economic problems as well as a common cultural heritage and a host of physical and ethnological features, have food habits and consumption patterns startlingly different from those of the Italians.

102. The peculiarities of the Italian dietary, long known as a matter of scientific interest, come into the limelight in times of food shortages, when Italy must obtain food allocations in competition with nations that have entirely different problems. Already, during the First World War, the submission of Italy's request for food imports to the Inter-Allied Committee on Food Supplies brought about many debates on the validity of Italian claims. During the Second World War the deeply-rooted characteristics of the Italian diet greatly contributed to the difficulties which hindered the efficient management of available food resources. At present the very differences which obtain between the food habits of Italy and those of other food-importing nations would render invalid many comparisons of the Italian food situation with that of those countries. Unfortunately, in attempting an equitable allocation of available supplies international comparisons cannot be dispensed with. Nevertheless, a study of the Italian dietary is an essential prerequisite for truly fair comparisons.

Consumption Levels.

103. The determination of average per capita levels of food consumption in any particular country is now handled by workers on this problem according to a standard procedure; the food supplies available to the population in any one year or series of years are determined by taking the algebraic sum of domestic production, trade, change in stocks and deductions for non-food uses (i.e. seed, feed, waste, industrial uses). Studies of this nature, as applied to Italy, have been undertaken by many organizations, such as the Italian procedure used. It can thus be said that the question of average peacetime levels of food consumption in Italy is no longer a matter of opinion; rather it appears to have been determined with as much accuracy as can be expected in this field (see Table 8).

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107. Accordingly, a general review of food consumption levels in Italy cannot be as complete as would be desirable from a scientific viewpoint. Yet the few basic facts that have been stressed above bear unmistakable evidence of a poor diet which could not be impaired without grave damage to the health of the Italian people.

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 8

Pre-war Average Food Position in Calories 1933-34 - 1937-38

(from domestic sources plus foreign trade)

FOOD-STUFFS	TOTAL AVAILABILITY FOR FOOD (in thousand tons)	% OF EDIBLE PART	CALORIES PER KG OF EDIBLE PART	TOTAL CALORIES (in thousands)	CALORIES PER INHABITANT PER DAY	
					No.	% of the total
Wheat flour	5,270	100	3,590	18,919,300	1,217	48.8
Other cereals in terms of wheat flour	1,325	100	3,590	4,756,750	306	12.3
Potatoes	1,627	95	780	1,205,880	78	3.1
Pulses	540	100	3,240	1,749,600	113	4.6
Tomatoes Fresh vegetables Fresh pulses	2,434	70	320	545,280	35	1.4
Soft fruit Hard fruit	1,090	95	500	518,000	36	1.4
Nuts	156	50	5,910	460,980	30	1.2
Chestnuts	251	80	2,110	424,110	27	1.1
Citrus fruit	286	70	218	43,600	3	0.1
Beef and veal	392	80	1,470	430,180	28	1.1
Mutton, lamb, goat	48	75	2,500	90,000	6	0.2
Pork	219	80	3,000	525,600	34	1.4
Horse meat	13	80	1,140	11,100	1	0.0
Offals	40	100	1,000	40,000	3	0.1
Poultry, game, rabbit	121	75	1,290	117,390	8	0.3
Fish	256	75	1,800	307,200	20	0.8
Milk for direct consumption (ltr)	2,285	100	700	1,585,500	102	4.1
Cheese	212	100	3,200	678,400	44	1.8
Butter	18	100	7,700	377,300	24	1.0
Olive oil Seed oil	277	100	8,920	2,470,840	158	6.4
Animal fats (pure fat content)	180	100	9,240	1,663,200	107	4.2
Eggs	305	88	1,440	385,920	25	1.0

Declassified E.O. 12356 Section 3.3/NND No. 759021

FOOD-STUFFS	TOTAL AVAILABILITY FOR FOOD (in thousand tons)	% OF EDIBLE PART	CALORIES PER KG OF EDIBLE PART	TOTAL CALORIES (in thousands)	CALORIES PER INHABITANT PER DAY	
					No.	% of the total
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Other cereals in terms of wheat flour	1,325	100	3,590	4,756,750	306	12.3
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Tomatoes Fresh vegetables	2,434	70	320	545,280	35	1.4
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Soft fruit Hard fruit	1,680	95	500	518,000	36	1.4
Nuts	156	50	5,910	460,980	30	1.2
Chestnuts	251	80	2,110	424,110	27	1.1
Citrus fruit	286	70	218	43,600	3	0.1
Beef and veal	392	80	1,370	430,180	28	1.1
Mutton, lamb, goat	48	75	2,500	90,000	6	0.2
Pork	219	80	3,000	525,000	34	1.4
Horse meat	13	80	1,140	11,400	1	0.0
Offals	40	100	1,000	40,000	3	0.1
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Butter	49	100	7,700	377,300	24	1.0
Olive oil Seed oil	277	100	8,920	2,470,840	158	6.4
Animal fats (pure fat content)	180	100	9,240	1,663,200	107	4.3
Eggs	305	88	1,440	385,920	25	1.0
Sugar	300	100	4,100	1,230,000	92	3.6
Tons				38,535,830	2,497	100.0

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 9

Percentage of pre-war Caloric Supply from Different Food-Groups

FOOD - GROUPS	U. S. A. *	CANADA *	U. K. *	ITALY
All Cereals	27.6	30.0	30.1	61.1
Potatoes	4.3	5.5	4.1	3.1
Pulses and Nuts	2.9	2.1	1.4	5.8
Fresh Vegetables and Citrus Fruit (inclusive of tomatoes and fresh pulses)	2.8	1.7	1.2	1.5
All Fruits other than citrus fruits, inclusive of chestnuts	3.2	2.0	1.7	2.5
Meat (beef and veal, mutton, lamb and goat, pork, horse meat, offals)	12.8	12.9	16.7	2.8
Poultry, Game, Rabbit & Fish	1.6	1.8	1.4	1.1
Dairy Products (milk for direct consumption plus cheese)	12.0	11.6	9.1	5.9
Fats (butter, olive oil and seed oil, animal fats)	15.4	14.8	17.1	11.6
Eggs	1.9	1.7	1.3	1.0
Sugar & Syrups (**)	14.9	15.4	15.1	3.6
Cocoa	0.7	0.5	0.8	0.0 ***
Total	100.0	100.0	100.0	100.0

(*) Data for USA, Canada, and U.K. published in a report on « Food Consumption Levels » prepared by a special joint committee of the Combined Food Board (London, 1944).

(**) Syrup consumption in Italy was negligible.

(***) Negligible.

Consumption and Relative Importance of Specific Foodstuffs.

108. Foodstuffs from vegetable sources dominate in the Italian diet, for they contribute over 85 % of the total caloric intake. Among them cereals rank first, supplying over three-fifths of all food. Again, wheat products contribute approximately half of the total caloric intake. The average Italian consumed about 327 grams of bread and 82 grams of alimentary pasta per diem. This is the equivalent of 357 grams of flour, as compared with a daily consumption of 190, 200, 240 grams respectively in the United States, Canada, and the United Kingdom. In terms of total per capita consumption of cereals Italy surpassed all other countries of Western Europe with the sole exception of the predominantly-agricultural countries of the Balkans, such as Yugoslavia, Bulgaria, and Rumania. Conversely, it had the second lowest level of potato consumption in all of Continental Europe.

109. A high consumption of cereals—or of their substitute, potatoes—is *per se* an indication of poverty (about 7 kgs per annum) is one-third that of France and one-seventh that of Denmark. It is even lower than that of Portugal, which is usually considered the most destitute country of Europe. Sugar contributed only 3 % of Italy's food, as compared with 15.1 % in England and 14.9 % in the United States. (See diagram - Table 10).

110. Consumption of animal products was startingly low; meat consumption averaged only 26 kgs. per annum, fluid milk consumption only 50 liters per annum. Less than 1 % of the food intake was represented by fish and 1 % by eggs.

111. To conclude: the staple foods (grain, fats, and sugar) which have low perishability and are easy to handle and distribute represented over three-fourths of the diet; pulses, meat and fish, fruit, and vegetables about one-twentieth each.

Variations in Food Consumption Levels in Relation to Time.

Declassified E.O. 12356 Section 3.3/NND No. 760081

All Cereals	27.6	30.0	30.1	61.1
Potatoes	4.2	5.5	4.1	3.1
Pulses and Nuts	2.9	2.1	1.4	5.8
Fresh Vegetables and Citrus Fruit (inclusive of tomatoes and fresh pulses)	2.8	1.7	1.2	1.5
All Fruits other than citrus fruits, inclusive of chestnuts	3.2	2.0	1.7	2.5
Meat (beef and veal, mutton, lamb and goat, pork, horse meat, offals)	12.8	12.9	16.7	2.8
Poultry, Game, Rabbit & Fish	1.6	1.8	1.4	1.1
Dairy Products (milk for direct consumption plus cheese)	12.0	11.6	9.1	5.9
Fats (butter, olive oil and seed oil, animal fats)	15.4	14.8	17.1	11.6
Eggs	1.9	1.7	1.3	1.0
Sugar & Syrups (**)	13.9	15.4	15.1	3.6
Cocoa	0.7	0.5	0.8	0.0 ***
Total	100.0	100.0	100.0	100.0

(*) Data for U.S.A., Canada, and U.K. published in a report on « Food Consumption Levels » prepared by a special joint committee of the Combined Food Board (London, 1944).

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109. A high consumption of cereals—or of their substitute, potatoes—is *per se* an indication of poverty, for grain and potatoes are the cheapest sources of energy. Other aspects of the Italian diet also spell poverty: thus Italy's per capita consumption of sugar (about 7 kgs per annum) is one-third that of France and one-seventh that of Denmark. It is even lower than that of Portugal, which is usually considered the most destitute country of Europe. Sugar contributed only 3 % of Italy's food, as compared with 15.1 % in England and 14.9 % in the United States. (See diagram Table 10).

110. Consumption of animal products was startingly low; meat consumption averaged only 26 kgs. per annum, fluid milk consumption only 50 liters per annum. Less than 1 % of the food intake was represented by fish and 1 % by eggs.

111. To conclude: the staple foods (grain, fats, and sugar) which have low perishability and are easy to handle and distribute represented over three-fourths of the diet: pulses, meat and fish, fruit, and vegetables about one-twentieth each.

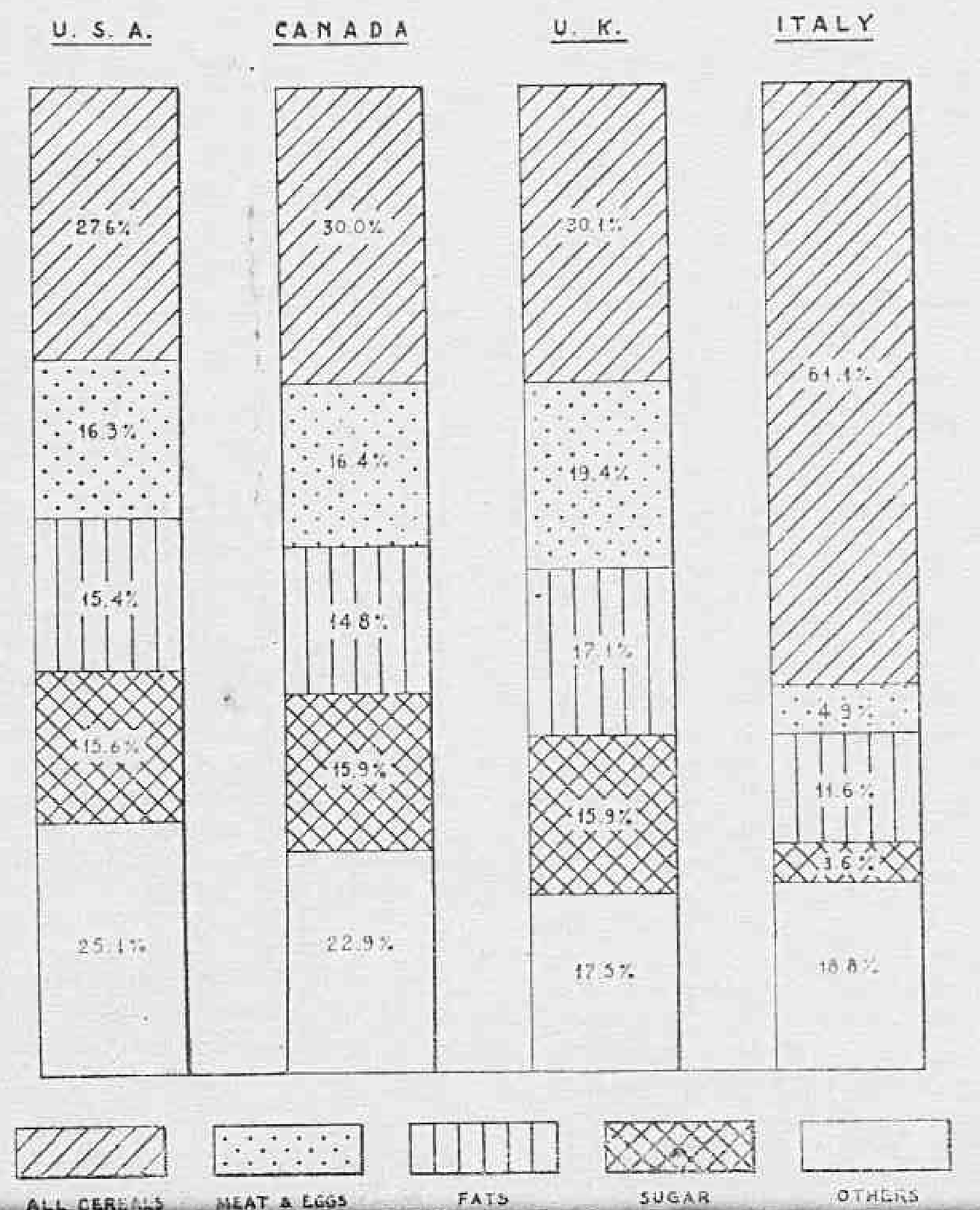
Variations in Food Consumption Levels in Relation to Time.

112. Over a relatively short span of time Italian food consumption levels and food patterns present an exceptional stability.

Declassified E.O. 12356 Section 3.3/NND No. 785021

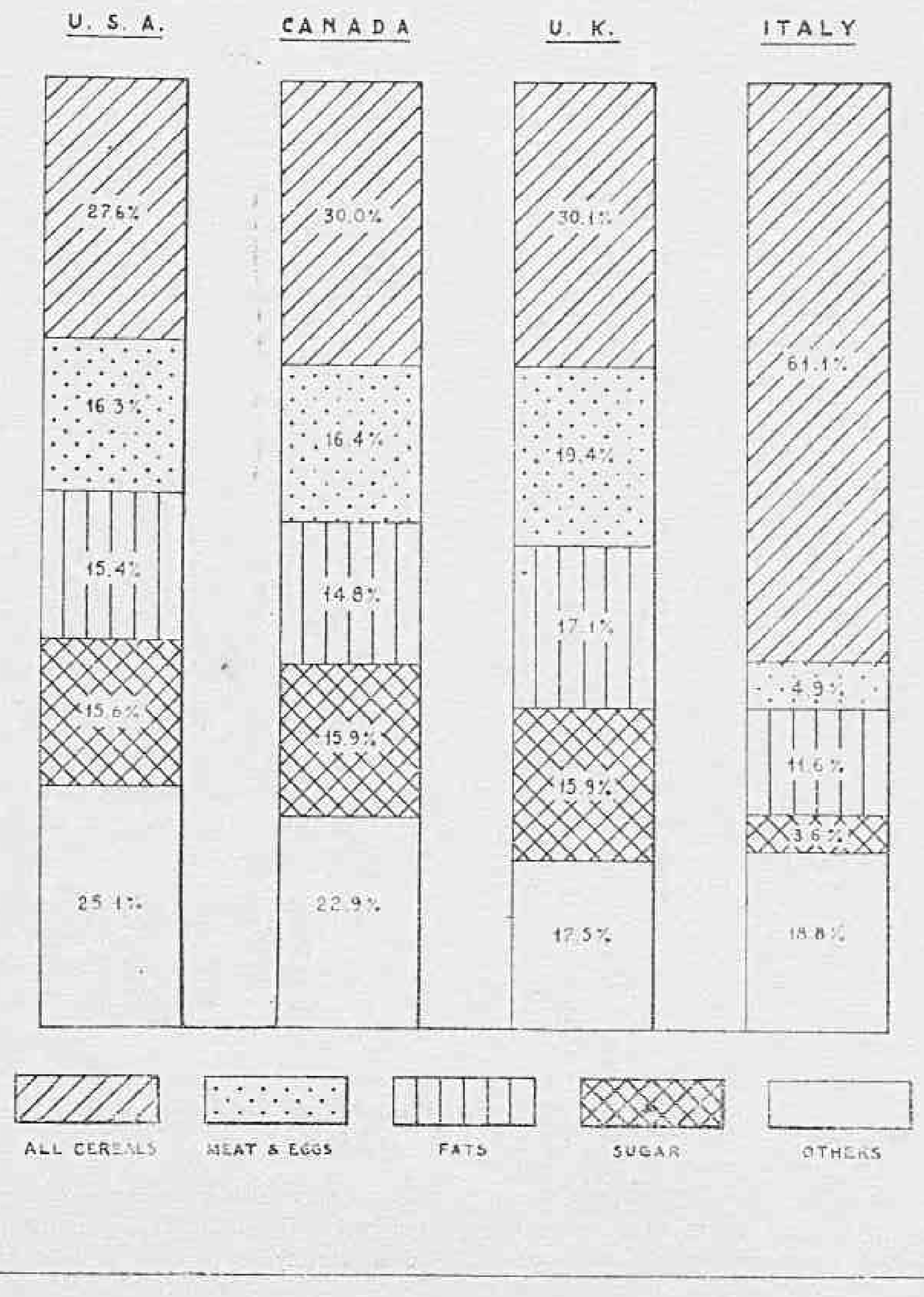
TABLE 10

PERCENTAGE OF PRE-WAR CALORIC SUPPLY FROM DIFFERENT FOOD-GROUPS



Declassified E.O. 12356 Sec. 3.3/NND No. 759021

PERCENTAGE OF PRE-WAR CALORIC SUPPLY FROM DIFFERENT FOOD-GROUPS



Declassified E.O. 12356 Section 3.3/NND No. 785021

113. A comparison of available data for five-year periods from 1911-1915 to 1936-1940 fails to show those marked changes in consumption of main foodstuffs that have affected so sharply the demand for agricultural products in the countries of the New World. The limited variations that can be noticed are a reflection of economic conditions, but there is no definite trend toward lower consumption of cereals and higher consumption of sugar and animal products, such as can be found in other countries. There is no evidence of a decline in corn consumption, such as is to be found in Portugal, nor is the advancement of nutritional science reflected in higher consumption of milk, other dairy products, citrus fruits, etc.

114. Indeed, Italian food habits withstand the impact of industrialization, economic progress, scientific advancement, education, and advertizing with an ease that is altogether unprecedented in modern countries. Even the First World War, which brought much hardship to the civilian consumer, failed to bring about any marked and lasting modification in the food pattern.

Regional Variations. (See map - Table 11).

115. Food habits and actual consumption levels for specific foodstuffs vary considerably from section to section, reflecting variations in local supplies, income levels, and purchasing power. The relative importance of grain in the diet increases from North to South, the opposite being true for potatoes. Annual per capita consumption of all grains ranged in 1937-39 from 186 kgs in Liguria to 221 kgs in Lucania. Grain consumption in the South and the Isles was based almost exclusively on wheat, whereas in Veneto 14.2 % of the grain intake consisted of corn and 6 % of rice. Per capita annual consumption of pulses ranged from 5.4 kgs in Emilia to 24 kgs in Sicily.

116. The sharpest variations in absolute levels of consumption were found with regard to relatively expensive foodstuffs: per capita consumption of sugar was over 15 kgs per annum in Piedmont and Liguria and less than 1 kg in rural Lucania. Again, per capita meat consumption in Como (Lombardy) was five times as high as in any city of Sicily. Fluid milk consumption varied from 15.2 kgs in Calabria to 66.6 kgs in Venezia Tridentina.

117. The production pattern also affected consumption habits for fats, for the North consumed mostly animal fats whereas fat consumption in Sicily was based al-

118. Such marked differences in food habits could not be eliminated, even in the Armed Forces, when the youth from all parts of the land were brought together. Southern conscripts would object to rice or bread baked with a percentage of corn flour; men from inland areas would refuse to consume fish.

119. In short, it could be said that regional differences in food habits in Italy were greater than those found in other countries as a consequence of ethnological factors or of religious beliefs. In peacetime they were but one additional point of interest; in wartime they were bound to create one of the most vexatious problems of food management.

Degree of Self-sufficiency in Foodstuffs.

120. The overall food position of any particular country and the degree of her dependence upon food imports are among the many phenomena that can be measured as a result of the computations of per capita supplies of foodstuffs which have been discussed in paragraphs 112 to 114. However, calculations of the degree of self-sufficiency of any particular country do not show as near an agreement as the computations of per capita consumption. One of the factors that create discrepancies in calculations made by different authors is the amount of foodstuffs that are brought into the country to be converted there into food. Obviously, different authors make different allowance for food imports. In the particular case of Italy the allowance for imported foodstuffs cannot be very great because the country was well-nigh self-sufficient in foodstuffs. Thus the estimates of the Italian degree of self-sufficiency vary but little from one author to another.

121. Beginning in 1930, Italy began a campaign aimed at the increase of her self-sufficiency in foodstuffs. It is usually said that this campaign affected levels of food consumption adversely. However, it is impossible to separate the effects of the self-sufficiency campaign from the concurrent effects of the economic depression of the Thirties. In the period between 1926 and 1929 net imports of foodstuffs averaged about 19 % of the nation's caloric intake. In the subsequent period, 1934-37, food imports represented no more than 6 % of the total supplies, but per capita food consumption appears to have declined by about 10 %.

122. The apparent success of the self-sufficiency campaign, which was even more remarkable when compared with the failure of a similar campaign in Portugal and with the limited success achieved in Germany, was due to an expansion of production and to a sequence of

Declassified E.O. 12356 Sec. 3.3/NND No. 759061

of economic conditions, but there is no definite trend toward lower consumption of cereals and higher consumption of sugar and animal products, such as can be found in other countries. There is no evidence of a decline in corn consumption, such as is to be found in Portugal, nor is the advancement of nutritional science reflected in higher consumption of milk, other dairy products, citrus fruits, etc.

114. Indeed, Italian food habits withstand the impact of industrialization, economic progress, scientific advancement, education, and advertizing with an ease that is altogether unprecedented in modern countries. Even the First World War, which brought much hardship to the civilian consumer, failed to bring about any marked and lasting modification in the food pattern.

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116. The sharpest variations in absolute levels of consumption were found with regard to relatively expensive foodstuffs; per capita consumption of sugar was over 15 kgs per annum in Piedmont and Liguria and less than 1 kg in rural Lucania. Again, per capita meat consumption in Como (Lombardy) was five times as high as in any city of Sicily. Fluid milk consumption varied from 15.2 kgs in Calabria to 66.6 kgs in Venezia Tridentina.

117. The production pattern also affected consumption habits for fats, for the North consumed mostly animal fats whereas fat consumption in Sicily was based almost exclusively on olive oil. Horse beans, which are a staple food of the South, are practically unknown in the North, nor do chickpeas enter the diet in areas north of the Apennines.

119. In short, it could be said that regional differences in food habits in Italy were greater than those found in other countries as a consequence of ethnological factors or of religious beliefs. In peacetime they were but one additional point of interest; in wartime they were bound to create one of the most vexatious problems of food management.

Degree of Self-sufficiency in Foodstuffs.

120. The overall food position of any particular country and the degree of her dependence upon food imports are among the many phenomena that can be measured as a result of the computations of per capita supplies of foodstuffs which have been discussed in paragraphs 112 to 114. However, calculations of the degree of self-sufficiency of any particular country do not show as near an agreement as the computations of per capita consumption. One of the factors that create discrepancies in calculations made by different authors is the amount of foodstuffs that are brought into the country to be converted there into food. Obviously, different authors make different allowance for food imports. In the particular case of Italy the allowance for imported foodstuffs cannot be very great because the country was well-nigh self-sufficient in foodstuffs. Thus the estimates of the Italian degree of self-sufficiency vary but little from one author to another.

121. Beginning in 1930, Italy began a campaign aimed at the increase of her self-sufficiency in foodstuffs. It is usually said that this campaign affected levels of food consumption adversely. However, it is impossible to separate the effects of the self-sufficiency campaign from the concurrent effects of the economic depression of the Thirties. In the period between 1926 and 1929 net imports of foodstuffs averaged about 19 % of the nation's caloric intake. In the subsequent period, 1934-37, food imports represented no more than 6 % of the total supplies, but per capita food consumption appears to have declined by about 10 %.

122. The apparent success of the self-sufficiency campaign, which was even more remarkable when compared with the failure of a similar campaign in Portugal and with the limited success achieved in Germany, was due to an expansion of production and to a sequence of relatively favorable crop years. To a certain extent Italy had increased her imports of raw materials that are connected with food production and had decreased her actual imports of foods.

Declassified E.O. 12356 Section 3.3/NND No. 785021

Declassified E.O. 12356 Section 3.3/NND No. 785021

123. Among food imports there was a very small amount of wheat (about 6 % of the total supplies) and in terms of grain Italy, with her exports of rice and her imports of corn (mostly for feed), had a net import of 5.9 %. The food deficit was somewhat larger for meat and fish and rose to 16 % for edible fats. Thus the deficit in terms of essential food constituents (proteins and fats) was higher than the caloric deficit.

124. It is also worthwhile emphasizing that Italian exports of foodstuffs consisted mostly of perishable items, which could not be distributed within the country without basic modifications in the storage and transportation facilities and some modifications in the dietary pattern of the people. (See Table 12).

TABLE 12

Italy's Food Balance 1933-34 - 1937-38

(From domestic sources plus foreign trade)

FOOD-GROUPS	NET IMPORTS		NET EXPORTS	
	In thousand tons	As percentage of domestic consumption	In thousand tons	As percentage of domestic consumption
Cereals (all in terms of wheat)	386	5.9 %		
Potatoes			42	2.5 %
Sugar	4	1.3 %		
Pulses	27	5.0 %		
Fresh vegetables			336	13.7 %
Fruits and nuts			748	35.3 %
Meat	140	11.3 %		
Fats	478	16.2 %		
Cheese			26	9.8 %
Eggs	7	2.3 %		
TOTAL net imports	1,042	6.2 %		
TOTAL net exports			1,146	1.6 %

125. Another noteworthy aspect of the Italian food situation was the extent of variation in the size of the domestic production and consequently in the size of imports. For instance, following the poor harvest of 1936 imports amounted to about 12 % of the total food consumption. Nor should one overlook an important aspect of the Italian pre-war food economy: that to reduce food imports it had been necessary to use for food the highest possible portion of the available resources. Consequently, little margin was left for more efficient utilization in the case of war. The outstand-

126. The importance of this problem and its significance in food supply is often overlooked. A country of wheat can increase her flour supplies by one-seventh which normally obtains 70 tons of flour from 100 tons merely by producing coarser flour. Since it is possible to raise the flour yield of wheat up to 95 % without any apparent harm to the health of the consumer, it is obvious that shifts in milling rates can bring about remarkably high changes in the supply of flour. In fact, experience shows that these changes can have greater influence upon the food supply of a country than a well-organized effort to increase grain produc-

Declassified E.O. 12356 Section 3.3/NND No. 785021

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125. Another noteworthy aspect of the Italian food situation was the extent of variation in the size of the domestic production and consequently in the size of imports. For instance, following the poor harvest of 1936 imports amounted to about 12 % of the total food consumption. Nor should one overlook an important aspect of the Italian pre-war food economy: that to reduce food imports it had been necessary to use for food the highest possible portion of the available resources. Consequently, little margin was left for more efficient utilization in the case of war. The outstanding example is to be found in the field of grain milling and particularly in the sector of milling rates (i.e., the percentage yield of flour or meal extracted from grain).

126. The importance of this problem and its significance in food supply is often overlooked. A country of wheat can increase her flour supplies by one-seventh which normally obtains 70 tons of flour from 100 tons merely by producing coarser flour. Since it is possible to raise the flour yield of wheat up to 95 % without any apparent harm to the health of the consumer, it is obvious that shifts in milling rates can bring about remarkably high changes in the supply of flour. In fact, experience shows that these changes can have greater influence upon the food supply of a country than a well-organized effort to increase grain production. In any event the burden of increasing the milling rate—viz. the reduction in the supply of milling offals for feed—is usually less heavy than that of a greater production effort.

Declassified E.O. 12356 Section 3.3/NND No. 785021

127. In this respect Italy was in a relatively unfavorable position as compared with other European countries. The average extraction rate for grain (excluding rice) in Italy was 82 % as compared with 72.3 %, 75.5 %, 73.2 %, and 70.3 % respectively in France, Germany, Czechoslovakia, and Switzerland. Clearly in the latter countries there was a greater untapped reserve of flour than in Italy.

128. Similar considerations apply to the utilization of waste products for food. In her desperate search for fats Italy was crushing for oil such commodities as tobacco seed, tomato seed, citrus pips, grape seed etc. Likewise, Italy recovered from molasses a portion of its sugar content. In sharp contrast with these food-saving practices was the waste inherent in the low-efficiency processing facilities for olives and in certain slaughter practices under which many animals (e.g., lambs, pigs) were sacrificed before they had reached the age of maximum food production. Finally, it must be said that, although the high degree of self-sufficiency of Italy was by no means a myth, its realization from year to year depended upon a number of factors (weather conditions, import or farm supplies, etc.), many of which were beyond the control of the Italian Government. For instance, it is true that Italy was practically self-sufficient in sugar. Yet for every ton of sugar produced in the country about half a ton of coal, and perhaps more, had to be imported from abroad. Likewise, Italy was near self-sufficiency in wheat but for every 10 tons of wheat domestically produced about one ton of rock phosphate had to be imported.

129. Moreover, while the self-sufficiency drive in countries like Germany and Portugal was attended by a definite strengthening of consumption controls, the same was not true of Italy, which went through the Ethiopian War and the economic sanctions without any true form of rationing except for the most anti-social one: namely, startling increases in the prices of certain food commodities.

130. The uncertainty of the years from 1935 to 1940 opened the path for two of the greatest evils of the war years: hoarding of foodstuffs by panicky consumers and some sporadic manifestations of a "black market." Typically enough, in 1937 local shortages of olive oil

ing manifestations of what is technically known as the "grey market," namely the movement of foodstuffs which are—or rather are expected to be—in short supply from the producers to their relatives, friends, clients etc. in urban centers.

Wartime Developments.

131. In spite of the inherent weaknesses discussed above, Italy, with her high degree of self-sufficiency in food and limited dependence of her food production upon imported supplies, appeared well-prepared to handle wartime food problems. However, the country failed to meet the test of wartime conditions, so that already in 1941 the average urban consumer suffered more serious reduction in his food rations than was the case in all other Axis countries and even in some of the countries overrun by the nazi-fascists. (See graph - Table 13).

132. This unexpected development cannot be accounted for by the decline in imports or by reduction in food output. Instead it must be attributed to ineffective husbanding of local resources, inadequate collection of agricultural products, and poor distribution controls. All these circumstances must be analyzed in some detail to achieve an adequate understanding of the Italian food problems in the immediate past, in the present, and in the future.

Husbanding of Local Resources.

133. As it has been mentioned in the section on agriculture, the Government failed to place agriculture on a war basis with regard to land utilization, crops to be grown, and control of livestock numbers. Crop production was allowed to continue along the lines it had followed in peacetime, with little or no emphasis upon the crops that yield the largest amount of food per unit of land. The failure to do so is evinced by acreage statistics. The fact that plans for greater food production received but limited consideration is proven by the sudden appearance of such programs in 1943—three years after Italy had entered the world-wide conflict.

131. With regard to livestock, no specific action was taken except that herds and flocks of the country were expected to yield certain amounts of meat and slaughter fats. At no time did the Government produce or ex-

Declassified E.O. 12356 Section 3.3/NND No. 760171

Germany, Czechoslovakia, and Switzerland. Clearly in the latter countries there was a greater untapped reserve of flour than in Italy.

128. Similar considerations apply to the utilization of waste products for food. In her desperate search for fats Italy was crushing for oil such commodities as tobacco seed, tomato seed, citrus pips, grape seed etc. Likewise, Italy recovered from molasses a portion of its sugar content. In sharp contrast with these food-saving practices was the waste inherent in the low-efficiency processing facilities for olives and in certain slaughter practices under which many animals (e.g., lambs, pigs) were sacrificed before they had reached the age of maximum food production. Finally, it must be said that, although the high degree of self-sufficiency of Italy was by no means a myth, its realization from year to year depended upon a number of factors (weather conditions, import of farm supplies, etc.), many of which were beyond the control of the Italian Government. For instance, it is true that Italy was practically self-sufficient in sugar. Yet for every ton of sugar produced in the country about half a ton of coal, and perhaps more, had to be imported from abroad. Likewise, Italy was near self-sufficiency in wheat but for every 10 tons of wheat domestically produced about one ton of rock phosphate had to be imported.

129. Moreover, while the self-sufficiency drive in countries like Germany and Portugal was attended by a definite strengthening of consumption controls, the same was not true of Italy, which went through the Ethiopian War and the economic sanctions without any true form of rationing except for the most anti-social one: namely, startling increases in the prices of certain food commodities.

130. The uncertainty of the years from 1935 to 1940 opened the path for two of the greatest evils of the war years: hoarding of foodstuffs by panicky consumers and some sporadic manifestations of a "black market." Typically enough, in 1937 local shortages of olive oil resulted in a thriving but short-lived black market as well as in considerable hoarding. Again, between 1935 and 1940 there could be noticed in Italy some interest-

Wartime Developments.

131. In spite of the inherent weaknesses discussed above, Italy, with her high degree of self-sufficiency in food and limited dependence of her food production upon imported supplies, appeared well-prepared to handle wartime food problems. However, the country failed to meet the test of wartime conditions, so that already in 1941 the average urban consumer suffered more serious reduction in his food rations than was the case in all other Axis countries and even in some of the countries overrun by the nazi-fascists. (See graph - Table 13).

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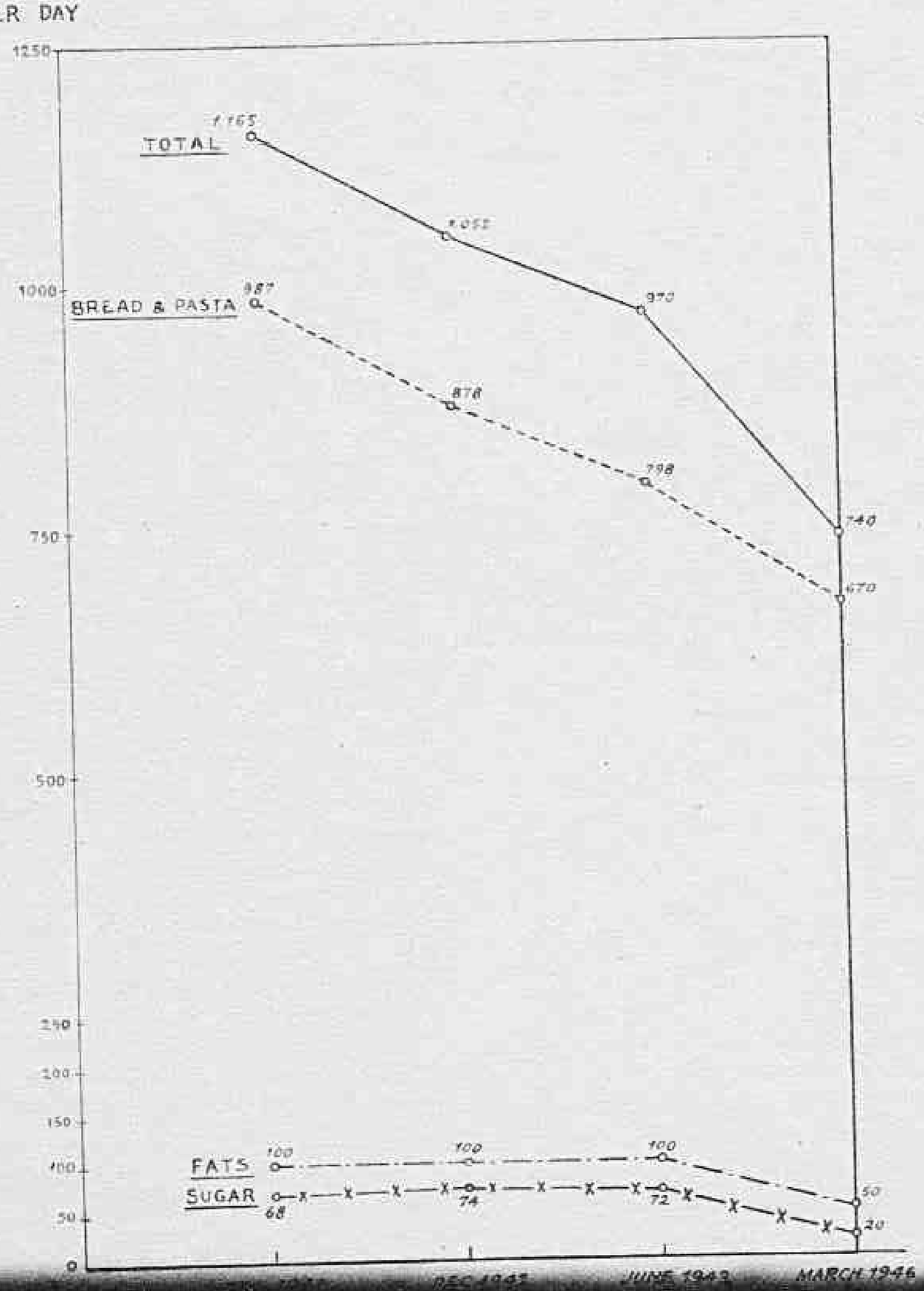
134. With regard to livestock, no specific action was taken except that herds and flocks of the country were expected to yield certain amounts of meat and slaughter fats. At no time did the Government produce or execute a plan for a reduction in the number of those animals which compete with humans for grains, pulses, and potatoes.

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 13

CALORIC VALUE OF WEIGHTED AVERAGE RATIONS



Declassified E.O. 12356 Section 3.3/NND No. 745021

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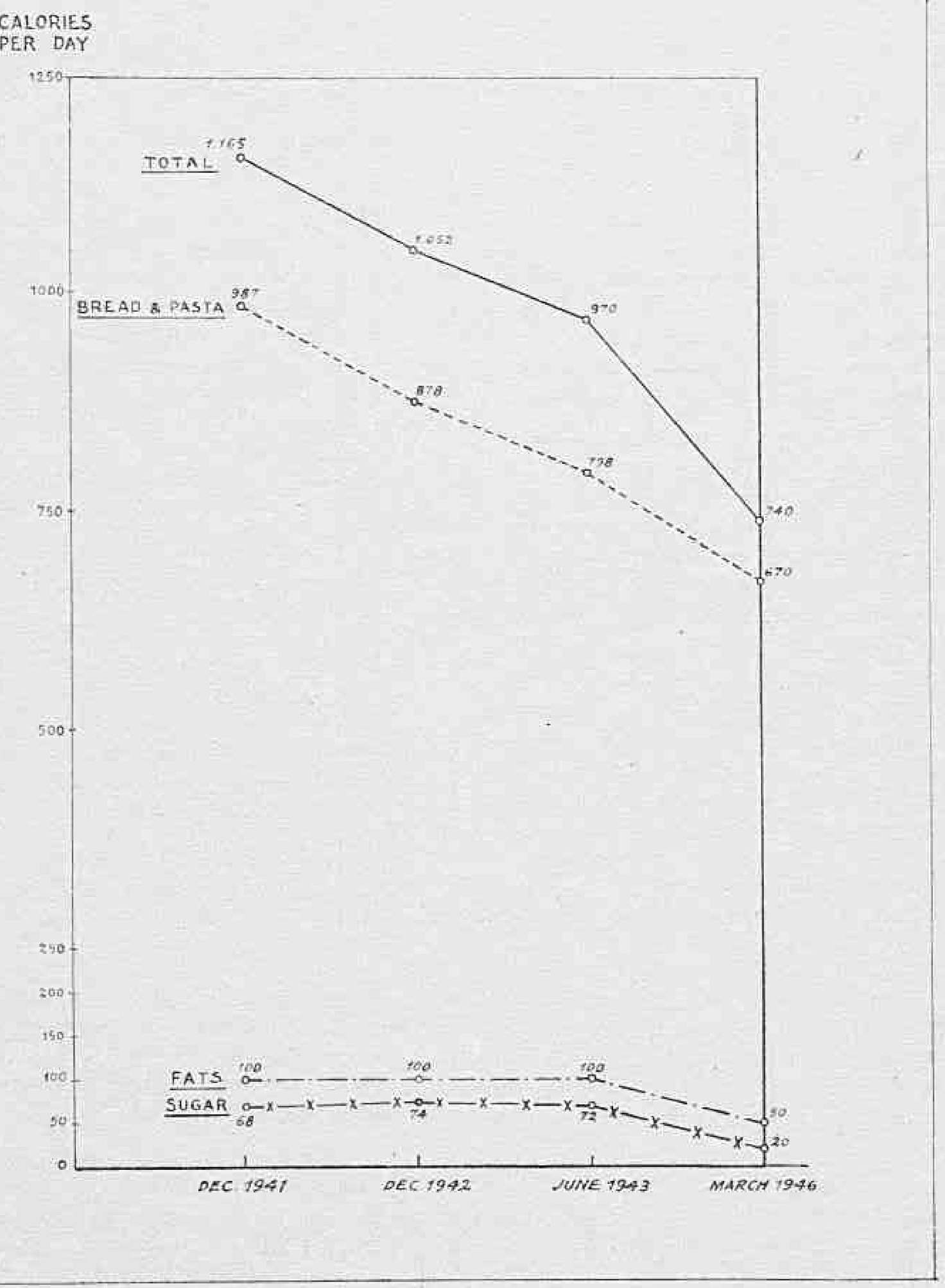

Declassified E.O. 12356 Section 3.3/NND No. 785021

Collection of agricultural products.

135. Under the self-sufficiency policy the Italian Government began in 1935 to establish a system of compulsory commodity pool (*Ammassi*) for the share of the domestic crop which exceeded producers' requirements for household and farm use. The first pools were established for rice to permit the subsidized export of much of the crop. Compulsory collection of wheat to assure the best utilization of supply and its rational distribution within the country began in 1936. This system of controls, which was essentially a price-sustaining device, was gradually extended to certain fibers—hemp, silk, wool—to corn, olive oil, and bergamot oil.

136. With the outbreak of war the Government expanded its authority over distribution. By the middle of 1941 compulsory delivery was in effect for all grains and pulses, as well as edible fats and part of the animal production.

137. Military developments and increasing pressure on the part of the German Government brought about a continual expansion of controls. By 1942 Italy had a most formidable body of regulations covering production and distribution of a variety of items from pulled wool to chestnuts, from firewood to grapeseed.

138. In fact, however, tightening of restrictions operated as an incentive to, rather than a cure for, illegal practices. Basic information for production controls, such as an up-to-date farm census and an accurate crop-estimating system, was lacking. Meanwhile, changes in fertilizer supplies and farm practices in general had rendered partially obsolete the statistical knowledge gained during the Thirties.

139. No regulations, no matter how stringent, can *per se* bring about a control of the farm utilization of home-grown products. In Italy great variations in farm practices from one area to another make it difficult to control rates of seeding, livestock feeding, and farm household consumption on a uniform basis for the nation as a whole. Yet the lack of up-to-date specific information on local practices and needs forced the Government to adopt nation-wide standards. In these circumstances farm requirements had to be computed upon the highest levels obtaining in the country. Thus, since in certain areas of Italy the rate of seeding for wheat runs as high as 200 kgs per hectare, this rate had to be adopted for the nation as a whole although the average rate of seeding for all of Italy is probably no more than 150 kgs per hectare.

140. As crops were brought under the compulsory-

141. Once the allowances for producers were established, no further attempt was made to modify them in relation to the size of the crop, so that the producers were never forced to bear the burden of reduced production and dwindling imports. Conversely, the Italian non-producers had to share the available supplies with the Armed Forces and in 1941-42 with the populations of invaded countries to which Italy had to provide a minimum of relief.

Rationing system.

142. The Italian rationing system was built up gradually as the need arose and the political situation permitted. Thus, whereas sugar rationing began even prior to Italy's entrance into the war and was followed by rationing of fats and alimentary paste, the rationing of bread was undertaken only in October 1941.

143. Ration cards, consisting of numbered and dated coupons for various commodities, were issued to the entire population. Persons entitled to retentions of home-grown products must return the corresponding ration coupons. Consumers entitled to supplementary rations (e.g., heavy workers) receive a supplementary card, while special classes of consumers (such as crews of merchant ships) receive a special ration card. All rations are expressed in terms of fixed amounts of the commodity under consideration, no provision being made for point rationing. Consumers register with retailers from whom they are to draw their rations.

144. Other food items usually considered vital to an effective rationing plan, such as meat and potatoes, were never the object of nation-wide rationing but were handled on a local basis by allocating to consumers locally available or emergency-imported supplies. Thus, the consumption of essential foodstuffs, and especially of sources of animal proteins, became a function of the regional pattern of production as well as of the exertion of local administrators.

145. Even nation-wide rations fluctuated from time to time, yet the bread ration was about the lowest found in Axis or neutral countries. The same was true of the fat ration.

146. In short, the Italian rationing system demanded for staple foodstuffs huge sacrifices from the ration card holders. At the same time it provided no compensation through increased and adequately-controlled supplies of other foodstuffs.

147. Many yardsticks are on hand to measure the seriousness of the situation:

0621
Declassified E.O. 12356 Section 3.3/NND No. 760021

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138. In fact, however, tightening of restrictions operated as an incentive to, rather than a cure for, illegal practices. Basic information for production controls, such as an up-to-date farm census and an accurate crop-estimating system, was lacking. Meanwhile, changes in fertilizer supplies and farm practices in general had rendered partially obsolete the statistical knowledge gained during the Thirties.

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140. As crops were brought under the compulsory-collection system producers were allowed to retain certain fixed amounts for their own use. But no attempt was ever made to develop a system of rations for the rural population.

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145. Even nation-wide rations fluctuated from time to time, yet the bread ration was about the lowest found in Axis or neutral countries. The same was true of the fat ration.

146. In short, the Italian rationing system demanded for staple foodstuffs huge sacrifices from the ration card holders. At the same time it provided no compensation through increased and adequately-controlled supplies of other foodstuffs.

147. Many yardsticks are on hand to measure the seriousness of the situation:

(a) the ever-increasing pressure for the establishment of special ration privileges for groups of consumers and the expansion of these groups;

0622
Declassified E.O. 12356 Section 3.3/NND No. 785021

(b) the number of persons holding ration cards with coupons for grain products and fats increases steadily and shows very little correlation to the size of the civilian population;

(c) a comparison of average pre-war consumption with actual rations shows a decline in legally-available supplies of staples from the very outset of the rationing system.

148. The size and caloric value of rations (Tables 14 and 15) decline steadily from December 1941 to June 1943; simultaneously, the size and impact of illegally-obtained supplies increases but the expanded "black market" does not offset the decline in rations. The plight of the ration card holder is illustrated by simple calculation. In 1941 and 1942 per capita food consumption in Italy declined by 14 % and 16 % respectively from pre-war levels.

149. When war reached the shores of Italy the food-distribution machinery was already approaching a breakdown. After July 1943, and for the next two consumption years, Italy underwent severe food crises, which culminated in the tragic situation of 1945-46.

TABLE 14

Monthly Basic Rations and Weighted-Average Rations per Capita in Italy *

In grams

(from December, 1941 to March, 1946) **

FOOD-STUFFS	DECEMBER 1941		DECEMBER 1942		JUNE 1943		MARCH 1946	
	Basic ration	Weighted average ration ***	Basic ration	Weighted average ration ***	Basic ration	Weighted average ration ***	Basic ration	Weighted average ration ***
Bread	6,000	7,200	4,500	6,300	4,500	5,500	6,000	6,300
Pasta or Rice	2,000	2,050	2,000	2,315	2,000	2,235	500	550
Equivalent in Flour for Bread and Pasta	7,050	8,560	5,800	7,620	5,800	6,920	5,510	5,810
Index Numbers (Dec. 1941 = 100)	100	100	82	89	82	80	78	67
Edible Fats	364	364	364	364	364	364	182	182
Index Numbers (Dec. 1941 = 100)	100	100	100	100	100	100	50	50
Sugar	500	500	500	540	500	528	150	150
Index Numbers (Dec. 1941 = 100)	100	100	100	108	100	105	30	30

(*) Venezia Giulia and Udine excluded.

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Equivalent in Flour for Bread and Pasta	7,050	8,560	5,800	7,620	5,800	6,920	5,510	5,810
Index Numbers (Dec. 1941 = 100)	100	100	82	89	82	80	78	67
Edible Fats	364	364	364	364	364	364	182	182
Index Numbers (Dec. 1941 = 100)	100	100	100	100	100	100	50	50
Sugar	500	500	500	540	500	528	150	150
Index Numbers (Dec. 1941 = 100)	100	100	100	108	100	105	30	30

(*) Venezia Giulia and Udine excluded.

(**) Based on data provided by the High Commissariat on Food.

(***) The weighted average ration is computed by considering the total ration cards monthly issued for normal consumers, special-group ages (0-3; 9-18 years of age), plus supplementary rations of pasta for all the population of Central and South Italy and for all classes of workers (agricultural, heavy, very heavy, forestry and miners) throughout Italy (exclusive of Venezia Giulia and Udine).

0624

Declassified E.O. 12356 Section 3.3/NND No. 745021

TABLE 15

Caloric Value of Basic Rations and Weighted Average Rations in Italy *

No. of calories daily per capita
(from December, 1941 up to March, 1946) **

FOOD-STUFFS	DECEMBER 1941		DECEMBER 1942		JUNE 1943		MARCH 1946	
	Basic ration	Weighted average ration ***	Basic ration	Weighted average ration ***	Basic ration	Weighted average ration ***	Basic ration	Weighted average ration ***
Flour from Bread & Pasta (1,000 cal. per kg.)	810	987	668	878	668	798	635	670
Edible Fats (9,300 cal. per kg.)	100	100	100	100	100	100	30	30
Sugar (4,100 cal. per kg.)	68	68	68	74	68	72	20	20
Total No. of calories	978	1,155	836	1,052	836	970	705	740
Index Numbers (December 1941 = 100)	100	100	85	91	85	84	72	64

(*) Venezia Giulia and Udine excluded.

(**) Based on data provided by the High Commissariat of Food.

(***) The weighted average ration is computed by considering the total ration-cards monthly issued for normal consumers, special-group ages (6/3; 9-18 years of age), plus supplementary rations of pasta for all the population of Central and South Italy and for all classes of workers (agricultural, heavy, very heavy, forestry and miners) throughout Italy (exclusive of Venezia Giulia and Udine).

Food Position at the End of the War.

150. The 1945-46 consumption year has been definitely

from pre-war; food grains and potatoes to about 60 %, pulses to 22 %, all meats to 62 %, milk and cheese to 60 %, edible fats to one-half of pre-war. Even fruit

0625

Declassified E.O. 12356 Section 3.3/NND No. 785021

FOOD-STUFFS	DECEMBER 1941		DECEMBER 1942		JUNE 1943		MARCH 1946	
	Basic ration	Weighted average ration ***	Basic ration	Weighted average ration ***	Basic ration	Weighted average ration ***	Basic ration	Weighted average ration ***
Flour from Bread & Pasta (calories) per kg.)	810	987	668	878	668	798	635	670
Edible Fats (8,500 cal. per kg.)	100	100	100	100	100	100	30	30
Sugar (4,100 cal. per kg.)	68	68	68	71	68	72	20	20
Total No. of calories	978	1,155	836	1,052	836	970	705	740
Index Numbers (December 1941 = 100)	100	100	85	91	85	84	72	64

(*) Venezia Giulia and Udine excluded.

(**) Based on data provided by the High Commissariat of Food.

(***) The weighted average ration is computed by considering the total ration-cards monthly issued for normal consumers, special-group ages (0-3; 4-18 years of age), plus supplementary rations of pasta for all the population of Central and South Italy and for all classes of workers (agricultural, heavy, very heavy, forestry and miners) throughout Italy (exclusive of Venezia Giulia and Udine).

Food Position at the End of the War.

150. The 1945-46 consumption year has been definitely the worst of the war period and perhaps one of the worst in the history of Italy. The food crisis developed from two main factors—reduced production and inadequate distribution controls. Food production declined sharply from pre-war: food grains and potatoes to about 60 %, pulses to 22 %, all meats to 62 %, milk and cheese to 60 %, edible fats to one-half of pre-war. Even fruit production declined, mainly in chestnuts and citrus fruits. Only the supply of fresh vegetables increased slightly as a consequence of the increased acreage. (See Table 16).

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TABLE 16

Cereal and Olive Oil Position 1940-45

PRODUCT	YEAR OF HARVEST	PRODUCTION		COLLECTION		OTHERWISE DISPOSED OF		
		in thousand tons (wheat equiv.)	in % (1940=100)	in thousand tons (wheat equiv.)	in % (1940=100)	in thousand tons (wheat equiv.)	in % (1940=100)	in % (total production of each year = 100)
CEREALS	1940	11,253	100.0	5,132	100.0	6,121	100.0	54.4
	1941	10,419	92.6	4,767	92.9	5,652	92.3	54.2
	1942	9,684	86.1	4,274	83.3	5,410	88.4	55.9
	1943	8,758	77.8	—	—	—	—	—
	1944	8,982	79.8	3,513	68.5	5,469	89.3	60.9
	1945	5,989	53.2	1,326	25.8	4,663	76.2	77.9
OLIVE OIL	1940	153	100.0	88	100.0	65	100.0	42.3
	1941	133	86.9	75	85.2	58	89.2	43.6
	1942	199	130.1	142	161.4	57	87.4	28.6
	1943	168	109.8	115	130.7	53	81.5	31.5
	1944	160	104.6	53	60.2	107	164.6	66.9
	1945	97	63.4	29	33.0	68	104.6	70.1

151. Inadequate distribution controls affect only rationed items for which delivery to Governmental pools is required. These items represent definitely the large-

one hand producers (less than 30 % of the total population) were allowed to retain for their purposes (legally or illegally) about their normal share of the

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Declassified E.O. 12356 Section 3.3/NND No. 785021

PRODUCT	YEAR OF HARVEST	PRODUCTION		COLLECTION		OTHERWISE DISPOSED OF		
		in thousand tons (wheat equiv.)	in % (1940=100)	in thousand tons (wheat equiv.)	in % (1940=100)	in thousand tons (wheat equiv.)	in % (1940=100)	in % (total production of each year = 100)
CEREALS	1940	11,253	100.0	5,132	100.0	6,121	100.0	54.4
	1941	10,419	92.6	4,767	92.9	5,652	92.3	54.2
	1942	9,684	86.1	4,274	83.3	5,410	88.4	55.9
	1943	8,758	77.8	—	—	—	—	—
	1944	8,982	79.8	3,513	68.5	5,469	89.3	60.9
	1945	5,989	53.2	1,326	25.8	4,663	76.2	77.9
OLIVE OIL	1940	153	100.0	88	100.0	65	100.0	42.3
	1941	133	86.9	75	85.2	58	89.2	43.6
	1942	199	130.1	142	161.4	57	87.4	28.6
	1943	168	109.8	115	130.7	53	81.5	31.5
	1944	160	104.6	53	60.2	107	164.6	66.9
	1945	97	63.4	29	33.0	68	104.6	70.1

151. Inadequate distribution controls affect only rationed items for which delivery to Governmental pools is required. These items represent definitely the largest share of non-producer diets, especially of the lower-income classes. Collection of grains and fats has constantly diminished at a rate greater than the rate of reduction in the total production. Therefore, on the one hand producers (less than 30 % of the total population) were allowed to retain for their purposes (legally or illegally) about their normal share of the produce. On the other hand, non-producers (more than 70 % of the population) had at their disposal a tremendously-reduced share of the domestic food supplies. (See diagram - Table 17).

0628

Declassified E.O. 12356 Section 3.3/NND No. 785021

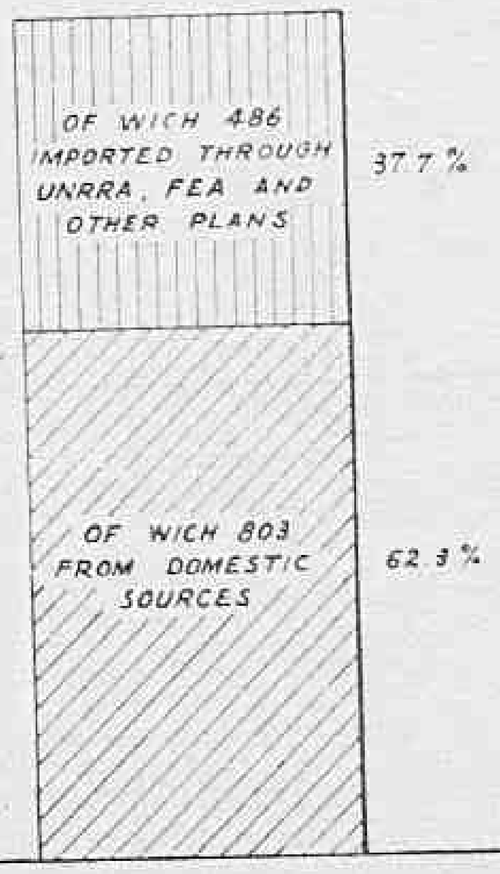
TABLE 17

FOOD POSITION IN 1945-46 CONSUMPTION YEAR

PRODUCER (9.7 million people) *NON-PRODUCER (36 million people)*

Calories per day : 2369

Calories per day : 1289



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Declassified E.O. 12356 Section 3.3/NND No. 795021

FOOD POSITION IN 1945-46 CONSUMPTION YEAR

PRODUCER (9.7 million people)

Calories per day : 2369

NON-PRODUCER (36 million people)

Calories per day : 1289

0630

Declassified E.O. 12356 Section 3.3/NND No. 785021

152. The impact of maldistribution had been felt throughout the war but reached a peak during the consumption year 1945-46. A reasonable estimate of what had been available to the Italian population during this year from domestic sources is given below. (Purchases by the Allied Armies and the almost negligible exports of fruit authorized during the period have been already deducted.)

TABLE 18

Availability of Domestic Production

(all data per capita)

	Producers		Non-producers	
	In kg. per year	In calories per day	In kg. per year	In calories per day
Cereals, all in terms of wheat	224.0	1,860	51.1	431
Fats	13.7	335	1.0	24
Sugar	0.35	1	0.35	1
Potatoes *	13.6	27	13.6	27
Pulses *	1.6	15	1.6	15
Fresh Veg. *	53.8	33	53.8	33
Fruit and nuts *	32.0	82	32.0	82
Meat *	12.8	51	12.8	51
Milk for direct consumption *	30.3	58	30.3	58
Cheese *	2.8	24	2.8	24
Eggs *	3.3	13	3.3	13
Total		2,499		759

* Consumption of these items which are not rationed has been estimated at uniform levels for both categories of consumers.

153. The cereal-availability in wheat-equivalent has been estimated on the basis of the "*ammassi*" results, and on the assumption that around 400,000 tons of wheat-equivalent have been bought by non-producers on the "black market" against a total quantity of grains (mainly corn) illegally withheld from legal channels estimated as about 900,000 tons of wheat-equivalent. For fats it is to be noticed that, although olive oil has to be completely amassed, except the producer's retentions (between 12 and 15 kgs per capita), hog fats and butter have to be amassed only partially, so that producers are entitled to sell on the free market a part of what they retain. Including an estimated amount of fats consumed by non-producers through black and free market (black market is for olive oil), the following

154. The difference in domestic-food supplies between producers and non-producers was extremely high: the former had a food-availability of 2,369 calories daily against only 903 for the latter.

155. In these circumstances, almost three-fourths of the Italian population would have reached starvation levels as a result of insufficient production and bad distribution. Therefore, it was indispensable to import basic foods in adequate quantities to prevent irreparable harm to public health as well as to prevent disease and unrest.

Size and Significance of Imports.

156. A fairly accurate estimate of food imports during the consumption year 1945-46 can be made on the basis of actual imports for the first 10 months and a reasonable forecast of anticipated imports for the remainder of the 12-month period. The estimate is summarized below:

TABLE 19

Food Imports (1945-46)

	Total in thousand tons	In calories per day per non-producer
Cereals (all in wheat equivalent)	1,702	437
Sugar	50	17
Evaporated and dry milk (fresh milk equivalent)	201	11
Dried vegetables	47	12
Eggs powdered (in terms of fresh eggs)	14	1
Meat products (in terms of fresh meat)	11	1
Fish	23	3
Fats	6	4
		486

157. It has been assumed that all food imports are consumed only by non-producers, since practically all of them are distributed through the rationing channels. Therefore it can be said that the caloric intake of non-producers has increased, thanks to these imports, by 136 calories daily, so as to reach a total of 1,289 against 2,369 for producers as said above.

158. With the addition of these imports to all domestic sources as calculated above (i.e., after deduction of a

Declassified E.O. 12356 Section 3.3/NND No. 763031

ready deducted.)

TABLE 18

Availability of Domestic Production

(all data per capita)

	Producers		Non-producers	
	In kg. per year	In calories per day	In kg. per year	In calories per day
Cereals, all in terms of wheat	221.0	1,860	51.1	431
Fats	12.7	335	1.0	24
Sugar	0.35	1	0.35	1
Potatoes *	13.6	27	13.6	27
Pulses *	1.6	15	1.6	15
Fresh Veg. *	53.8	33	53.8	33
Fruit and nuts *	32.0	82	32.0	82
Meat *	12.8	51	12.8	51
Milk for direct consumption *	30.3	58	30.3	58
Cheese *	2.8	24	2.8	24
Eggs *	3.3	13	3.3	13
Total		2,490		759

* Consumption of those items which are not rationed has been estimated at uniform levels for both categories of consumers.

153. The cereal-availability in wheat-equivalent has been estimated on the basis of the "*ammassi*" results, and on the assumption that around 400,000 tons of wheat-equivalent have been bought by non-producers on the "black market" against a total quantity of grains (mainly corn) illegally withheld from legal channels estimated as about 900,000 tons of wheat-equivalent. For fats it is to be noticed that, although olive oil has to be completely amassed, except the producer's retentions (between 12 and 15 kgs per capita), hog fats and butter have to be amassed only partially, so that producers are entitled to sell on the free market a part of what they retain. Including an estimated amount of fats consumed by non-producers through black and free market (black market is for olive oil), the following data of per capita consumption per annum result: fats for producers 8.4 kgs equal to 205 calories per day; fats for non-producers 2.8 kgs equal to 68 calories per day.

tribution. Therefore, it was indispensable to import basic foods in adequate quantities to prevent irreparable harm to public health as well as to prevent disease and unrest.

Size and Significance of Imports.

156. A fairly accurate estimate of food imports during the consumption year 1945-46 can be made on the basis of actual imports for the first 10 months and a reasonable forecast of anticipated imports for the remainder of the 12-month period. The estimate is summarized below:

TABLE 19

Food Imports (1945-46)

	Total in thousand tons	In calories per day per non producer
Cereals (all in wheat equivalent)	1,702	437
Sugar	50	17
Evaporated and dry milk (fresh milk equivalent)	201	11
Dried vegetables	47	1
Eggs powdered (in terms of fresh eggs)	11	1
Meat products (in terms of fresh meat)	11	1
Fish	23	3
Fats	6	4
		486

157. It has been assumed that all food imports are consumed only by non-producers, since practically all of them are distributed through the rationing channels. Therefore it can be said that the calorie intake of non-producers has increased, thanks to these imports, by 186 calories daily, so as to reach a total of 1,289 against 2,369 for producers as said above.

158. With the addition of these imports to all domestic sources as calculated above (i.e., after deduction of a few purchases and exports) the overall food position for 1945-46 is summarized in Table 20. From this table it appears that the average calorie intake per inhabitant per day has been in 1945-46 equal to 1,519.

Declassified E.O. 12356 Section 3.3/NND No. 785021

TABLE 20

1945-46 Food Position in Calories

(from domestic sources plus foreign trade)

FOOD-STUFFS	TOTAL AVAILABILITY FOR FOOD (in thousand tons)	% OF EDIBLE PART	CALORIES PER KG OF EDIBLE PART	TOTAL CALORIES (in thousands)	CALORIES PER INHABITANT PER DAY	
					No.	% of the total
Wheat flour	4,544	100	3,500	15,904,000	958	62.7
Other cereals in terms of wheat flour	566	100	3,500	1,981,000	119	7.8
Potatoes	602	95	750	429,000	26	1.7
Pulses	122	100	3,240	395,280	24	1.6
Tomatoes, Fresh vegetables, Fresh pulses	2,400	70	320	537,600	32	2.1
Soft fruit, Hard fruit	975	95	540	500,040	30	2.0
Nuts	225	50	5,910	661,920	40	2.6
Chestnuts	192	80	2,110	175,920	10	0.7
Citrus fruit	164	70	218	25,070	2	0.1
Beef and veal	188	80	1,370	204,130	12	0.8
Mutton, lamb, goat	31	75	2,500	57,500	3	0.1
Pork	144	80	3,000	345,000	21	1.5
Horse meat	15	80	1,140	13,680	1	0.05
Offals	23	100	1,000	23,000	1	0.05
Poultry, game, rabbit	61	75	1,296	59,346	4	0.3
Fish	161	75	1,600	193,600	12	0.8
Milk for direct consumption (hl)	1,596	100	700	1,117,200	67	4.4
Cheese	127	100	3,200	106,100	24	1.6
Butter	25	100	7,700	192,500	12	0.8
Olive oil, Seed oil	100	100	8,920	892,000	53	3.5
Animal fats (pure fat content)	77	100	9,240	711,180	43	2.8
Eggs	163	88	1,440	205,920	12	0.8
Sugar	72	100	4,100	295,200	18	1.2
Total				25,323,880	1,519	100.0

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Declassified E.O. 12356 Section 3.3/NND No. 785021

However, the difference shown above between producers and non-producers still remains, as does the importance which food imports had for them. In 1946-47 it is estimated that the average caloric intake per person per day should rise to 1721 (see Table 21).

The Black Market.

159. The size and significance of the black market in foodstuffs have often been discussed in altogether erroneous terms. By definition, "black market" exists only for commodities that are rationed and or subject to price control. In Italy such controls exist only for the nationally rationed commodities (i.e., grain products, some of the edible fats, and sugar) while for all other foodstuffs, many of which are strictly rationed elsewhere (meats, dairy products, pulses, etc.) there is no limitation whatsoever as to quantity that can be purchased or price (1) that can be paid by the individual consumer. Nor is the black market, correctly defined, an important source of additional foodstuffs.

160. The black market is supplied from:

(a) that share of the domestic output which has been withheld from collection agencies, and

(b) a portion of already-collected or imported foodstuffs which are diverted to unlawful channels through theft and violation of processing regulations (baking of bread with a higher moisture content, increasing the bran percentage in the flour, etc.)

Obviously, black market supplies from the second source are already included in the computation of food supplies available through rationing, and only supplies from the first source add to the caloric intake of the non-producers. Estimates of the caloric contribution of black market supplies vary widely, but the upper limit of their range does not exceed 200 calories per diem.

Sources of Imports - Role of UNRRA.

161. As stated above, the first imports of the consumption year 1945-46 were handled by the Allied Military Authorities and subsequently partly by the U.S. Foreign Economic Administration, and partly by the Italian Government. Additional amounts of foodstuffs were given to Italy by generous foreign governments and organizations.

162. With the expanding of UNRRA activities in Italy and beginning in January 1946, UNRRA undertook to provide the bulk of current requirements for food imported by the U.S. Foreign Economic Administration continued to arrive through the second half of the consumption year.

163. Yet, for the Italian consumer, during the first six months of 1946 UNRRA meant the difference between life and death, for during this period rations were maintained principally from imports.

164. Consumption of wheat by ration card holders will amount during January-June 1946 to about 1,530,600 tons (June figure estimated). During the same period 1,109,154 tons of cereals in wheat-equivalent (again June figure estimated) will have been imported from various sources but mainly through UNRRA (769,495 tons). Since practically all stocks will be exhausted by the end of June it can be pointed out that UNRRA supplies have assured 50.2 % of the ration card holders' requirements while another 22.2 % was imported through other programs and only 27.6 % was supplied from domestic sources.

Handling of UNRRA Food Imports.

165. The responsibility for foodstuffs imported by UNRRA rests initially with UNRRA Italian Mission. As in the case of other imported supplies, title to imported food is transferred to the Italian Government at the end of ship's tackle. In turn the Government has designated as receiving agent the Institute for Foreign Trade (ICE), which has nominated the Federation of Agricultural Consortia (Feder-Consorzi) (see Part One) to receive and warehouse imported foodstuffs. Further, to facilitate the handling of imported foodstuffs National Provincial Warehouses have been established in each province for the receipt of goods from the port of discharge.

166. Foodstuffs imported by UNRRA or by other organizations are used jointly with locally-available food to meet ration requirements. All available supplies are allocated by the High Commissioner for Food to Provincial Food Offices (SEPRAL) to fill their stated requirements. Upon receipt of allocations SEPRAL authorizes the Provincial Consortium to release to wholesale and/or retail dealers the amount of rationed foodstuffs required for each Commune.

1946-47 Food Balance.

167. Food prospects for 1946-47 are better than for

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

The Black Market.

159. The size and significance of the black market in foodstuffs have often been discussed in altogether erroneous terms. By definition, "black market" exists only for commodities that are rationed and or subject to price control. In Italy such controls exist only for the nationally rationed commodities (i.e., grain products, some of the edible fats, and sugar) while for all other foodstuffs, many of which are strictly rationed elsewhere (meats, dairy products, pulses, etc.) there is no limitation whatsoever as to quantity that can be purchased or price (1) that can be paid by the individual consumer. Nor is the black market, correctly defined, an important source of additional foodstuffs.

160. The black market is supplied from:

(a) that share of the domestic output which has been withheld from collection agencies, and

(b) a portion of already-collected or imported foodstuffs which are diverted to unlawful channels through theft and violation of processing regulations (baking of bread with a higher moisture content, increasing the bran percentage in the flour, etc.)

Obviously, black market supplies from the second source are already included in the computation of food supplies available through rationing, and only supplies from the first source add to the calorie intake of the non-producers. Estimates of the calorie contribution of black market supplies vary widely, but the upper limit of their range does not exceed 200 calories per diem.

Sources of Imports - Role of UNRRA.

161. As stated above, the first imports of the consumption year 1945-46 were handled by the Allied Military Authorities and subsequently partly by the U.S. Foreign Economic Administration, and partly by the Italian Government. Additional amounts of foodstuffs were given to Italy by generous foreign governments and organizations.

162. With the expanding of UNRRA activities in Italy and beginning in January 1946, UNRRA undertook to provide the bulk of current requirements for food imports. In practice, due to delays in shipments during the winter of 1945-46, shipments of foodstuffs purchased between life and death, for during this period rations were maintained principally from imports.

164. Consumption of wheat by ration card holders will amount during January-June 1946 to about 1,530,600 tons (June figure estimated). During the same period 1,109,154 tons of cereals in wheat-equivalent (again June figure estimated) will have been imported from various sources but mainly through UNRRA (769,495 tons). Since practically all stocks will be exhausted by the end of June it can be pointed out that UNRRA supplies have assured 50.2 % of the ration card holders' requirements while another 22.2 % was imported through other programs and only 27.6 % was supplied from domestic sources.

Handling of UNRRA Food Imports.

165. The responsibility for foodstuffs imported by UNRRA rests initially with UNRRA Italian Mission. As in the case of other imported supplies, title to imported food is transferred to the Italian Government at the end of ship's tackle. In turn the Government has designated as receiving agent the Institute for Foreign Trade (ICE), which has nominated the Federation of Agricultural Consortia (Feder-Consorzi) (see Part One) to receive and warehouse imported foodstuffs. Further, to facilitate the handling of imported foodstuffs National Provincial Warehouses have been established in each province for the receipt of goods from the port of discharge.

166. Foodstuffs imported by UNRRA or by other organizations are used jointly with locally-available food to meet ration requirements. All available supplies are allocated by the High Commissioner for Food to Provincial Food Offices (SEPRAL) to fill their stated requirements. Upon receipt of allocations SEPRAL authorizes the Provincial Consortium to release to wholesale and or retail dealers the amount of rationed foodstuffs required for each Commune.

1946-47 Food Balance.

167. Food prospects for 1946-47 are better than for the 1945-46 consumption year, though still far below pre-war levels.

(1) For cost of foodstuffs in comparison with wages and foregoneral wholesale prices in relation to gold prices and note circulation, see graphs - Tables 27 and 28.

Declassified E.O. 12356 Section 3.3/NND No. 759031

TABLE 21

1946-47 Estimated Food Position in calories

(from domestic sources only)

FOOD-STUFFS	TOTAL AVAILABILITY FOR FOOD (in thousand tons)	% OF EDIBLE PART	CALORIES PER KG OF EDIBLE PART	TOTAL CALORIES (in thousands)	CALORIES PER INHABITANT PER DAY	
					No.	% of the total
Wheat flour	4,279	100	3,500	14,976,500	892	51.7
Other cereals in terms of wheat flour	987	100	3,500	3,454,500	206	11.9
Potatoes	1,475	95	750	1,050,750	63	3.7
Pulses	387	100	3,240	1,253,880	75	4.3
Tomatoes Fresh vegetables Fresh pulses	3,232	70	320	723,840	43	2.4
Soft fruit Hard fruit	1,210	95	540	621,000	37	2.1
Nuts	145	50	5,910	425,520	25	1.5
Chestnuts	119	80	2,110	200,450	12	0.7
Citrus fruit	163	70	218	70,532	4	0.3
Beef and veal	194	80	1,370	212,350	13	0.7
Mutton, lamb, goat	39	75	2,560	72,500	4	0.3
Pork	150	80	3,000	360,000	21	1.3
Horse meat	14	80	1,110	12,340	1	0.0
Offals	24	100	1,000	24,000	2	0.1
Poultry, game, rabbit	105	75	1,290	101,010	6	0.4
Fish	150	75	1,460	180,800	11	0.7
Milk for direct consumption (hl)	14,715	100	700	1,030,050	61	3.7
Cheese	137	100	3,200	438,400	26	1.5
Butter	29	100	7,700	223,300	13	0.7
Olive oil Seed oil	195	100	8,820	1,739,490	104	6.0
Animal fats (in pure fat content)	80	100	9,240	739,200	44	2.5
Eggs	160	88	1,440	203,040	12	0.7
Sugar	200	100	4,100	820,000	49	2.8
TOTAL				28,934,592	1,724	100.0

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Declassified E.O. 12356 Section 3.3/NND No. 763091

168. According to the latest forecast (15 April 1946) the domestic-food availability should be in 1946-47 as follows (all actual requirements for seed, feed, industrial uses as well as waste already deducted):

TABLE 22

Estimated Availability of Home Produced Foodstuffs in Italy

Products	Quant. availab. for food from domestic sources	Daily calories per inhabitant	
		No.	%
Cereals (all in terms of wheat)	5,985	1,098	63.6
Potatoes	1,475	63	3.7
Pulses	387	75	4.3
Fresh vegetables	3,232	43	2.4
Fruit and nuts	1,937	78	4.6
Meat	676	59	3.5
Milk for direct consumption	1,471	61	3.7
Cheese	137	26	0.2
Sugar	200	49	2.8
Eggs	160	12	0.7
Total		1,725	100.0

169. In spite of a degree of recovery in agricultural output per capita domestic-food supplies will be only 70 % of pre-war.

170. Some of the items considered have to be reduced by an exportable quota. These items (namely fruits, nuts, and vegetables) have always represented an important sector of Italy's agricultural exports. Their current supply still exceeds pre-war domestic requirements, whereas the seasonal distribution of production and the high perishability of fruits and vegetables render difficult any increase in domestic consumption of these items. Moreover, higher consumption of fruits and vegetables would increase the bulkiness of the diet with only limited gains in the calorie intake, thus becoming undesirable from a physiological viewpoint. Finally, exports which do not prejudice the essential needs of Italy should be encouraged.

171. Pre-war availability compared with 1946-47 food availability (see Table 23 below) shows how much Italy has still to import from abroad. Only three items will have in 1946-47 an exportable surplus: fresh vegetables, fruit, and nuts. The small availability of fruit and nuts is mainly due to a bad production forecast in 1946 for

TABLE 23

Available for Food

Items	Pre-war (1934-35-1937-38) less exports plus imports (thousand tons)	1946-47 from all domestic sources (thousand tons)	Deficits & surpluses (thousand tons)	
Cereals (all in terms of wheat)	8,291	5,985	I	3,077
Potatoes	1,627	1,475	I	278
Pulses	540	387	I	103
Fresh vegetables	2,434	3,232	E	616
Fruit and nuts	1,783	1,937	E	14
Meat	1,089	676	I	497
Milk	2,305	1,471	I	967
Cheese	212	137	I	93
Fats	596	304	I	243
Sugar	500	200	I	122
Eggs	305	160	I	168

I = Imports required to meet pre-war availability.
E = Exports in excess pre-war availability. Both series of data calculated after adjustment of pre-war data to present population (44 million instead of 42.7).

172. It is now necessary to estimate for 1946-47 the amounts of nationally rationed foodstuffs (cereals, fats, and sugar) which will be available to non-producers through legal channels. The anticipated pattern of cereal disposal for the period July 1946-June 1947, is as follows (all data in thousands of metric tons):

TABLE 24

Estimated Disposal of Cereals, July 1946 to July 1947

	Wheat	Rice	Corn (Maize)	Rye and Barley	Total (in wheat equival.)
Gross Production	5,692	402	2,200	324	8,330
Retention:					
(a) Legal:					
Seed	950	26	100	55	1,104
Food	2,350	54	—	—	2,382
Feed	—	—	800	—	637
(b) Illegal and Waste	217	32	900	240	1,264
Grains amassed available to non-producers	(1) 2,125	360	400	29	(1) 2,792

(1) Plus 50,000 tons of wheat estimated as harvested, amassed, and consumed in June 1946.

173. All legal retentions have been calculated on the basis of the 1945 amassing regulations, which will be applied also in 1946. Illegal retentions are not far from those of 1945 in absolute figures; proportionally

Declassified E.O. 12356 Sec. 3.3/NND No. 745021

Estimated Availability of Home Produced Foodstuffs in Italy

Products	Quant. availab. for cons. from domestic sources	Daily calories per inhabitant	
		No.	%
Cereals (all in terms of wheat)	5,985	1,998	46.6
Potatoes	1,475	63	3.7
Pulses	387	75	1.8
Fresh vegetables	3,232	13	2.4
Fruit and nuts	1,937	78	4.6
Meat	676	59	3.5
Milk for direct consumption	1,471	61	3.7
Cheese	137	26	0.2
Sugar	280	49	2.8
Eggs	160	12	0.7
Total		1,725	100.0

169. In spite of a degree of recovery in agricultural output per capita domestic-food supplies will be only 70 % of pre-war.

170. Some of the items considered have to be reduced by an exportable quota. These items (namely fruits, nuts, and vegetables) have always represented an important sector of Italy's agricultural exports. Their current supply still exceeds pre-war domestic requirements, whereas the seasonal distribution of production and the high perishability of fruits and vegetables render difficult any increase in domestic consumption of these items. Moreover, higher consumption of fruits and vegetables would increase the bulkiness of the diet with only limited gains in the caloric intake, thus becoming undesirable from a physiological viewpoint. Finally, exports which do not prejudice the essential needs of Italy should be encouraged.

171. Pre-war availability compared with 1946-47 food availability (see Table 23 below) shows how much Italy has still to import from abroad. Only three items will have in 1946-47 an exportable surplus: fresh vegetables, fruit, and nuts. The small availability of fruit and nuts is mainly due to a bad production forecast in 1916 for almonds and chestnuts. However, no complete substitution can be foreseen between these products and fruits with a higher availability (mainly citrus fruit); therefore it is very probable that the exportable surplus will actually be higher.

Cereals (all in terms of wheat)	8,391	5,985	I 3,077
Potatoes	1,627	1,475	I 278
Pulses	540	387	I 193
Fresh vegetables	2,434	3,232	E 610
Fruit and nuts	1,783	1,937	E 14
Meat	1,089	676	I 397
Milk	2,265	1,471	I 967
Cheese	212	137	I 93
Fats	506	304	I 243
Sugar	360	280	I 122
Eggs	305	160	I 168

I = Imports required to meet pre-war availability.
E = Exports in excess pre-war availability. Both series of data calculated after adjustment of pre-war data to present population (46 million instead of 42.7).

172. It is now necessary to estimate for 1946-47 the amounts of nationally rationed foodstuffs (cereals, fats, and sugar) which will be available to non-producers through legal channels. The anticipated pattern of cereal disposal for the period July 1946-June 1947, is as follows (all data in thousands of metric tons):

TABLE 24

Estimated Disposal of Cereals, July 1946 to July 1947

	Wheat	Rice	Corn (Maize)	Rye and Barley	Total (in wheat equival.)
Gross Production	5,692	192	2,200	324	8,330
Retention:					
(a) Legal:					
Seed	950	26	100	58	1,104
Food	2,350	54	—	—	2,392
Feed	—	—	800	—	637
(b) Illegal and Waste	217	32	900	240	1,264
Grains amassed available to non-producers	(1) 2,325	360	400	29	(1) 2,702

(1) Plus 50,000 tons of wheat estimated as harvested, amassed, and consumed in June 1946.

173. All legal retentions have been calculated on the basis of the 1945 amassing regulations, which will be applied also in 1946. Illegal retentions are not far from those of 1945 in absolute figures; proportionally they are still lower as account has been taken of the higher prices which will be paid to producers this year and of the higher production anticipated. Certainly a part of the illegal retention will be consumed by non-producers through the black market, but no allowance

Declassified E.O. 12356 Section 3.3/NND No. 759011

can be made for this in considering the main requirements for a reasonable ration scale.

174. The forecast concerning fats for the same period is as follows (all data in thousands of metric tons):

TABLE 25

Estimated Disposal of Fats in July 1946 to July 1947

	Olive oil	Butter	Hog fats	Total
Gross Production	193	29	83	305
Retentions:				
(*a*) legal	70	25	77	172
(*b*) illegal	30	—	—	30
Available to non-producers through rationing	93	4	6	103

175. It is to be noticed that ration card holders, in addition to fats received through ration channels, can obtain in the free market quantities of those fats for which only partial amassing is compulsory.

176. Calculations on sugar availability are based on the assumption that coal will be available to sugar factories in due time and in adequate quantity; under these assumptions domestic-sugar production would amount to 200,000 tons. Most of this quantity will be available to non-producers, both normal consumers and special classes. Beet and sugar producers are entitled to some special allocations of sugar, which do not affect the overall situation because of their low number.

177. A comparison can now be made between the estimated availability of rationed food items through legal channels, and a preliminary forecast of 1946-47 requirements of non producers. A firm estimate of such requirements has not yet been achieved, as some revision of the rationing system is still under discussion. The balance represents what should be imported to meet such requirements.

TABLE 26

Estimated Import Needs of Grains, Fats, and Sugar, 1946-47

	Grains (in wheat equiv.)	Fats	Sugar
Assumed Ration Scale	200 grs. daily of bread and 2000 grs. monthly of pasta	300 grs. monthly	300 grs. monthly
Total requirements for	[illegible]	140,000 tons	250,000 tons

178. All requirements have been calculated only for ration card holders, i.e., for the population considered as "non-producing for the respective item," plus the needs of special classes, and a reasonable loss factor during distribution. Grain requirements assume one month's stock in hand. Sugar requirements include 50,000 tons estimated as minimum need for the various industrial processings. All data are expressed in round figures.

179. Thus, to maintain a level of rations which is comparable with that obtaining in the early part of the war Italy will still need food imports of considerable magnitude. Food imports requirements for the consumption year 1946-47 are but slightly below actual imports for the preceding year.

Long-range Food Outlook.

180. Since the rate of agricultural recovery will be slow, Italy will continue to depend upon food imports for a relatively long period if food-consumption levels are to improve. This is especially true of cereals. It is unlikely that either in 1947 or in 1948 grain production for food will be above the 7,000,000 ton level, thus necessitating annual imports of over 1,000,000 tons.

181. With regard to edible fats, the position of the country will vary from year to year in accordance with the fluctuations in olive oil production. On the average, imports of fats will approach 100,000 tons per annum.

182. Italy is already approaching self-sufficiency with regard to sugar for direct consumption. However, due to the necessity of conserving surpluses of fruit which cannot be exported in quantities comparable with those of pre-war years, imports of relatively-large amounts of sugar for canning will be needed.

183. Maintenance of traditional exports (wine, vegetables, nuts) will not affect the food position of the country.

184. A careful analysis of trends and prospects in food production leads to the reasonably safe conclusion that up to 1950 the average Italian will not attain pre-war levels of food consumption. To the quantitative deficiencies of these levels of caloric intake there will be added the qualitative deficiencies of a poverty diet, built upon cereals, vegetables, fats, and sugar.

185. Thus, the rehabilitation of the Italian diet ap- [illegible] long and painstaking task; its success will

Declassified E.O. 12356 Section 3.3/NND No. 740301

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	Olive oil	Butter	Hog fats	Total
Gross Production	193	29	83	305
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(*b*) illegal	30	—	—	30
Available to non-producers through rationing	93	4	6	103

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	Grains (in wheat equiv.)	Fats	Sugar
Assumed Ration Scale	200 grs. daily of bread and 2000 grs. monthly of pasta	300 grs. monthly	300 grs. monthly
Total requirements for 1946-47	4,300,000 tons	140,000 tons	230,000 tons
Domestic availability through legal channels	2,792,000 »	103,000 »	200,000 »
Balance	1,508,000 »	37,000 »	30,000 »

industrial processings. All data are expressed in round figures.

179. Thus, to maintain a level of rations which is comparable with that obtaining in the early part of the war Italy will still need food imports of considerable magnitude. Food imports requirements for the consumption year 1946-47 are but slightly below actual imports for the preceding year.

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185. Thus, the rehabilitation of the Italian diet appears as a long and painstaking task: its success will depend upon the recovery of agriculture and the strengthening of distribution controls and upon industrial recovery.

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Declassified E.O. 12356 Section 3.3/NND No. 760021

TABLE 27

INDICES OF WHOLESALE PRICES
GOLD PRICES AND NOTE CIRCULATION
1938=100

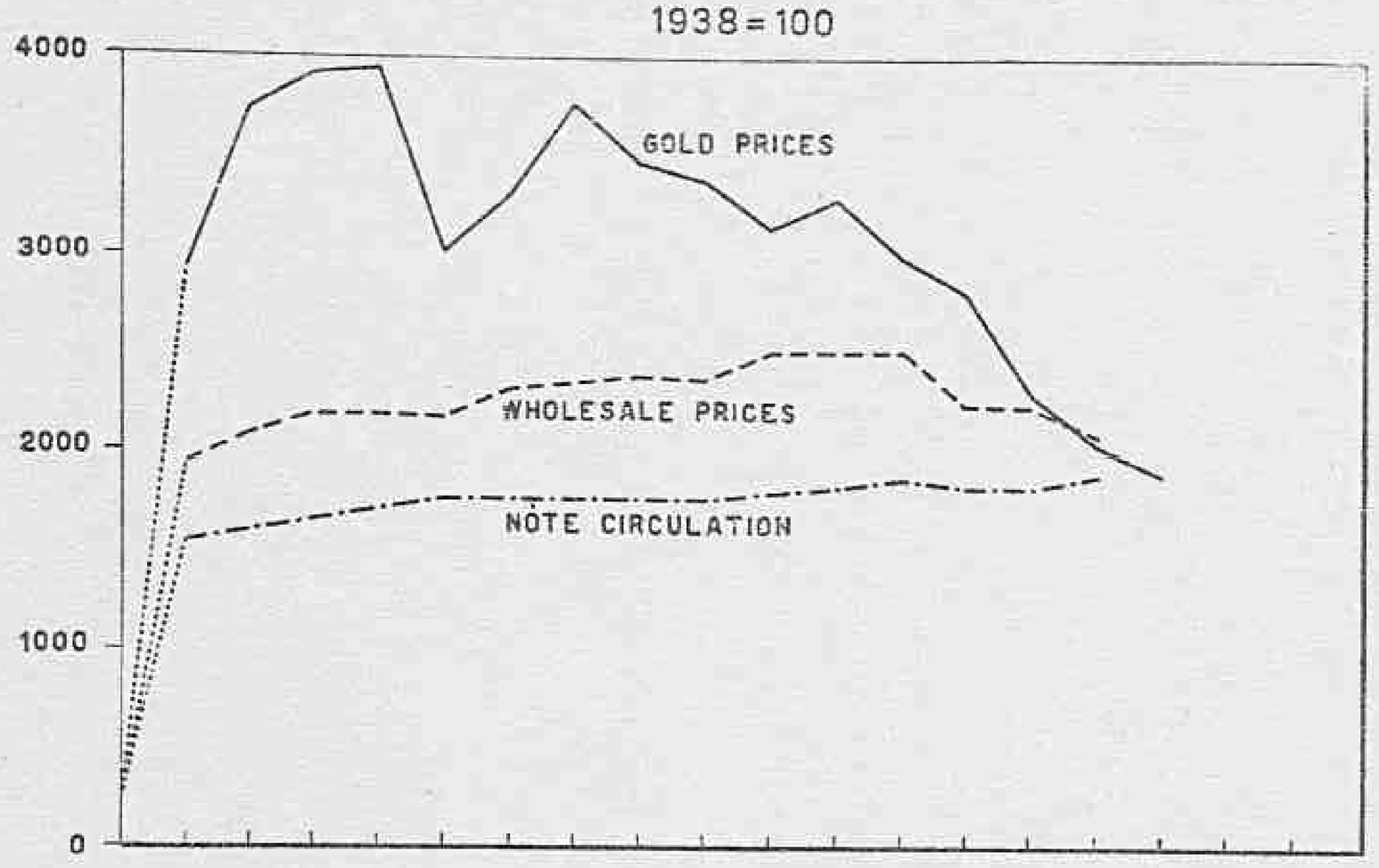
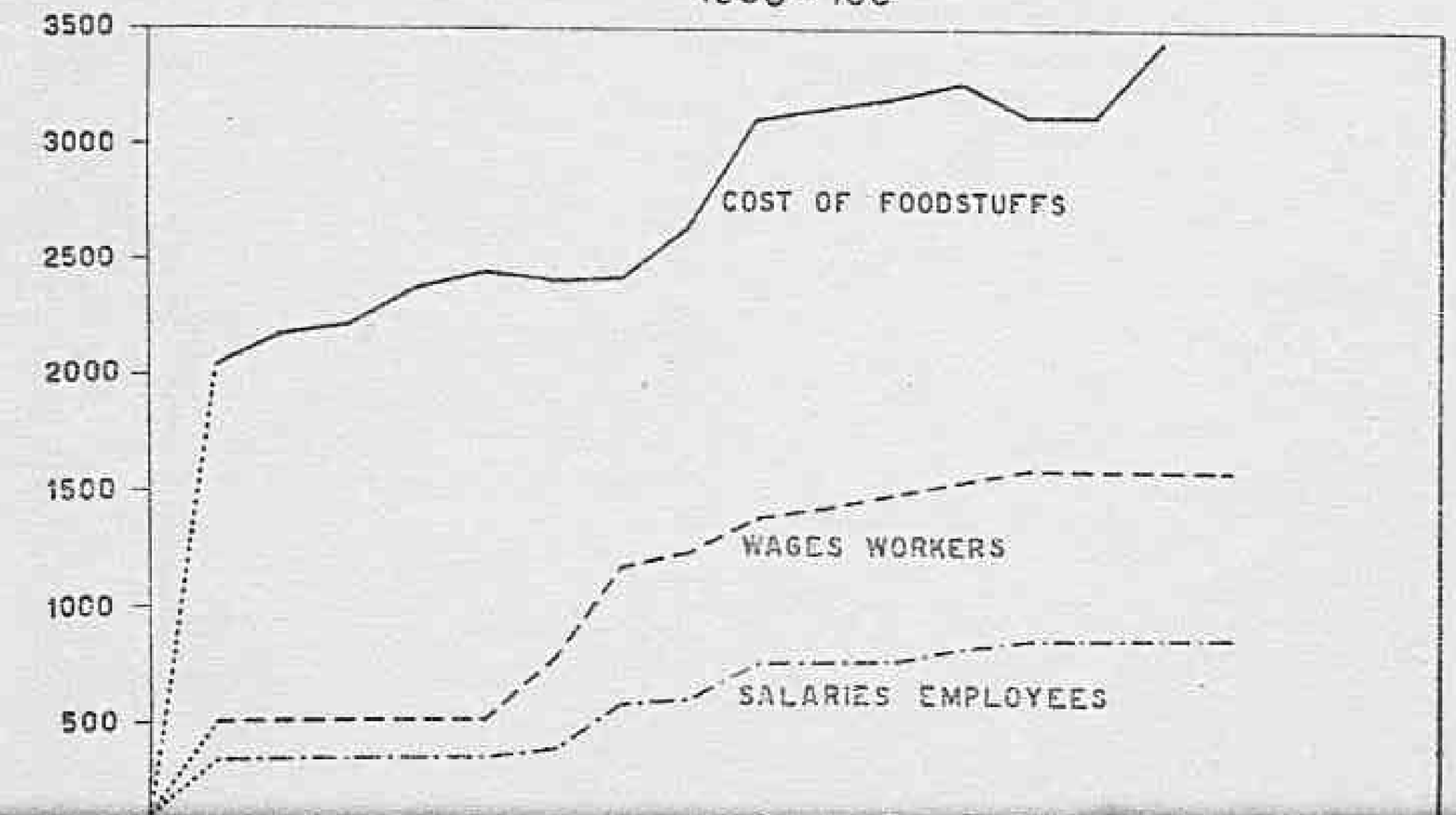


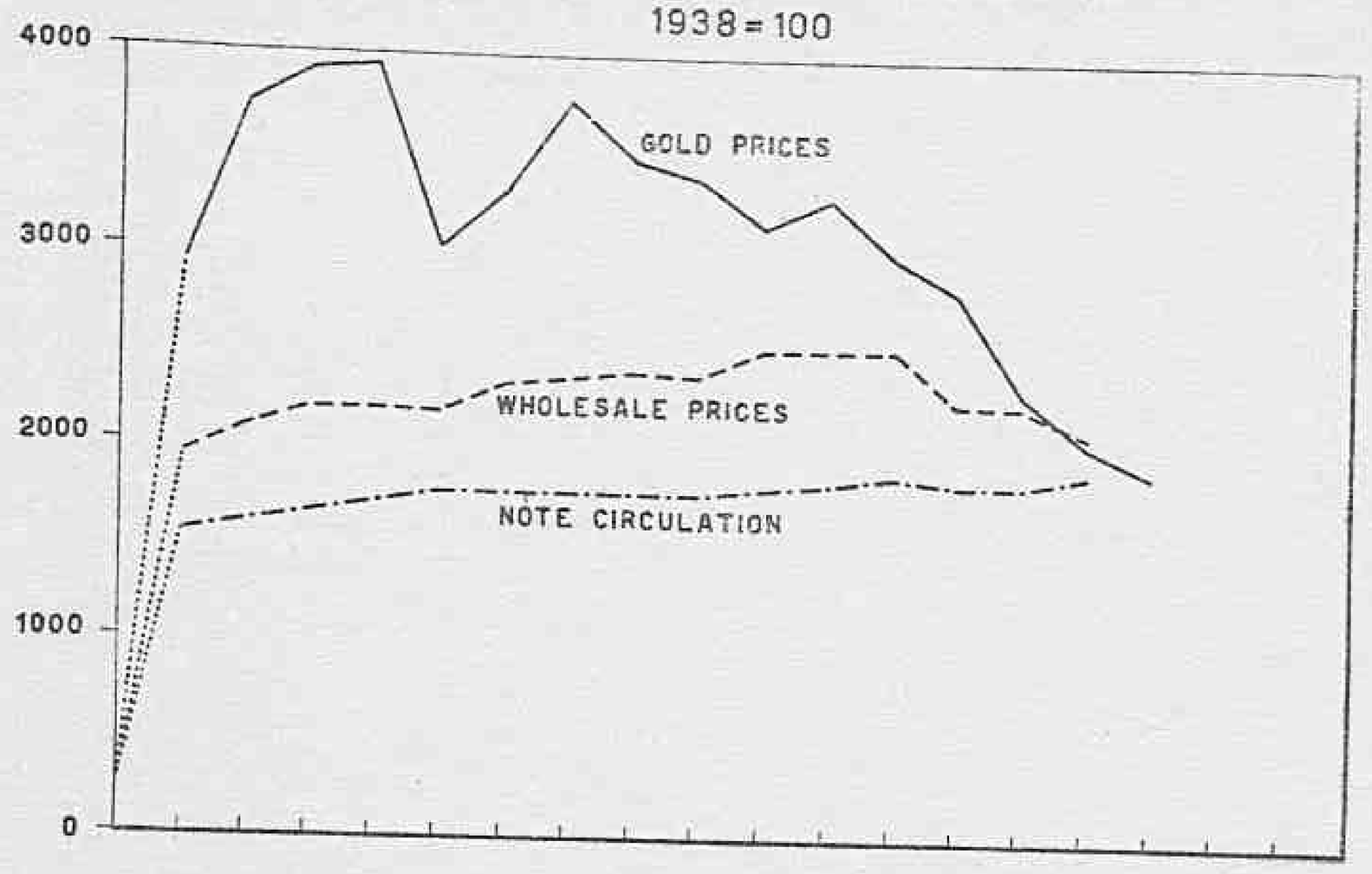
TABLE 28

INDICES OF THE COST OF LIVING (FOODSTUFFS)
AND WAGES AND SALARIES IN MILAN
1938 = 100



0641
Declassified E.O. 12356 Section 3.3/NND No. 785021

GOLD PRICES AND NOTE CIRCULATION
1938 = 100



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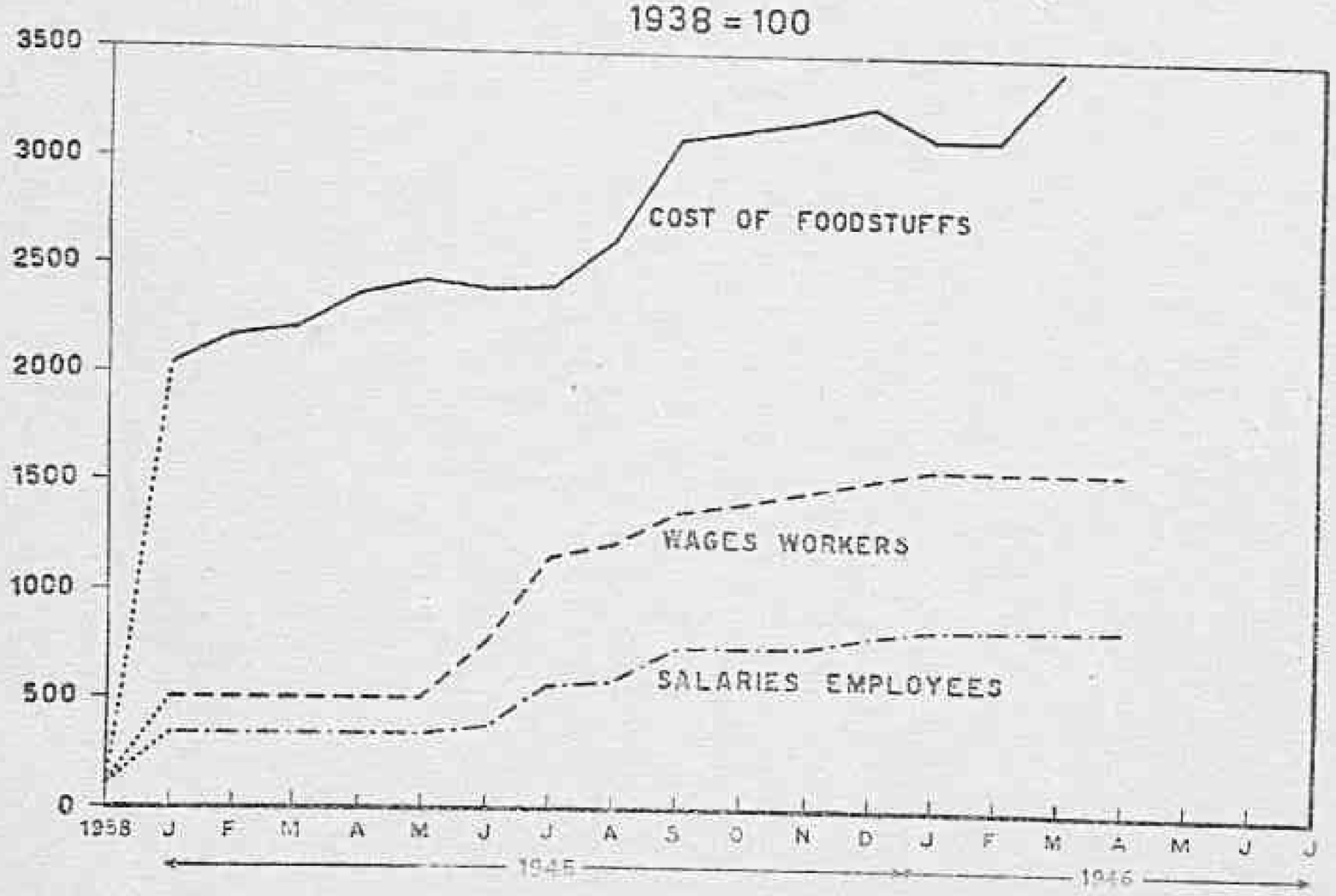

0642
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August 2, 1946 Vol. I, No. 29

ECONOMIC NOTES

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

CONTENTS

1. Fifth Council on UNRRA's Future
2. Mr. LaGuardia Tours Italy
3. Further Commodity Prices
4. UNRRA at Rome Exhibition
5. Movements of Ships

FIFTH COUNCIL ON UNRRA'S FUTURE

Next Monday, 5 August, the UNRRA Fifth Council will meet in Geneva. It will have to decide on what aid—if any—is to be given in 1947 to those countries that are now receiving UNRRA help; and, if help is to be continued, how it is to be financed.

As was emphasized by UNRRA's Director General, Mr. LaGuardia, in all his public statements during his visit to Italy last week, UNRRA's funds are due to run out on 31 December, and at the present moment no funds exist for extending operations in Europe beyond that date.

Up to the present month, UNRRA has shipped 14,000,000 tons of supplies. It has received contributions totalling some 3,690 million dollars (£922,500,000 sterling) and has committed practically the entire amount. Its field staff numbers 9,150 and is working in 39 countries. UNRRA employs nationals of 47 countries. It has maintained health services, strengthened and renewed welfare services and has aided in the work of economic rehabilitation. It has assisted in the repatriation of 6,000,000 displaced persons, and has cared for a further 1,000,000 for more than 18 months.

Administration Statement

A statement on future policy has been circulated by the Administration for preliminary study to each of the 48 member governments sustain a minimum standard of life for their people during 1947." About 1,100 million dollars' (£275,000,000 sterling) worth of food imports may be required for these countries in Europe between August, 1946, and the harvest of 1947. It is likely that these imports will in any case have to be reduced to about 750 million dollars, because of shortages in the supply of such basic foods as cereals and fats. Against this 750 million dollars, UNRRA has available only approximately 300 million dollars to buy food during the second half of 1946. No funds are available at all for 1947.

Food Must Be Shipped

"Whatever the Fifth Council's decision may be regarding the liquidation of UNRRA," the statement continues, "some agency, or agencies, national or international, will have to find the means to procure and ship this food, or some of these importing countries will be in a worse position two years after the war than they were during 1945 and 1946.

"The Council has been asked by the Director General for a specific decision concerning the measures to be adopted for countries which cannot otherwise pay for their deficiencies in food.

"Equally as important as food are the import needs for seed and fertilizer. Unless these are provided in sufficient quantity to

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Administration Statement

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"All the receiving countries," the statement points out, "now dependent on UNRRA will continue to depend upon further imports to sustain a minimum standard of life for their people during 1947." About 1,100 million dollars' (£275,000,000 sterling) worth of food imports may be required for these countries in Europe between August, 1946, and the harvest of 1947. It is likely that these imports will in any case have to be reduced to about 750 million dollars, because of shortages in the supply of such basic foods as cereals and fats. Against this 750 million dollars, UNRRA has available only approximately 300 million dollars to buy food during the second half of 1946. No funds are available at all for 1947.

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"The Council has been asked by the Director General for a specific decision concerning the measures to be adopted for countries which cannot otherwise pay for their deficiencies in food.

"Equally as important as food are the import needs for seed and fertilizer. Unless these are provided in sufficient quantity to make possible the rehabilitation of the indigenous production of food supplies, large food import needs will continue into 1948. The Administration's best estimates show that, in addition to UNRRA's seed and fertilizer imports

0644
Declassified E.O. 12356 Section 3.3/NND No. 785001

during 1946, the European countries receiving assistance from UNRRA will require some 60 million dollars for seed for the 1947 crop and some 140 million dollars for fertilizers. They will also need considerably more agricultural draft power and equipment. In this instance, too, countries may be unable to finance their most essential needs for agricultural rehabilitation supplies.

"The Director General strongly recommends that thought be given to the possibility of having loans made by the International Bank for Reconstruction and Development, or other financial institutions" for the purchase of seasonal commodities, such as seeds and fertilizers.

The import needs for certain types of industrial equipment compare in importance with seed and fertilizer. The Administration estimates that the urgent needs for fuel alone, in the European countries receiving UNRRA's assistance, amount to over 150 million dollars, between now and the middle of 1947, whereas UNRRA has available only approximately 60 million dollars which it can use for this purpose until the end of 1946.

Minimum Import Requirements

These items do not by any means cover all of the minimum import requirements of the European countries receiving UNRRA's assistance, for which finance must be found. It should be noted, however, that the import needs of these countries for food, seed, fertilizer and fuel alone, between now and the harvest of 1947, exceed by almost 750 million dollars (£187,500,000 sterling) the funds which UNRRA has available for these supplies. This sum represents less than one-half of one per cent. of the national incomes of the uninvaded member countries of UNRRA.

Requirements other than food, seed, fertilizer and fuel for the European countries, together with the needs of the Far Eastern countries requiring UNRRA's assistance, would amount, at a most conservative estimate, to approximately 750,000,000 dollars.

"Unless the countries now receiving UNRRA's assistance are able to obtain within the next six or eight months the foreign exchange necessary to finance these imports, [illegible] much below what it should be, and they will be unable to move from agricultural areas to cities even the food which they themselves have raised."

Receiving Countries Cannot Pay

The financial position of each of the receiving countries was re-examined during May and June this year by the UNRRA Council's special committee of international experts, which advised the Director General in every case that these countries were still unable to pay for their imports with suitable means of foreign exchange. The committee further certified that this position would continue until the end of 1946.

It is hoped that one or two countries may acquire enough foreign exchange which they may be able to use to import urgently needed relief supplies, but account must be taken of the present very disturbed economic, social and political atmosphere of the world, and the fact that normal commercial relations are still very far from being restored. There is no other United Nations organisation able to meet the need for food, seed, fertilizer, fuel and other urgent relief supplies, and there is no present likelihood that the World Bank, which in any event has not yet commenced operations, will be in a position to meet such requests for assistance.

"The Council," continues the statement, "is confronted with a situation requiring it to decide, should it be satisfied that urgent needs exist, whether it is prepared to recommend the provision of further assistance. Should such a decision be reached, it cannot be overemphasized that the funds and the machinery through which these are to be expended must be on hand for operation, and the necessary action authorized well in advance of January, 1947, if the flow of imports is to be maintained beyond that date.

International Responsibility

"The Director General has repeatedly stated that all the good heretofore accomplished by UNRRA might well be destroyed if its mission is suddenly terminated on a fixed date. He does not intend to convey the idea that UNRRA should be continued, but that some international agency should take over this

0645
Declassified E.O. 12356 Section 3.3/NND No. 745021

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Requirements other than food, seed, fertilizer and fuel for the European countries, together with the needs of the Far Eastern countries requiring UNRRA's assistance, would amount, at a most conservative estimate, to approximately 750,000,000 dollars.

"Unless the countries now receiving UNRRA's assistance are able to obtain within the next six or eight months the foreign exchange necessary to finance these imports, many of their inhabitants will face severe hardship and suffering in 1947," states the Administration memorandum. "They will be unable to seed much of their tillable land, the yield of their land under cultivation will remain

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International Responsibility

"The Director General has repeatedly stated that all the good heretofore accomplished by UNRRA might well be destroyed if its mission is suddenly terminated on a fixed date. He does not intend to convey the idea that UNRRA should be continued, but that some international agency should take over this responsibility with authority and funds to meet the extreme situation which, if otherwise neglected, might affect the economies of more than the receiving countries concerned."

Declassified E.O. 12356 Section 3.3/NND No. 785021

MR LAGUARDIA TOURS ITALY

Visits to North Italy and Sicily took up two of the five days which the Director General of UNRRA, Mr. Fiorello LaGuardia, spent in Italy in the course of his European tour of UNRRA-aided countries.

Mr. LaGuardia flew to Milan to see for himself the progress of industrial rehabilitation and to study labour relations. He was welcomed at the airport by the UNRRA Regional Director, Mr. A. L. Raffa, and later visited two important iron and steel works, typical of many which are still suffering from the economic disruption of the war, but are being saved from complete idleness by UNRRA supplies, chiefly of fuel.

Production Heavily Reduced

One of the works Mr. LaGuardia visited is operated by a concern which, before the war, was producing monthly an average of 14,000 tons of pig iron and ferrous alloys, compared with 7,500 tons at the present time. Open-hearth furnace steel production has fallen from 17,600 tons a month to about 4,000 tons. Electric furnace steel production, on the other hand, has declined much less—from 4,420 tons a month to 3,560 tons.

The shortage of raw materials is reflected in comparative figures of fuel consumption in all the works operated by this concern. Monthly coal consumption has dropped from 10,150 tons pre-war to no more than 3,400 tons today. Consumption of fuel oil has been cut from 700 tons to only 390 tons, and of coke from 6,000 tons to a little more than 4,000 tons.

85,000 Tons of Steel in July

During the period of emergency coal restriction in the spring and early summer this year, rolled steel production throughout the whole of North Italy fell to less than 50,000 tons a month, in contrast with the 85,000 tons which, it is estimated, were produced in July. The latter figure represents the minimum required for railway reconstruction, transport rehabilitation and general construction.

To 11, and more are expected to start up again in the near future.

At one of the works he visited, Mr. LaGuardia met the workers and various workers' representatives with whom he discussed at length many of the problems confronting them—the supply of coal and other fuels, the export of Italian manufactures, wages, food rations and the black market. He was pleased, he said, to see that in Milan the workers were anxious to work, and were doing so. But he urged them to work even harder, especially since, with the end of UNRRA, Italian industry in 1947 would have to maintain itself, and would have to make sacrifices, while struggling to enter world markets with its exports to gain the means of paying for the raw materials, which were an absolute essential for continued existence.

After he had finished his tour of industrial plants Mr. LaGuardia paid a visit to the Mayor of Milan in the City Hall. The Mayor expressed his appreciation of the aid given by UNRRA to Italy and of the interest shown by Mr. LaGuardia in the workers and their problems.

Sub-Bureau of Industrial Rehabilitation

Mr. LaGuardia talked with representatives of the Milan office of the UNRRA Sub-Bureau of Industrial Rehabilitation, which operates in an advisory capacity throughout northern Italy, and is working in close collaboration with the Milan Sub-Commission of the Central Industrial Commission, which controls the allocation of UNRRA industrial raw materials.

After spending a day in the North, the Director General returned to Rome and the next day flew to Palermo. Accompanied by the Regional Director, Mr. C. B. Moses, he called on the Deputy High Commissioner for Sicily, and in the course of interviews with the latter and with the Prefect of Palermo he explained Italy's position in respect of world allocations of grain by the International Emergency Food Council, and expressed his deep concern over the very poor rate of wheat amassing in Sicily.

Mr. LaGuardia was received by the Cardinal

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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Last March, before the coal shortage, there were 14 open-hearth furnaces in North Italy producing steel. This number was reduced to six in May. By July the number of open-hearth furnaces in operation had risen again

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Sub-Bureau of Industrial Rehabilitation

Mr. LaGuardia talked with representatives of the Milan office of the UNRRA Sub-Bureau of Industrial Rehabilitation, which operates in an advisory capacity throughout northern Italy, and is working in close collaboration with the Milan Sub-Commission of the Central Industrial Commission, which controls the allocation of UNRRA industrial raw materials.

After spending a day in the North, the Director General returned to Rome and the next day flew to Palermo. Accompanied by the Regional Director, Mr. C. B. Moses, he called on the Deputy High Commissioner for Sicily, and in the course of interviews with the latter and with the Prefect of Palermo he explained Italy's position in respect of world allocations of grain by the International Emergency Food Council, and expressed his deep concern over the very poor rate of wheat amassing in Sicily.

Mr. LaGuardia was received by the Cardinal Archbishop of Palermo. Before flying back to Rome, he visited a Day Summer Colony near Palermo, where he talked to the doctors and staff, and to many of the 1,000 children who are catered for daily.

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Declassified E.O. 12356 Section 3.3/NND No. 759021

Before leaving Rome last Friday morning for Belgrade, Mr. LaGuardia had an interview with the Minister of Agriculture on the amassing campaign and paid a short visit to one of the Salesian Fathers' hostels in Rome for "Sciuscia" boys.

FURTHER COMMODITY PRICES

The Italian Government and the UNRRA Italy Mission have confirmed the following price recommendations made by the Joint Price Committee at its latest meetings. Price fixing of UNRRA-imported commodities implements Article III (d) iii. of the agreement signed in January, 1946, between the Italian Government and UNRRA Italy Mission, whereby the Government undertakes to consult with the Administration concerning "price policies and specific prices" for UNRRA-imported supplies, and the relationship of such prices to those charged "for similar supplies produced domestically."

This is the second list of commodity price decisions published in *Economic Notes*; the first appeared in issue No. 27 of 19 July.

1) *Cotton Goods* (made for hospitals - imported on 1945 program):

Sheeting for sheets and pillow cases: 70 lire per sq. metre (retail price to consumer).
Towelling: 75 lire per sq. metre (retail price to consumer).
Material for diapers and napkins: 60 lire per sq. metre (retail price to consumer).

2) *Anthracite for electrodes*:
5,250 lire per ton at port. (This price to be re-examined in three months' time.)

3) *Vetch seed*:
45,000 lire per ton FOB Provincial Consorzi Agrari warehouses (Sales limited to bona fide farmers.)

4) *Forage seed corn*:
25,000 lire per ton FOB Provincial Consorzi Agrari warehouses. (Sales limited to bona fide farmers.)

The Joint Price Committee held another meeting on 30 July, at which further commodity prices were discussed.

UNRRA AT ROME EXHIBITION

UNRRA Italy Mission is participating in the "Mostra delle Attività Romane," the first exhibition of its kind to be held in Rome since the war. The management of the Mostra has provided a pavilion which will house a specially prepared exhibit of the Italy Mission, featuring samples of UNRRA-imported supplies, photographs and models, showing various aspects of UNRRA's relief and rehabilitation program in Italy. The Italian Government Delegation for Relations with UNRRA is co-operating in the project. The Exhibition is due to open on 8 August, at the Piazzale Clodio, Rome.

Messages of appreciation and good wishes have been sent to the organizers of the Mostra by the Director General of UNRRA, Mr. LaGuardia, and by the Chief of the Italy Mission, Mr. S. M. Keeny.

"ECONOMIC SURVEY" SUPPLEMENT

Owing to technical difficulties, it is regretted that the Supplement on "Italian Industry", which was to have appeared with this week's issue of Economic Notes, *has had to be held over until next week, Issue No. 30, of 9 August.*

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Declassified E.O. 12356 Section 3.3/NND No. 725021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(JULY 21 - 24 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Andrea Gritti	Genoa	21 July	UNRRA	Corn	3,214
				Wheat	6,628
Park Benjamin	"	" "	"	General	7,600
Nira Luckenbach	"	" "	"	"	4,130
Richard Randall	"	22 "	UNRRA-Commercial It. Program	"	5,876
Matia	Ancona	" "	"	Phosphates	5,000
Capo Mele	"	" "	UNRRA	"	4,900
Joshua Lippincott	Genoa	" "	"	General	4,500
Troja	"	23 "	"	Copper	3,776
Harberton	Naples	" "	"	General	4,288
Middleburg Victory	"	" "	"	Sugar	6,755
Edward Bruce	Genoa	24 "	"	Manganese	1,500
				Copper	450
Charles Scribner	Castellammare di St.	" "	"	Wheat	8,175
				Rubber	642
Botnia	Naples - Genoa *	" "	"	Steel Billets	423
Maria Stella	Genoa	" "	"	General	7,000
Stephen Girard	Catania - Syracuse *	" "	"	Wheat	8,437

* *Arrived at first-named port on the date shown; discharging at the second port later*

LATEST COAL SHIPMENTS

(JULY 21 - 26 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Outinge	Civitavecchia	21 July	United Kingdom	UNRRA	3,887
Fort Richelieu	"	" "	South Africa	Brit. Army	8,660
Rudolf Kaufmann	Palermo	" "	United States	UNRRA	4,349
	Reggio C.	26 "			4,000
Edwin Drake	Venice	22 "	" "	"	8,505
	Ancona	26 "			
William F. Nichols	Venice	22 "	" "	"	8,161
	Ancona	26 "			8,299
Andrew Carnegie	Bari	22 "	" "	"	8,585
James W. Cannon	Civitavecchia	" "	" "	"	8,838
Nathan Clifford	Genoa	" "	" "	"	8,163
John Blair	Venice	" "	" "	"	4,804
Panaghiotis	Savona	" "	South Africa	Brit. Army	8,168
Robert Lansing	"	" "	United States	UNRRA	6,757
Miguel de Larrinaga	"	23 "	Germany	"	8,182
Lincoln Steffing	Cagliari	" "	United States	"	9,038
John Elliot	Genoa	" "	" "	"	8,273
Hiliary A. Herbert	Savona	" "	" "	"	8,355
Charles Piez	Bagnoli	24 "	" "	"	1,315
An Loh	"	" "	Germany	"	8,820
Nathaniel Sielsbee	Catania	" "	United States	"	8,078
George Bibb	Genoa	" "	" "	"	7,151
Kolbergen	"	" "	Germany	"	2,860
			United States	"	

Declassified E.O. 12356 Section 3.3/NND No. 785001

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Andrea Gritti	Genoa	21 July	UNRRA	Corn	3,214
				Wheat	6,628
Park Benjamin	"	" "	"	General	7,600
Nira Luckenbach	"	" "	"	"	4,130
Richard Randall	"	22 "	UNRRA-Commercial	"	5,876
Matia	Ancona	" "	It. Program	Phosphates	5,000
Capo Mele	"	" "	"	"	4,900
Joshua Lippincott	Genoa	" "	UNRRA	General	4,500
Troja	"	23 "	"	Copper	3,776
Harberton	Naples	" "	"	General	4,288
Middleburg Victory	"	" "	"	Sugar	6,755
				Manganese	1,500
Edward Bruce	Genoa	24 "	"	Copper	450
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George Bibb	Genoa	" "	" "	"	7,151
Kelbergen	"	" "	Germany	"	2,860
Walter Ranger	"	" "	United States	"	8,251
Hart Crane	Palermo	25 "	" "	"	8,269
Richard Sewell	Venice	" "	" "	"	8,802
Charles N. Cole	Savona	" "	" "	"	

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July 5, 1946

Vol. I, No. 25

ECONOMIC NOTES

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

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1. New Harvest Amassing Goes Well
2. Industrial Rehabilitation
3. Coal Outlook for July
4. Movements of Ships

NEW HARVEST AMASSING GOES WELL

Latest reports indicate that the amassing campaign for the new harvest is going even better than was expected. Amassing reported up to 30 June totalled 345,000 tons. This is a record figure, and compares with the 138,000 tons amassed in 1942 (which is considered to have been a particularly good year for amassing) and 139,000 tons in 1943, when a special effort was made to secure early deliveries to the amassing pools.

The highest percentages have so far been reported from northern and central Italy. Figures for southern Italy and the islands are somewhat disappointing up to now.

Effect of Increased Prices

The Italian authorities, both government and local, appear to have laid their plans well, and co-operation from the farmers is understood to be more readily forthcoming than in previous years. The results so far achieved show the effects of the increased price which is being paid to farmers this year, and of the premium for early deliveries. Calculated on a sliding scale, according to the date of delivery, this premium began at a maximum of 600 lire per quintal for delivery up to 10 June, and has now progressively fallen to 300 lire per quintal. After 10 July it ceases altogether.

Agricultural Inspectors, distributing authorities and UNRRA, held two meetings in the course of last month, the first in Bologna, the second in Milan, in the course of which the Director-General in charge of amassing (Ministry of Agriculture) outlined the new amassing policy and stressed the need for the utmost despatch in all operations connected with this year's program.

Last year's procedure of checking farmers in alphabetical order has been discarded. This year, direct determination of yield will be made on a zonal basis, zones being classified according to the type of soil, rainfall and similar factors, and not necessarily on the basis of property boundaries. Large and medium-sized farms will then be inspected and assessed first, after which it will be the turn of the smaller ones. This, it is hoped, will effectively speed up procedure, since 55 per cent. of the wheat delivered to the amassi is brought in by five per cent. of the farmers making deliveries.

Speedier mechanism

The Government has provided 150 jeeps for the amassing campaign, and has authorized provincial authorities to hire other cars if the jeeps are not sufficient. Spot checks at threshing machines will be made instead of having checkers stationed continually beside the machines. The Director-General in charge of

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Declassified E.O. 12356 Section 3.3/NND No. 745021

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Representatives of the Ministry of Agriculture, Food Commissariat, Consorzi Agrari, Agricultural Inspectors, distributing authorities and UNRRA, held two meetings in the course of last month, the first in Bologna, the second in Milan, in the course of which the Director-General in charge of amassing (Ministry of Agriculture) outlined the new amassing policy and stressed the need for the utmost despatch in all operations connected with this year's program.

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The Government has provided 150 jeeps for the amassing campaign, and has authorized provincial authorities to hire other cars if the jeeps are not sufficient. Spot checks at threshing machines will be made instead of having checkers stationed continually beside the machines. The Director-General in charge of amassing has absolute telephone priority every evening for communicating with the provinces. This will ensure immediate action where proceedings are unsatisfactory and in itself

Declassified E.O. 12356 Section 3.3/NND No. 795021

constitutes a marked improvement over other years, when the exchange of correspondence on amassing matters often precluded the possibility of action until any chance of remedy had been lost.

The penalty for evasion is a fine 20 times the price of the wheat illegally withheld from the amassi. Those guilty of evasion may also be imprisoned. No interference in the operation will be tolerated, nor will the Government allow any unofficial supplementary amassing over and above that prescribed by the law—such as occurred last year when certain mayors ordered quantities of wheat to be set aside for the use of their respective political parties.

INDUSTRIAL REHABILITATION

Total expenditure planned by the UNRRA Italy Mission on industrial rehabilitation this year will exceed 127,000,000 dollars (£31,750,000 sterling) exclusive of freight. Next to food, industrial imports constitute the largest category of aid to Italy and represent 30 per cent. of the whole UNRRA Italy budget for 1946.

As proposed by UNRRA Headquarters in Washington, for approval by the Central Committee of UNRRA, the total industrial procurement will be as follows:—

	Dollars
Industrial fuels	76,500,000
Pig-iron, steel and other basic metals	20,600,000
Rubber and materials for rubber processing	12,400,000
Industrial chemicals and resins .	5,400,000
Asphalt	2,700,000
Lumber	2,500,000
Fire-clays, fire-bricks and asbestos	1,700,000
Vehicles, parts and miscellaneous industrial materials and services	5,700,000
Total . . .	127,500,000

UNRRA's industrial import program is designed to provide raw materials rather than finished products, and thereby start a chain

mally employed in industry—but will also help to restore Italy's war shattered economy.

Even if UNRRA is able to secure all the industrial rehabilitation supplies as well as the food and other imports included in its 425,000,000 dollar (£106,250,000 sterling) program for Italy, additional imports valued at upwards of 350,000,000 dollars (plus freight expenditure) would still be necessary this year to restore a satisfactory functioning of the national economy. The only sources of foreign exchange upon which Italy can definitely rely in 1946 will provide exchange resources of under 200,000,000 dollars (£50,000,000 sterling), substantially less than the country's total needs. Hence UNRRA has found it necessary to concentrate on absolute essentials.

For most of the industrial commodities UNRRA plans to import, there is a world shortage and in many cases other war-ravaged countries assisted by UNRRA have an equally urgent need. Some vitally needed items such as cellulose, may have to be eliminated from the Italian program.

Up to 1 June, the UNRRA Italy Mission imported 1,370,000 long tons of coal valued at 10,500,000 dollars (£2,625,000 sterling). An import program of 600,000 tons a month for the rest of the year will bring the total cost for 1946 to 40,775,000 dollars (£10,193,750 sterling), exclusive of freight charges. By 1 June, liquid fuels and fuel oil, to the value of 15,000,000 dollars (£3,750,000 sterling) had been imported. For the whole year, UNRRA's import program will amount to more than 35,000,000 dollars (£8,750,000 sterling), exclusive of freight charges.

More economic sources

At present, UNRRA is encouraging industrial plants to convert to fuel oil wherever possible, to lessen somewhat the country's dependence on coal. UNRRA is also furthering Italy's effort to return to more economic sources of coal, such as Poland and the Ruhr.

Now that the difficulties which arose in the first half of the year have been overcome, shipments of pig-iron, tin, copper and rubber on UNRRA account, are beginning to reach Italy, and a constantly increasing flow of key

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Declassified E.O. 12356 Section 3.3/NND No. 745021

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Vehicles, parts and miscellaneous industrial materials and services	3,700,000
Total . . .	127,500,000

UNRRA's industrial import program is designed to provide raw materials rather than finished products, and thereby start a chain reaction of essential industrial activity. This will not only provide goods and jobs—about one-third of the working population is normally employed in industry—but will also provide the means of exchange for the purchase of food and other necessities. Without the restoration of industry, Italy will be unable to pay for the food she needs.

Although the UNRRA industrial program is the largest of any country, it is not large enough to meet all Italy's needs. Even if the full industrial program for Italy, additional imports valued at upwards of 350,000,000 dollars (plus freight expenditure) would still be necessary this year to restore a satisfactory functioning of the national economy. The only sources of foreign exchange upon which Italy can definitely rely in 1946 will provide exchange resources of under 200,000,000 dollars (£50,000,000 sterling), substantially less than the country's total needs. Hence UNRRA has found it necessary to concentrate on absolute essentials.

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Now that the difficulties which arose in the first half of the year have been overcome, shipments of pig-iron, tin, copper and rubber on UNRRA account, are beginning to reach Italy, and a constantly increasing flow of key materials is expected through the rest of the year. A sum of almost 21,000,000 dollars (£5,250,000 sterling) has been allocated for pig-iron, steel, copper, tin, nickel, manganese

Declassified E.O. 12356 Section 3.3/NND No. 745061

and alloying elements. Contracts for 39,000 tons of pig-iron for Italy have already been placed in Australia, leaving about 100,000 tons to be procured elsewhere.

In the case of steel, UNRRA is making a departure from its principle of providing raw materials rather than finished products, because of the urgent need of steel for transport industries. Over 7,000,000 dollars (£1,750,000 sterling) have been budgeted for finished and semi-finished steel, intended for the construction of new coastwise vessels, the repair of ships in Italy's almost obliterated merchant marine, and the acceleration of railway and port reconstruction. Part of the semi-finished steel will be utilized by the machine-tool and food processing industries.

Steel - Copper - Rubber

Manganese ore for steel making has been procured in South Africa, deliveries of which are scheduled for this month. Nickel for special steels should also be available from the same source this summer. For imports of tin ingots and tin-plate 2,200,000 dollars (£550,000 sterling) have been allocated in the Italy Mission budget. Already 900 tons of UNRRA tin have reached Italy from Great Britain and the United States. No difficulty is anticipated in securing the balance of the tin procurement program.

To help in restoring electric power and the electric railway system, essential to Italian economy, UNRRA plans to spend 3,000,000 dollars (£750,000 sterling) on electrolytic wire-bar copper. Some 2,000 tons have already been procured in Chile for early summer shipment. Fire-refined copper, also in the program, has been shipped from South Africa.

To relieve the serious shortage of automobile tyres and tubes, 11,600,000 dollars (£2,900,000 sterling) have been allocated by UNRRA for the purchase of 20,000 tons of rubber; and, in addition, more than 700,000 dollars (£175,000 sterling) for carbon black, pine-tars, resins and chemicals required for the rubber industry. The first small shipments of rubber reached Italy during May. Synthetic rubber is in very short supply and the bulk of the shipments will be natural crude rubber.

imports of lumber, most of which, it is hoped, will be available in Central America.

Coal-tar chemicals, dye-stuffs, industrial waxes, alcohol, turpentine, glycerine and other chemicals to the value of 5,400,000 dollars (£1,350,000 sterling) are also included in the UNRRA program. Here again, world shortage of many items may affect actual procurement. The metallurgical and chemical industries will also be aided by UNRRA imports of fire-clay, fire-bricks for the production of refractory materials and asbestos for electrical insulation, totalling almost 2,000,000 dollars (£500,000 sterling) in all.

Italy's construction program for destroyed and damaged homes and factories will be facilitated by UNRRA imports, chiefly fuels, for the cement, lime, brick, tile and glass industries. Supplies will also include iron, asbestos and asphalt, in addition to what has been allocated to the basic industries and later transformed into building materials.

Some UNRRA imports primarily intended for relief will also help to stimulate industrial recovery. Textile and leather imports are estimated at 55,000,000 dollars (£13,750,000 sterling). They include raw cotton, raw wool, wool rags, hides, composition soling and tanning extracts.

Foreign trade

Wherever possible, UNRRA also plans to have goods manufactured in Italy for other countries receiving assistance. Italian firms will manufacture cotton yarn and fabrics for export to the UNRRA Mission in Albania and fish-net twine for export to the UNRRA Missions in Yugoslavia, Greece and China (see *Economic Notes* No. 21 of 7 June).

Purchases of basic industrial materials direct by the Italian Government are being carefully co-ordinated with UNRRA imports. Furthermore, since Italy's economic recovery rests on increased foreign trade, UNRRA is fully supporting the Italian Government in the negotiation of trade and barter agreements with other countries. Italy has already arranged to import iron, steel, phosphate-rock, lumber, cellulose and other products from Spain, France, Austria, Sweden, Belgium and

Declassified E.O. 12356 Section 3.3/NND No. 759001

In the case of steel, UNRRA is making a departure from its principle of providing raw materials rather than finished products, because of the urgent need of steel for transport industries. Over 7,000,000 dollars (£1,750,000 sterling) have been budgeted for finished and semi-finished steel, intended for the construction of new coastwise vessels, the repair of ships in Italy's almost obliterated merchant marine, and the acceleration of railway and port reconstruction. Part of the semi-finished steel will be utilized by the machine-tool and food processing industries.

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While the Italian Government is exploring the possibility of re-establishing Italy's normal sources of timber supply (Austria and Yugoslavia), UNRRA proposes to spend 2,500,000 dollars (£625,000 sterling) upon waxes, alcohol, turpentine, glycerine and other chemicals to the value of 5,400,000 dollars (£1,350,000 sterling) are also included in the UNRRA program. Here again, world shortage of many items may affect actual procurement. The metallurgical and chemical industries will also be aided by UNRRA imports of fire-clay, fire-bricks for the production of refractory materials and asbestos for electrical insulation, totalling almost 2,000,000 dollars (£500,000 sterling) in all.

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COAL OUTLOOK FOR JULY

Increased coal allocations to Italy from the Ruhr and the expected resumption of regular coal arrivals from the United States have enabled the Italian Government-UNRRA Emergency Coal Committee to allocate 475,000 tons for essential industrial purposes during July, an increase of 50,000 tons over the June allotment. During July the use of household gas is being extended from one-and-a-half hours to two-and-a-half hours daily, as a result of a larger allocation of coal to the gasworks.

Approximately 400,000 tons of coal are scheduled to reach Italy in July. Coal reserves in Italy, stockpiled during the coal crisis, amounted to about 350,000 tons at the end of June; and it is from these reserves that the additional 50,000 tons will be allocated to industry.

At the June meeting of the European Coal Organization in London, Italy was allotted 191,000 tons from Ruhr production for July, the largest allocation to Italy from this source since ECO began to function. This includes 2,000 tons of high-grade anthracite for electrodes, procured despite a continued severe scarcity of this vital coal. Other July allocations to Italy fixed at the ECO meeting were 171,000 tons from the United States, 18,000 tons from South Africa, and 10,000 tons from the United Kingdom.

The Italian Government-UNRRA Emergency Coal Committee will continue to function for the present and will make all coal allocations to Italian industry. It is considered that the committee, created to meet the crisis which resulted from the coal strike in the United States, has built up a valuable body of experience which will continue to be of service to industrial reconstruction during the coming months, as UNRRA shipments of industrial materials increase.

Meanwhile, the Italian Government is encouraging industrial firms to procure coal from other than UNRRA sources, to improve further the general coal situation and re-establish normal coal procurement.

Domestic production

Coal allocations to steel companies by the Emergency Coal Committee are being reviewed with the object of achieving the highest possible production of steel. The recent UNRRA arrivals of 2,000 tons of special anthracite from the Ruhr have made it possible to operate once again heavy electric pig-iron and steel furnaces which were forced to shut down during April. A consignment of 1,000 tons left the Ruhr on 18 June, completing the 3,000 ton allotment for April, May and June.

Sardinian coal production fell slightly below the target of 90,000 tons during May and was substantially short of the goal in June, as a result of the diversion of manpower to the harvest and the anti-locust campaign. It is expected that there will continue to be some difficulty in meeting this target during the summer months, but efforts are being made to maintain domestic production.

Declassified E.O. 12356 Section 3.3/NND No. 765021

MOVEMENTS OF SHIPS

CARGOES OTHER TRAN COAL

(JUNE 23 - 30 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	QUANTITY
Josia Barlett	Genoa	23 June	UNRRA	Corn	7,175 tons
Owen Summers	Naples	24 „	„	General	7,384 „
Rio Dante	Genoa	25 „	„	Wheat	7,283 „
Newbarry Victory	Genoa - Trieste *	„ „	„	General	7,130 „
Andalusia	Venice	28 „	It. Govt.	Phosphates	7,360 „
Port Brunswick	Palermo	„ „	UNRRA	Wheat	8,000 „
William Patterson	Genoa	30 „	„	Corn	7,108 „
Risder Tyler Bennet	Naples	„ „	„	General	1,500 „
Svolder	„	„ „	„	Fish	3,840 „

** Arrived at first-named port on the date shown: discharging at the second port later*

LATEST COAL SHIPMENTS

(JUNE 16 - 30 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Baron Yarborough	Savona	16 June	United Kingdon	UNRRA	5,000
Scottish Monarch	Bagnoli	21 „	South Africa	„	5,210
	Cagliari	25 „			3,000
Van Nuys	Civitavecchia	24 „	United States	„	8,226
Francisco Quinones	Savona	27 „	„ „	„	8,492
Joseph Warren	Genoa	28 „	„ „	„	3,998
Anna H. Schaw	Bagnoli	29 „	„ „	„	8,373
David Lubin	Palermo	30 „	„ „	„	8,334
Samnegros	Bari - Ancona *	„ „	South Africa	„	9,094

** Arrived at first-named port on the date shown; discharging at the second port later*

0659
Declassified E.O. 12356 Section 3.3/NND No. 725001

July 12, 1946

Vol. I, No. 26

ECONOMIC NOTES

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

CONTENTS

1. Lira Fund Aids Reconstruction
2. UNRRA Imports in June
3. Bogus UNRRA Agents
4. Movements of Ships

LIRA FUND AIDS RECONSTRUCTION

Italian relief and rehabilitation—to which UNRRA has, during 1945 and 1946, allocated approximately 425 million dollars (£106,250,000 sterling), exclusive of shipping charges—will eventually benefit by a further sum, roughly calculated now at 60,000 million lire, representing the net proceeds—after deducting all expenses—of the sale of UNRRA supplies, delivered free of charge to the Italian Government.

The first agreement between UNRRA and the Italian Government, signed in March 1945, provided for the supply by UNRRA, free of charge, of relief goods and services to the value of 50 million dollars (£12,500,000 sterling). Under the financial provisions of this agreement, the Government undertook to allocate a sum in lire matching the UNRRA expenditure in foreign currency, at the rate of exchange ruling when the expenditure was incurred. This, at the then existing rate of 100 lire to the dollar, came to 5,000 million lire.

Proceeds of Sale Account

This year The Lira Fund includes the Proceeds of Sale Account, established under the Supplementary Agreement, signed by the [illegible] and UNRRA in Janu-

of 1945 was limited to the provision of certain relief supplies and services, this year's program, which is estimated to cost 391 million dollars (£97,750,000 sterling), exclusive of shipping charges, envisages the supply—free of charge to the Italian Government—of food and basic raw materials for the rehabilitation of industry and agriculture, in addition to the relief program already existing. These goods are sold through controlled marketing channels, and the net proceeds credited to The Lira Fund.

The funds thus provided are intended to be used primarily for financing relief and rehabilitation projects in Italy. One minor charge is the administrative expenses incurred by UNRRA in Italy, in Italian currency.

The Agreement signed in 1946 specifies "net proceeds" as "the proceeds realised, less any expenditure incurred by the Government in transportation, warehousing and distribution, and less any fiscal charges collected by the Government in accordance with current legislation on the sale of supplies."

The machinery set up by the Italian Government to implement the financial provisions of this agreement is as follows:— About 25 Government or quasi-Government agencies are charged with the collection of the proceeds of sale from the various commodities imported. These agencies in turn are accountable to the Istituto Nazionale per il Commercio Estero (I.C.E.). The latter, after the deduction of [illegible] UNRRA, then

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

CONTENTS

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Proceeds of Sale Account

This year The Lira Fund includes the Proceeds of Sale Account, established under the Supplementary Agreement, signed by the Italian Government and UNRRA in January 1946, which inaugurated a greatly extended program of relief and rehabilitation, to meet the most urgent economic needs of Italy. While the original 50 million dollar program of 1945 was limited to the provision of certain relief supplies and services, this year's program, which is estimated to cost 391 million dollars (£97,750,000 sterling), exclusive of shipping charges, envisages the supply—free of charge to the Italian Government—of food and basic raw materials for the rehabilitation of industry and agriculture, in addition to the relief program already existing. These goods are sold through controlled marketing channels, and the net proceeds credited to The Lira Fund.

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The machinery set up by the Italian Government to implement the financial provisions of this agreement is as follows:— About 25 Government or quasi-Government agencies are charged with the collection of the proceeds of sale from the various commodities imported. These agencies in turn are accountable to the Istituto Nazionale per il Commercio Estero (I.C.E.). The latter, after the deduction of distribution costs agreed with UNRRA, then pays the money into the Treasury account with the Bank of Italy, and funds are made available out of this account.

Declassified E.O. 12356 Section 3.3/NND No. 785001

Payments into, and from, The Lira Fund are investigated by The Lira Fund Control Committee (consisting of members of the Italian Treasury, the Italian Government Delegation for Relations with UNRRA, ICE and the UNRRA Italy Mission) who then make recommendations to the President of the Italian Delegation and the Chief of the UNRRA Italy Mission. Upon the invitation of the Committee, other representatives of the Government, or of the UNRRA Italy Mission, may be asked to attend Committee meetings.

Work of the Committee

The Committee receives monthly reports from the Government on the quantities of supplies transferred to them, the amount sold and the proceeds of these sales. It is required to ascertain distribution costs.

All requests for expenditure from the fund on relief and rehabilitation projects must first be reviewed by the Lira Fund Control Committee, before final approval by the Chief of the UNRRA Italy Mission and the President of the Italian Government Delegation. All proposals for expenditure from the Lira Fund must emanate either from the Italian Government or from UNRRA.

Allocations in respect of the following items indicate the uses to which the original sum of 5,000 million lire accruing from the 1945 Agreement have been put up to date:—

	Lire
CASAS (construction and repair of buildings in the war-devastated territory of the Gothic and Gustav lines)	1,000,000,000
Sardinia malaria eradication project	300,000,000
Manufacture of towels, sheets, etc. for Italian hospitals, from UNRRA imported raw cotton	457,067,508
Sorting and repair of UNRRA-imported clothing and footwear	112,500,000
Housing 500 bombed-out Neapolitans who were living in caves; associated welfare and medical services	5,500,000
UNRRA Italy Mission program on behalf of non-Italian Displaced Persons in Italy and UNRRA Administration expenses	750,000,000

Up to the 31 May 1946, a net sum of nearly 7,000 million lire had been paid into The Lira Fund from the sale of UNRRA goods during the present year. The main payments to the fund were as follows:—

	Lire
Foodstuffs	950,000,000
Agriculture	90,919,469
Coal	5,000,000,000
Petroleum products	600,000,000

The sums above are advance payments, pending the final determination of sales and distribution costs. These receipts by no means cover all the commodities imported during this period but only those major commodities for which prices have been agreed by UNRRA and the Government, such as wheat, coal and potatoes. It is a condition of the Supplementary Agreement that UNRRA and the Government must agree the prices of all UNRRA imports.

Further Allocations Planned

Recommendations for the allocation of further large sums for welfare purposes, for the care of displaced persons, for public health projects and social services, are now under consideration.

The size of the fund is affected by the policy agreed upon by the Government and UNRRA that there shall be a single price policy governing both goods imported by UNRRA and those produced domestically. The broad purposes of this policy are to prevent confusion in distribution and, more important, to lower the cost of living and to assist Italy to adjust prices so that she can compete in the international market. The application of this policy may mean that the price fixed for a commodity is much lower than the landed cost.

Control of Bread Prices

An example is wheat, which under prices prevailing until recently yielded to the Lira Fund less than half the landed cost. This meant a severe loss to the funds available for rehabilitation, but it meant that the price of rationed bread could be kept low. This control of bread prices was, of course, a real help to

0962
Declassified E.O. 12356 Section 3.3/NND No. 785011

and the UNRRA Italy Mission) who then make recommendations to the President of the Italian Delegation and the Chief of the UNRRA Italy Mission. Upon the invitation of the Committee, other representatives of the Government, or of the UNRRA Italy Mission, may be asked to attend Committee meetings.

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Total	2,625,667,508

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Declassified E.O. 12356 Section 3.3/NND No. 463 021

Careful and timely use of this fund has enabled UNRRA and the Government to assist in bridging the gap between the two price levels by selling the Italian produced goods to the consumer at the lower price and by paying the Italian producer a moderate subsidy to cover his costs. These are measures taken to meet the present distorted price and cost of living situation on an emergency basis, pending the Government's adoption of plans for orderly reduction of the general price level.

UNRRA IMPORTS IN JUNE

UNRRA supplies arriving in Italy from all parts of the world during June totalled 322,763 gross long tons exclusive of petroleum products. This compares with the May import figure of 434,607 tons (excluding petroleum products).

Since the beginning of the year imports of UNRRA supplies (including petroleum products) have reached a total of over 3,000,000 tons. During both May and June, imports were substantially below March and April levels, primarily as a result of the world-wide shortage of bread-cereals and the interruption in coal shipments which resulted from the coal miners' strike in the United States.

The international character of UNRRA's aid to Italy is illustrated by the very large number of countries from which food and medical, agricultural and industrial supplies were imported last month. Arrivals included grain from Canada, the United States and Argentina, coal from the United Kingdom, the Ruhr and the Persian Gulf, canned fish from Norway, copper from South Africa, cotton from Egypt, soap from Brazil, and medical supplies from Switzerland.

Bread Cereals and Coal

The June arrivals included 132,668 tons of bread cereals, 82,715 tons of other foods

(No figures are as yet available on June imports of gasoline, kerosene and other petroleum products, paid for by UNRRA and imported through military channels.)

Help in the Critical Weeks

Wheat, corn, oats and other UNRRA bread-cereal imports during June helped to tide Italy over the critical pre-harvest weeks when there was little other grain available for rationed bread. Other food imports during June included canned fish and meats, evaporated milk, dry whole milk, coffee, sugar, marmalade, lard, margarine, soup powder and beans.

Industrial imports, in addition to coal and petroleum fuels, included pig-iron, gum rosin, asbestos, copper and tinplate for the industrial rehabilitation program. June arrivals in the UNRRA clothing and footwear program included wool, cotton, used clothing, hides, soling material, tanning extract and soling nails.

Pesticides and fertilizers comprised the greatest part of the agricultural imports which also included mowers, threshers, combine-harvesters, seed, hatching eggs, and gammexane to fight the grasshopper plague in Sardinia.

BOGUS UNRRA AGENTS

An individual posing as an UNRRA representative has been arrested at Bolzano, while attempting to pass himself off as authorized to solicit aid for UNRRA.

Impostors, describing themselves as acting on behalf of, and sent by, UNRRA, are understood to be engaged in similar activities in other Italian towns. UNRRA warns the public to be on its guard against such bogus representatives, and to ascertain whether the individuals actually belong to UNRRA. They must be asked to produce their UNRRA identity card, with attached photograph. The public should, in any case, remember that UNRRA relief and rehabilitation is financed by UNRRA funds and that in no circumstances whatsoever is the Italian public asked to con-

0641
Declassified E.O. 12356 Section 3.3/NND No. 752021

paying the Italian producer a moderate subsidy to cover his costs. These are measures taken to meet the present distorted price and cost of living situation on an emergency basis, pending the Government's adoption of plans for orderly reduction of the general price level.

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Bread Cereals and Coal

The June arrivals included 132,668 tons of bread cereals, 32,715 tons of other foods, 128,835 tons of coal, 8,427 tons of industrial raw materials, 8,791 tons of hides, textiles and clothing, 8,644 tons of agricultural supplies, and 2,683 tons of medical supplies and soap.

Help in the Critical Weeks

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It is pointed out that any person attempting such misrepresentation is liable to prosecution.

0965
Declassified E.O. 12356 Section 3.3/NND No. 759031

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(JULY 1 - 6 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	QUANTITY
Eugene Field	Genoa	1 July	Ital. Program-Commercial	General	7,735 tons
Vulcania	Naples	" "	UNRRA	"	13 cases
Cyrus W. Field	"	" "	"	"	3,159 tons
Lorado Taft	"	" "	"	Wheat	8,418 "
Hilmerist	Brindisi	2 "	"	Cotton and cake	8,500 "
Cervino	Genoa	3 "	"	Corn	6,892 "
Oris	"	" "	"	Cotton	6,843 bales
Fort Island	"	" "	"	General	5,639 tons
Fighting Lee	Venice	" "	"	Corn	7,950 "
Addie Balley Daniels	Leghorn	" "	"	General	8,069 "
Francis S. Key	Genoa	5 "	Ital. Program-Commercial	"	7,625 "
Examiner	Civitavecchia	6 "	UNRRA	"	7,200 "
Francis K. Lane	Castellamare	" "	"	Wheat	8,850 "
George Vickers	Brindisi	" "	UNRRA (Italy and Albania)	"	8,357 "
Risden T. Bennett	Genoa	" "	UNRRA	General	6,150 "
Alfred Victory	Genoa	" "	UNRRA - Commercial	"	6,707 "
Empire Harmony	Genoa	" "	UNRRA	"	3,700 "

LATEST COAL SHIPMENTS

(JULY 1 - 7 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Invicken *	Savona	29 June	United States	UNRRA	5,600
Samuel Morse	Genoa	1 July	" "	"	8,205
Fort Liard	Venice	" "	South Africa	Brit. Army	8,310
Roger Griswold	Savona	" "	United States	UNRRA	8,362
Ameriki	"	3 "	" "	"	8,408
William H. Moody	Venice	5 "	" "	"	8,217
Chilton Seam	Savona	" "	" "	"	9,576
George Chaffey	"	" "	" "	"	8,496
Empire Harmony	Genoa	6 "	Germany	"	3,719
Empire Dunnet	Venice	7 "	South Africa	"	9,021

0666

Declassified E.O. 12356 Section 3.3/NND No. 785021

SHIP	PORT OF ARRIVAL	ARRIVAL	ACCOUNT	CARGO	QUANTITY
Eugene Field	Genoa	1 July	Ital Program-Commercial	General	7,785 tons
Vulcania	Naples	" "	UNRRA	"	13 cases
Cyrus W. Field	"	" "	"	"	3,159 tons
Lorado Taft	"	" "	"	Wheat	8,418 "
Hilmerist	Brindisi	2 "	"	Cotton and cake	8,500 "
Cervino	Genoa	3 "	"	Corn	6,892 "
Oris	"	" "	"	Cotton	6,843 bales
Fort Island	"	" "	"	General	5,639 tons
Fighting Lee	Venice	" "	"	Corn	7,950 "
Addie Balley Daniels	Leghorn	" "	"	General	8,069 "
Francis S. Key	Genoa	5 "	Ital. Program-Commercial	"	7,625 "
Examiner	Civitavecchia	6 "	UNRRA	"	7,200 "
Francis K. Lane	Castellamare	" "	"	Wheat	8,850 "
George Vickers	Brindisi	" "	UNRRA (Italy and Albania)	"	8,357 "
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LATEST COAL SHIPMENTS

(JULY 1 - 7 INCLUSIVE)

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William H. Moody	Venice	5 "	" "	"	8,217
Chilton Seam	Savona	" "	" "	"	9,576
George Chaffey	"	" "	" "	"	8,496
Empire Harmony	Genoa	6 "	Germany	"	3,719
Empire Dunnet	Venice	7 "	South Africa	"	9,021
Teresa Schiaffino	Bagnoli	" "	Germany	"	7,611

** Advice received too late for inclusion in last week's shipping list*

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June 21, 1946

Vol. I, No. 23

ECONOMIC NOTES

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

CONTENTS

1. Joint Price Committee
2. UNRRA Helps Food Drive
3. Medical Rehabilitation
4. Movements of Ships

JOINT PRICE COMMITTEE

The first meeting of the new Joint Price Committee set up by the Italian Government and UNRRA was held in Rome this week. The Committee's function is to review price policy in regard to UNRRA-imported supplies and settle other financial problems arising in connection with the disposal of UNRRA supplies by the Italian Government. The Chairman of the Committee will be Mr. Harlan Cleveland, Deputy Chief of Mission for Requirements and Distribution. Prices have already been agreed for essential commodities such as coal, wheat, flax-seed, seed potatoes, tinplate, penicillin and insulin. Prices of other commodities will be fixed later.

Implementing the Agreement

This Committee has been set up under the 1946 Agreement between the Italian Government and UNRRA, which states that "to enable the Administration effectively to discharge its responsibilities, the Government will discuss and agree with UNRRA its policies and plans for the distribution of UNRRA supplies." The Government is under agreement to consult with UNRRA concerning "price policies and specific prices for such supplies and their relationship to

All UNRRA relief and rehabilitation supplies are provided free to the Italian Government. Furthermore, the Government does not sign to pay for them at a later date, nor are they related to military occupation charges.

Source of Lira Fund

That does *not* mean that UNRRA goods are distributed free to individuals. But it does mean that the nation benefits by their sale. By the end of May UNRRA had imported approximately 600,000 tons of bread grains for example, and nearly 1,400,000 tons of coal. That grain was sold to the flour mills; the coal was sold to the factories. The proceeds went to a special Lira Fund to be devoted to still further expenditure on relief and rehabilitation.

In accordance with Article V of the 1946 Agreement "the net proceeds of the sale, lease or other transfer of relief and rehabilitation supplies and services furnished by UNRRA... shall be devoted to relief and rehabilitation purposes." The Government is under pledge to pay into a special account (known as the Lira Fund) the proceeds derived from the sale or lease of these UNRRA supplies and has agreed to furnish UNRRA with statements setting forth payments into, and disbursements

Declassified E.O. 12356 Section 3.3/NND No. 785021

ECONOMIC NOTES

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

CONTENTS

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4. Movements of Ships

JOINT PRICE COMMITTEE

The first meeting of the new Joint Price Committee set up by the Italian Government and UNRRA was held in Rome this week. The Committee's function is to review price policy in regard to UNRRA-imported supplies and settle other financial problems arising in connection with the disposal of UNRRA supplies by the Italian Government. The Chairman of the Committee will be Mr. Harlan Cleveland, Deputy Chief of Mission for Requirements and Distribution. Prices have already been agreed for essential commodities such as coal, wheat, flax-seed, seed potatoes, tinplate, penicillin and insulin. Prices of other commodities will be fixed later.

Implementing the Agreement

This Committee has been set up under the 1946 Agreement between the Italian Government and UNRRA, which states that "to enable the Administration effectively to discharge its responsibilities, the Government will discuss and agree with UNRRA its policies and plans for the distribution of UNRRA supplies." The Government is under agreement to consult with UNRRA concerning "price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically" and "rationing and price controls by commodity, by region and by classes of consumers for each of the commodities supplied by UNRRA."

All UNRRA relief and rehabilitation supplies are provided free to the Italian Government. Furthermore, the Government does not sign to pay for them at a later date, nor are they related to military occupation charges.

Source of Lira Fund

That does *not* mean that UNRRA goods are distributed free to individuals. But it does mean that the nation benefits by their sale. By the end of May UNRRA had imported approximately 600,000 tons of bread grains for example, and nearly 1,100,000 tons of coal. That grain was sold to the flour mills; the coal was sold to the factories. The proceeds went to a special Lira Fund to be devoted to still further expenditure on relief and rehabilitation.

In accordance with Article V of the 1946 Agreement "the net proceeds of the sale, lease or other transfer of relief and rehabilitation supplies and services furnished by UNRRA... shall be devoted to relief and rehabilitation purposes." The Government is under pledge to pay into a special account (known as the Lira Fund) the proceeds derived from the sale or lease of these UNRRA supplies and has agreed to furnish UNRRA with statements setting forth payments into, and disbursements from, the account. The relief and rehabilitation programs to be financed by the Lira Fund will be agreed upon between the Government and UNRRA.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

The earlier agreement signed in 1945 between the Italian Government and UNRRA for the limited 50,000,000 dollar relief program contained a somewhat similar provision under which the Government promised to match in lire the cost in foreign exchange incurred by UNRRA for services and supplies.

It was from funds derived under the 1945 Agreement that 1,000 million lire were allocated to the C.A.S.A.S. scheme and nearly 460,000,000 lire to the manufacture in Italy of hospital linen from UNRRA-imported raw cotton.

The Government is entitled to deduct from the proceeds derived from the sale of UNRRA imports, transportation, warehousing and distribution charges and current fiscal dues, such as Purchase Tax. By a legal decision of UNRRA headquarters, however, UNRRA goods are not liable to customs duties. This legal decision provides, nevertheless, within the discretion of the Chief of Mission, that "where price policy makes it desirable, for administrative convenience, the equivalent of existing customs charges may be added to the price, provided the proceeds of such charges are added to the Lira Fund."

UNRRA HELPS FOOD DRIVE

Special harvest liaison officers have been appointed by the UNRRA Italy Mission to help Italian agricultural officials in the Compartments and Provinces to secure speedy gathering and threshing of the harvest and delivery to the peoples' granaries. With the prospect of a good harvest this year and the fixing of wheat prices which farmers in general seem to regard as satisfactory, it is hoped that the Government's new amassing measures will bring in a high percentage of the available 1946 grain crop.

The liaison officers who have been appointed to some of the UNRRA Regions will examine delays and difficulties as they arise and make recommendations to the responsible Italian officials. Their function will be purely advisory.

Meeting in Rome this week, the UNRRA

amassed, Italy can save about 1,000,000 dollars (£250,000 sterling) on food imports. Even under favourable circumstances, Italy will need to spend approximately 200,000,000 dollars (£50,000,000 sterling) on food imports during 1946-47. Of this UNRRA will contribute approximately 87,000,000 dollars (£21,750,000 sterling) for the procurement of food up to the end of December. But after that date, Italy will be responsible for obtaining, and paying for, her own basic supplies. In view of Italy's present difficulty in securing foreign loans and her inadequate foreign exchange resources, the need for reducing food import requirements is obvious.

Food and Foreign Exchange

Necessary food purchases will limit the amount of foreign exchange available for the purchase of raw materials and long term equipment needed to revive Italy's industry. Further, it is anticipated that available world stocks of grain and other essential foods will continue to be short in 1946-47. No certainty exists, therefore, that Italy will obtain all the food imports she needs even though she possesses the available funds to pay for them.

According to preliminary and unofficial forecasts, this year's wheat crop is estimated to yield approximately 5,700,000 tons, of which, after allowance is made for legal retentions, there will remain a theoretical maximum of some 2,125,000 tons available for amassing. Although very much better than last year's abnormally low wheat crop, this year's harvest is still only 79.2 per cent. of the pre-war average.

Imports and UNRRA plans

To ensure a daily bread ration of 200 grams (7 ozs.) and the restoration of the monthly pasta ration of 2,000 grams (approximately 4 ½ lbs.) it is anticipated that Italy may need to import during the 1946-47 crop year, approximately 1,500,000 tons of grain. Of this, UNRRA plans to supply 750,000 tons at the rate of 125,000 tons a month between July and December.

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It was from funds derived under the 1945 Agreement that 1,000 million lire were allocated to the C.A.S.A.S. scheme and nearly 160,000,000 lire to the manufacture in Italy of hospital linen from UNRRA-imported raw cotton.

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The liaison officers who have been appointed to some of the UNRRA Regions will examine delays and difficulties as they arise and make recommendations to the responsible Italian officials. Their function will be purely advisory.

Meeting in Rome this week, the UNRRA Regional Directors examined Italy's food supply position. For every 10,000 tons of wheat

lars (£30,000,000 sterling) [illegible] during 1946-47. Of this UNRRA will contribute approximately 87,000,000 dollars (£21,750,000 sterling) for the procurement of food up to the end of December. But after that date, Italy will be responsible for obtaining, and paying for, her own basic supplies. In view of Italy's present difficulty in securing foreign loans and her inadequate foreign exchange resources, the need for reducing food import requirements is obvious.

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In the past few months, owing to the acute world shortage of supplies, it has been impos-

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sible for the Italian Government or UNRRA to plan ahead. An undue proportion of effort has had to be devoted to shifts and devices to prevent starvation. With the new harvest now coming in and the assurance that UNRRA food imports will continue for the next six or seven months, it should become possible to build up substantial reserve stocks and establish Italy's food position on a more stable basis, with adequate forward planning of supplies.

Emergency amassing returns for the week ended 14 June show a total of 39,631 tons of wheat and 20,416 tons of rice amassed since 1 May, 1946.

MEDICAL REHABILITATION

Medical supplies, hospital units, technical apparatus and the services of expert personnel are now being provided throughout Italy, in accordance with UNRRA's medical relief and rehabilitation program. Co-operation with the Italian High Commissioner for Hygiene and Public Health has enabled good progress to be made in ascertaining, and partly fulfilling, the vital requirements of the population. Italian and UNRRA personnel have been able to combat disease, prevent the spread of epidemics and start implementing plans to improve national health in future years.

The second general distribution of medical supplies, valued at 713,746 dollars (£178,436 sterling) and weighing over 600 tons, was completed early in May. The special distributions of 47,600,000 units of insulin, 10,000 vials of liver extract and 25 tons of anaesthetic ether, were completed in April. In these two months, 150 tons of absorbent cotton and 66 tons of soap for hospital use, were also delivered to the provinces. The third general distribution of medical and hospital supplies, consisting of drugs, dressings and surgical requisites, valued at approximately 500,000 dollars (£125,000 sterling) and weighing not less than

Deliveries of penicillin rose from 3,000 vials (distributed in January to 23 centres) to 20,000 vials (distributed in May to the capital cities of 94 provinces, including Sicily and Sardinia, but excluding Venezia Giulia). Plans are now being drawn up by the High Commissioner for Hygiene and Public Health for the manufacture of penicillin in Italy as a State-controlled enterprise. The plant is being given by UNRRA.

The despatch of hospital units to 10 Italian war-stricken towns has been completed this week. La Spezia (ospedale civile), Messina, Foggia and Salerno have each received a 200-bed unit, while 40-bed units have gone to Guardiagrele, Civitavecchia, Castelnuovo Garfagnana, Nocera Inferiore, Frosinone and Minturno. UNRRA hospital installations now total 11, the first being the 200-bed hospital opened at Carbonia, Sardinia, on 20 March, 1946. Hospital supplies, comprising altogether 250 beds, 350 mattresses and 200 mattress covers have been sent to Terme di Acqui and to La Spezia (sanatorium). Another 100 beds and mattresses have gone to Rimini. Beds and mattresses have also gone to the hospitals at Fossombrone, Palestrina, and Ceprano and to the home for postpolio cases at Ariccia near Rome.

A 40-bed hospital unit usually contains, in addition to actual beds and mattresses, 200 sheets, drugs, soap, kitchenware, an autoclave for sterilising, surgical and obstetrical equipment and an operating table. The larger units are still more substantially equipped.

Supplies and employment

The 1,000 tons of raw cotton which UNRRA imported several months ago for special manufacture by the Italian textile industry has now been made up into 3,350,000 square metres of towelling, sheeting and other hospital items which are at present in course of distribution to hospitals and kindred institutions throughout Italy.

Among other general items of medical

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food imports will continue for the next six or seven months, it should become possible to build up substantial reserve stocks and establish Italy's food position on a more stable basis, with adequate forward planning of supplies.

Emergency amassing returns for the week ended 14 June show a total of 39,634 tons of wheat and 20,416 tons of rice amassed since 1 May, 1946.

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Among other general items of medical equipment are 95 ambulances which will shortly be distributed, in addition to 85 distributed last year.

Declassified E.O. 12356 Section 3.3/NND No. 785021

The sharp increase in tuberculosis among the Italian population as a result of war conditions is causing serious concern to the authorities. UNRRA has imported 14 X-ray units, nine of which have already been allocated to hospitals and sanatoria, where they have been assembled and operated, for instruction, by two UNRRA technicians. In addition to supplying films, photofluorographic material and chest-covers for mass radiofluorographic surveys, UNRRA workers have examined over 40,000 persons. An UNRRA representative is attached to the TBC Advisory Committee of the Italian Health Department, and plans are almost ready for a National Photofluorographic Centre to be set up with UNRRA assistance.

Malaria Control

The malaria control program for 1946 (excluding Sardinia, where other arrangements are being made) has been completed in central-southern Italy and Sicily; and work has now started in the Po Valley, Veneto and Udine province. This scheme, the first of its kind to be tried in Italy, aims at adulto mosquito control, and mainly consists of spraying five per cent. DDT kerosene solution over living quarters, outhouses, stables, chicken coops. It is being carried out in conjunction with the Italian authorities' work on larvicidal control. About 150,000,000 square feet of wall surface have so far been sprayed with over 70,000 gallons of kerosene and 23 tons of 100 per cent. DDT. The North Italy operation will involve treatment of a further 150,000,000 square feet of wall surface—which will require 70,000 gallons of kerosene and 20 tons of DDT.

The operations are carried out by nine to 21 malaria control units, according to the area and the seasonal requirements. Work has been confined to the most highly malarious areas and to economically important centres of the country, such as the food-producing districts.

In Sardinia a special program will soon get

Epidemic Control

UNRRA has been able to assist the Italian authorities in dealing with local outbreaks of epidemic diseases, which have been overcome at the outset, thanks to prompt and concerted action. When the first cases of plague were reported from Taranto last year, UNRRA arranged for two rat extermination specialists to be flown to Italy. The district was surveyed, supplies of grain and chemical substances were provided for poison and bait, and DDT spray was used against the microbe-bearing fleas. The campaign was highly successful, and no cases have been reported since November, 1945.

Officials of the Italian Government and UNRRA are now discussing a disinfestation scheme designed to cover prisons and other community buildings through the country.

UNRRA has also arranged for six Italian scientists to be given an opportunity to study latest medical developments abroad. Two of these specialists will leave shortly for Toronto, Canada, where they will be instructed in the large-scale manufacture of penicillin. The other four will spend a month in England to study modern methods of mass radiography in the control of tuberculosis.

Import of Raw Materials

While UNRRA's task in 1945 was limited to providing relief supplies for certain sections of the population, the 1946 policy is considerably more comprehensive, and aims at meeting nationwide requirements. In future relief will no longer be the main objective. Emphasis has increasingly been placed on the importation of pharmaceutical raw materials, with a view to supplying the Italian people with non-indigenous drugs and to promoting the rehabilitation of Italy's pharmaceutical industry, thereby meeting the need for medical

Declassified E.O. 12356 Section 3.3/NND No. 759013

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In Sardinia a special program will soon get under way, aimed at entirely eradicating the malaria-bearing *anopheles* mosquito from the island.

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Declassified E.O. 12356 Sec. 3.3/NND No. 785021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(JUNE 11 - 16 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	QUANTITY
Elmira Victory	Naples	11 June	UNRRA	General	6,215 tons
John P. Holland	Genoa	12 „	UNRRA / Comm'l	Wheat	6,615 „
				Cotton	743 bales
Ines Corrado	„	13 „	UNRRA	Wheat	7,000 tons
Lee Sang	„	14 „	„	Cotton	1,316 bales
				Seed cake	508 tons
Halaula Victory	„	„ „	It. Govt.	General	7,678 „
Minerva	„	15 „	UNRRA	Oats	7,000 „
Jared Ingersoll	Cagliari	„ „	„	Wheat	8,000 „
Harrit Tubman	Genoa	16 „	„	Oats	8,345 „
St. Midwell	„	„ „	„	Salt Fish	681 „
Samarina	Naples	„ „	„	Copper Sulphate	4,266 „
				General	740 „
Hobert Victory	Leghorn	„ „	„	Food	6,973 „

RECENT COAL SHIPMENTS

(MAY 14 - JUNE 16 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Lot Whitcome	Venice	14 May	U. S.	UNRRA	7,860
	Ancona	18 „			
Fort Latraite	Savona	15 „	U. K.	„	8,600
Fort La Praire	Naples	21 „	South Africa	Brit. Army	8,895
	Salerno	24 „			
Empire Envoy	Savona	22 „	„ „	UNRRA	8,324
Lyman Steward	Catania	27 „	U. S.	„	8,366
	Reggio C.	30 „			
Longlebrook	Savona	28 „	Bahrein Is.	„	7,470
Ida M. Tarbell	„	30 „	U. S.	„	7,908
Glamorgan Seam	„	„ „	„	„	9,804
Miguel de Larrinaga	Venice	31 „	Germany	„	6,800
Empire Nairobi	Bari	„ „	South Africa	Brit. Army	8,173
Tintern Abbey	Genoa	„ „	Germany	UNRRA	6,700
Howard Coffin	Civitavecchia	4 June	Bahrein Is.	„	8,308
Harpalyce	Genoa	6 „	South Africa	Brit. Army	9,380
Fort Marrin	Venice	7 „	„ „	„	9,441
John Elliot	Savona	9 „	U. S.	UNRRA	8,782

Declassified E.O. 12356 Section 3.3/NND No. 787021

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Jared Ingersoll	Cagliari	" "	"	Wheat	8,000 "
Harrit Tubman	Genoa	16 "	"	Oats	8,545 "
St. Midwell	"	" "	"	Salt Fish	681 "
Samarina	Naples	" "	"	Copper Sulphate	4,266 "
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Fort Marrin	Venice	7 "	" "	"	9,141
John Elliot	Savona	9 "	U. S.	UNRRA	8,782
Kelbergen	Venice	13 "	U. K.	"	6,340
Roger Sherman	Messina	15 "	U. S.	"	8,386

Declassified E.O. 12356 Section 3.3/NND No. 785021

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June 14, 1946

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Im + Ships

ECONOMIC NOTES

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CONTENTS

1. UNRRA Shipments to Italy
2. Food Conservation Plans
3. Farm Machinery
4. Movements of Ships

UNRRA SHIPMENTS TO ITALY

The Supply Conference held at UNRRA Headquarters in Washington during May has resulted in concrete proposals for the allocation of funds to all UNRRA receiving countries for the second half of the year, to be submitted for approval to the Central Committee.

When the budget for the second half year is approved by the Central Committee the "second-half" funds will be added to those allocated up to June 30. The result will be a general program to the end of December 1946, which will represent UNRRA aid to Italy from the beginning. The total figure tentatively allocated to Italy (subject to Central Committee action) is 425,000,000 dollars (£106,250,000 sterling)—to which must be added the cost of shipping these goods to Italy.

One General Program

The import program for the first six months of this year has of necessity been changed many times and it would no longer be realistic to talk about estimated and programmed arrivals. The main interest at present lies in actual performances. When the Central Committee approves the financial proposals for the remaining period, it will be possible to present a detailed breakdown of the one general program and there will be no further uncertainties

these items actually reached Italian ports or were on the high seas at that date. The dollar equivalents are stated in round figures.

From	Metric Tons	Dollars
Cereals	644,630	52,000,000
Soya Flour	4,248	520,000
Milk	34,503	11,800,000
Fats	10,348	3,600,000
Sugar	18,141	2,180,000
Coffee	3,582	700,000
Fish, canned	4,224	1,500,000
Fish, dry	10,079	2,550,000
Meat	5,758	3,450,000
Dehydrated soup	6,578	2,260,000
TEXTILES		
Raw cotton	20,381	10,300,000
Raw wool (clean weight)	4,379	510,000
Hides	361	140,000
AGRICULTURE		
Fertilizers:		
Ammonium Nitrate	9,459	600,000
Pesticides:		
Copper sulphate	5,825	650,000
Seeds:		
Potatoes	10,011	1,300,000
Peas	443	100,000
Flax	202	500,000
Vetch	701	130,000
Tinplate	400	50,000
INDUSTRIAL REHABILITATION		
Coal	1,436,124	11,500,000
Petroleum products (about)	700,000	17,745,000

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When the budget for the second half year is approved by the Central Committee the "second-half" funds will be added to those allocated up to June 30. The result will be a general program to the end of December 1946, which will represent UNRRA aid to Italy from the beginning. The total figure tentatively allocated to Italy (subject to Central Committee action) is 425,000,000 dollars (£106,250,000 sterling)—to which must be added the cost of shipping these goods to Italy.

One General Program

The import program for the first six months of this year has of necessity been changed many times and it would no longer be realistic to talk about estimated and programmed arrivals. The main interest at present lies in actual performances. When the Central Committee approves the financial proposals for the remaining period, it will be possible to present a detailed breakdown of the one general program and there will be no further uncertainties about "carry overs," unexpended balances, and so forth.

Below are given the figures of major commodities shipped to Italy up to June 5. All these items actually reached Italian ports or were on the high seas at that date. The dollar equivalents are stated in round figures.

	Metric Tons	Dollars
Food		
Cereals	644,636	52,000,000
Soya Flour	4,248	520,000
Milk	34,503	11,800,000
Fats	10,348	3,600,000
Sugar	18,141	2,180,500
Coffee	3,532	700,000
Fish, canned	4,224	1,500,000
Fish, dry	10,079	2,550,000
Meat	5,758	3,450,000
Dehydrated soup	6,578	2,260,000
Textiles		
Raw cotton	20,081	10,300,000
Raw wool (clean weight)	4,379	510,000
Hides	361	140,000
Agriculture		
Fertilizers:		
Ammonium Nitrate	9,150	600,000
Pesticides:		
Copper sulphate	5,825	650,000
Seeds:		
Potatoes	10,011	1,300,000
Peas	443	100,000
Flax	202	500,000
Vetch	701	130,000
Tinplate	400	30,000
Industrial Rehabilitation		
Coal	1,436,124	11,500,000
Petroleum products (about)	700,000	17,745,000
Iron and Steel	348	21,000
Rubber	377	200,000
Copper	2,300	630,000
Tin Ingots	400	1,200,000
Asbestos	1,100	270,000

158

Declassified E.O. 12356 Section 3.3/NND No. 785021

Italy has, thus, received approximately 3,000,000 tons of supplies of an estimated value of 130,000,000 dollars (£32,500,000 sterling)—against the 425,000,000 dollars (£106,250,000 sterling) budgeted up to the end of December, 1946.

Forecasts of availability for the second half of the year are in general brighter, especially in the field of industrial rehabilitation. In fact, many commodities for which funds have already been committed in the course of the first half year (pig iron, copper wire bars, rubber, chemicals, etc.) should be arriving at Italian ports in the next months in increasing quantities.

FOOD CONSERVATION PLANS

The latest returns for the emergency amassing campaign show that 38,123 tons of bread cereals and 15,096 tons of rice had been brought in by June 7. During the period 1-7 June, the collection of bread cereals amounted to 4,438 tons. UNRRA imports of bread cereals between 1 May and 7 June were 160,680 tons.

Wheat collections are thus 30,000 tons short of the target which the Italian Government fixed at 68,500 tons, although UNRRA had recommended that it should be a minimum of 150,000 tons. Rice collections have reached the Government's minimum target figure of 15,000 tons.

Local reductions in the bread ration have consequently been inevitable, together with a temporary suspension of the pasta ration throughout the country. The critical period is expected to last for two or three weeks. The Italian Government is making strenuous efforts to encourage early threshing and delivery of the new harvest to the collection centres. By 23 June it is expected that 40,000 tons of the new harvest will be collected, and the total should be considerably more by the end of the month.

UNRRA Regional Co-operation

The UNRRA Italy Mission is working in close association with the Italian authorities, agricultural organisations and enforcement authorities in getting the maximum amount of grain collected from the 1946 harvest.

Long-term plans, covering Italy's requirements of bread cereals for the next twelve months, are now being worked out by Italian Government officials and the Italy Mission. The Mission's aim is to assist in building up stocks to ensure a minimum of 200 grams of bread daily and 2,000 grams of pasta (or the rice equivalent) monthly until the 1946-47 crop has been harvested. No plan will, however, achieve a success unless effective food control is instituted, from the farm to the restaurant and the street market.

The Government has already authorized drastic action with the new decree abolishing luxury meals in restaurants and restricting meals in all restaurants, hotels and inns to three specific courses. Only bread and pasta of the legal extraction rate of 91 per cent. and 80 per cent. respectively may be served. There is to be no pastry of any kind. The daily menu, giving prices, service percentage and any other cost item, must be displayed outside the premises.

Britain's Policy

The measures now to be enforced in Italy are in many respects similar to those adopted by the United Kingdom to meet war and post-war emergency conditions. Rationing, introduced in the latter country during the very first months of the war, is still in operation now, after nearly seven years. The extraction rate of flour has recently gone up from 85 to 90 per cent. and the weekly fat ration has been cut down from 2 oz. (56 grams) to 1 oz. (28 grams). British food stocks have fallen from 6,200,000 tons in 1944 to 4,800,000 tons in 1945 and to about 3,900,000 tons now.

In every restaurant, including hotel establishments, a three-course meal is served, costing up to a maximum of five shillings (225 lire). This has proved an effective device for restricting excessive food consumption and stamping out luxury meals. The only modification is a permitted "house charge"—to cover services, but not food—in a few high class establishments.

Declassified E.O. 12356 Section 3.3/NND No. 759021

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The UNRRA Italy Mission is working in close association with the Italian authorities. The Mission's Regional Directors are being called to Rome next Monday to discuss the ways in which UNRRA can best aid the local ments of bread cereals for the next twelve months, are now being worked out by Italian Government officials and the Italy Mission. The Mission's aim is to assist in building up stocks to ensure a minimum of 200 grams of bread daily and 2,000 grams of pasta (or the rice equivalent) monthly until the 1946-47 crop has been harvested. No plan will, however, achieve a success unless effective food control is instituted, from the farm to the restaurant and the street market.

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A war novelty is the "British Restaurant" which serves a simple meal at a very low price. Originally introduced to feed homeless and

Declassified E.O. 12356 Section 3.3/NND No. 763001

bombed-out families at the height of the "blitz," these restaurants proved so successful that they were developed throughout the country. By December 1943 there were 2,092 of them serving some 5,000,000 meals a week. Their social value to the community in providing cheap food and relieving domestic labour makes their retention likely.

The United Kingdom's consumption of bread—which, apart from potatoes, vegetables and fruit, is one of the few important food items not so far rationed—has always been small compared with other countries and has risen little during the war years. The supply of flour per head for civilian consumption, was as follows:—

1934-38 average	195 lbs.	(88,5	kilograms)
1943 "	230 "	(104,4	")
1944 "	229 "	(104,0	")

The 1936-40 average of wheat per head for Italy was 171 kilograms (376 lbs.). Reckoning a low extraction rate of 80 per cent., this means that the supply of flour per head averaged 300 lbs. (136 kgs.). While the British diet is fairly complete, though far from plentiful, the United Kingdom produces much less fruit and vegetables than Italy, and was, in fact, a heavy importer from Italy. Oranges and lemons are still practically non-existent, and fruit in general is available only at certain seasons of the year.

Food and Wages

Side by side with this strict control of food consumption, there has been a vast increase in food production. Millions of acres of pasture lands have been ploughed up, enabling grain production to rise from 5,100,000 tons in 1939 to 9,700,000 tons in 1943. Imports of foodstuffs and fodder fell from 22,300,000 tons pre-war to 11,300,000 in 1943. Thanks to strict Government control of food stocks and prices the cost of living has increased only by 32 per cent. compared with 1938, and average wages by over 48 per cent.

Conditions are certainly different in the two countries, but nevertheless the achievement of the United Kingdom (where the "Black Market" is virtually non-existent) is evidence of what a food importing country can do to increase home production, and at the same time ensure fair distribution at controlled prices of available food supplies. UNRRA

SUPPLEMENTARY AMASSING PROGRESS

COMPARTMENT	STOCKS April 30	AMASSING TARGET	ACTUAL AMASSING 1 May - 7 June 1946	UNRRA ARRIVALS 1 May - 7 June 1946
Piemonte . . . . . qls	42,510	59,000	47,824	168,690
Liguria . . . . . "	81,397	2,700	2,440	77,720
Lombardia . . . . . "	89,384	73,400	56,323	269,690
Veneto and Venezia Tridentina "	166,671	89,900	46,429	131,780
Emilia . . . . . "	89,316	118,000	90,126	68,860
Toscana . . . . . "	91,110	60,500	42,853	45,910
Marche . . . . . "	130,813	58,000	19,818	—
Umbria . . . . . "	87,826	27,000	16,217	—
Lazio . . . . . "	133,046	27,500	9,405	95,330
Abruzzi and Molise . . . "	56,422	37,000	6,468	12,170
Campania . . . . . "	96,754	27,500	11,082	265,590
Puglie . . . . . "	35,687	16,200	10,269	133,240
Lucania . . . . . "	36,174	14,000	2,689	3,240
Calabria . . . . . "	50,804	13,000	6,265	83,630
Sicilia . . . . . "	111,622	49,500	9,575	180,950
[illegible]	25,570	12,000	3,450	70,000

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

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Sicilia . . . . . "	111,622	49,500	9,573	180,950
Sardegna . . . . . "	25,579	12,000	3,450	70,000
Total	1,325,115	685,200	381,233	1,606,800

Declassified E.O. 12356 Section 3.3/NND No. 785091

will continue to supply Italy with grain until the end of the year but only vigorous measures of self-help within the country will increase the amounts of supplies UNRRA can secure for Italy from the allocation authorities, and thereby serve to reduce the anxieties of the lean months before the harvest of 1947.

FARM MACHINERY

Farm machinery to assist in the harvest has arrived in Italy from Canada and the United States under the UNRRA agricultural program and is now being distributed to the provinces by Italian Government agencies. The UNRRA equipment which includes binders, mowers, reaper attachments and spare parts, has been arriving at Italian ports since late April and additional shipments of mowers from the United Kingdom are expected soon.

The machinery has been consigned to the Federazione Consorzi Agrari which is responsible for distribution to the provinces on the basis of a joint plan developed by the Ministry of Agriculture and Forestry and the UNRRA Italy Mission.

Arrivals within the past few weeks include 415 animal-drawn binders, 75 tractor-drawn binders, 603 animal drawn mowers and some hundreds of accessories.

The last consignment of farm tractors under the Allied Commission program, has reached Italian ports. This completes the total of 754 tractors to be received under this program, which has provided 608 thirty-five horse-power and 66 twenty-five horse-power Minneapolis-Moline tractors and 80 forty-five horse-power Case tractors. Two hundred tractors are scheduled to be consigned by the Italian Government to the Consorzi Agrari for use in 40 tractor pools in the provinces on a rental basis and the remainder is being sold directly to farmers. The tractors were made available to Italy in spite of great demand for them in Canada and the United States—in order to assist in the solution of Italy's food problem.

Recent arrivals under the UNRRA and Allied Commission program also include tractor-ploughs and spare parts, which will be utilised in preparation for the autumn sowing. A total of 250 tractor-ploughs and 607 cases of spare parts have been supplied on Allied Commission account and 230 tractor-ploughs on UNRRA account. Under UNRRA direction, a large demonstration of this farm machinery and equipment is scheduled to take place at Bologna on 23 June.

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(JUNE 3 - 9 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Ada Gortham	Genoa	3 June	Commercial	General	3,600
Sagoland	"	" "	"	Cotton	2,922
Nord Farer	"	4 "	UNRRA	Oats	7,390
Vindeggen	"	" "	Commercial	General & Food	4,448
Edward Rutledge	Naples	" "	UNRRA	Food - General	5,627
Green Mountain	Genoa	5 "	Commercial	Cotton	4,989
Northwestern Victory	Bari	6 "	It. Govt.	Wheat Flour	8,413
T. S. Gold	Genoa	" "	"	General	7,074
E-ford	"	7 "	UNRRA	Lard	1,082
					8,400

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Declassified E.O. 12356 Section 3.3/NND No. 785001

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Henry Ward Beecher	"	" "	It. Govt.	Nitrates	8,400
Benny Skou	Naples	8 "	UNRRA	Food - General	6,213
A. Th. Jonasson	"	9 "	"	Cotton (bales)	252

Declassified E.O. 12356 Section 3.3/NND No. 759021

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June 7, 1946

Vol. I, No. 21

Tm + Ship.

ECONOMIC NOTES

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CONTENTS

1. Improved coal situation
2. Food and amassing
3. UNRRA Import programm
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IMPROVED COAL SITUATION

June coal allocations to Italian industries and railroads from the UNRRA-import stockpile have been increased by 75,000 tons over the 350,000 tons originally programmed by the Emergency Coal Committee. Although the end of the United States coal strike will not improve the coal situation until late July when resumed shipments begin to arrive, the crisis has been relieved by the careful conservation measures taken by the UNRRA-Italian Government Emergency Coal Committee and the successful representations of UNRRA and Government officials at the London meetings of the European Coal Organization in May. June allocations of Ruhr coal to Italy have been fixed at 123,200 tons.

Of the additional 75,000 tons allotted from Italy's carefully hoarded reserve by the Coal Committee, 15,000 tons will go to railroads and 60,000 to food factories, fertilizer works, gasworks, steel and general engineering industries, with first priority to those affecting sustenance.

Increased Allocations

The Coal Committee hopes to increase the July allotment of coal to 475,000 tons for railroads and essential industries, with a further [illegible] August, as coal arrivals become

marshalling of resources to combat the grasshopper plague.

Food and coal are intertwined in Europe's entire fuel supply picture. At the E.C.O. conference held in Paris on 21-23 May, at which Europe's coal outlook for the next twelve months was examined at length, it was pointed out that shortage of food had resulted in an increase of absenteeism among Ruhr miners. The next two months, critical with respect to food, may be desperate for Ruhr coal production. The miners are receiving substantially less than the minimum food actually necessary for such hard labour and this is reflected in their output. Great Britain is making special efforts to provide food for the Ruhr in order to maintain coal output.

Ruhr Production Problems

The problem is aggravated by the shortage of housing and transport. Approximately 1,000,000 homes were substantially damaged in the Ruhr, scene of the heaviest blows of the war against Germany. Shortage of building materials and transport has slowed repairs.

There is also an acute shortage of mining supplies and out of 148 hard coal mines in the Ruhr, only six escaped damage entirely. As compared with a pre-war output of 90,000,000 tons per annum, current production is about

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Increased Allocations

The Coal Committee hopes to increase the July allotment of coal to 475,000 tons for railroads and essential industries, with a further increase in August, as coal arrivals become normal. Meanwhile, the May target of 90,000 tons of Sardinian coal may not be met, production having fallen off slightly because of the marshalling of resources to combat the grasshopper plague.

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There is also an acute shortage of mining supplies and out of 148 hard coal mines in the Ruhr, only six escaped damage entirely. As compared with a pre-war output of 90,000,000 tons per annum, current production is about half that figure.

Because of similar problems in other coal producing areas of Europe, the E.C.O. Paris

Declassified E.O. 12356 Section 3.3/NND No. 789021

Conference estimated that the available supplies of coal for Europe for the twelve-month period ending in June 1947 would be from 25 to 45 per cent. below total demands.

In light of the serious delay in post-war recovery of Europe which will result from such a shortage, the E.C.O. passed the following resolutions:

Resolution I.

At this Conference held in Paris under the auspices of the European Coal Organization during the period 21 to 23 May at which 21 nations and four international organizations are represented, it is resolved:—

To draw the special attention of all Governments and of the heads of all international organizations concerned to the facts:—

a) that unless exceptional measures are taken at once, the shortage of solid fuel in Europe over the ensuing twelve months is likely to be such as to cause widespread unemployment and seriously to retard post-war recovery;

b) that this catastrophe can be avoided only if effective steps are taken (i) to ensure adequate food for miners, particularly underground workers; (ii) to provide special incentives to attract recruitment of labour to the mines; (iii) to give special priority to the manufacture and distribution of mining equipment and mining supplies generally, and (iv) to ensure the availability of adequate facilities to lift and transport every ton of coal mined;

c) that the above measures are not designed solely for the benefit of the coal mining industry, but are essential if dislocation of almost all industries including food processing, is to be avoided;

d) that the application of the above measures cannot in itself result in fulfilment of the minimum needs of Europe unless accompanied by rigid control of consumption of coal in Germany and maximum export of coal from that country.

Resolution II.

That urgent examination be made by ... of trading in coal, including bilateral agreements;

b) the advisability of taking special account of certain end uses, as steel, when recommending the allocation of coal and coke.

Italy's present relatively favourable position in regard to coal stocks represents a striking example of national self-discipline and foresight. Although the situation is now easier, the problem of eking out supplies will remain for the whole of next year. For the future stability of Italy's national economy, therefore, it will be necessary to continue to plan allocations according to a definite program of priorities. It is essential also for the success of this planned economy that industry should carry out faithfully and promptly the directives issued by the Government.

FOOD AND AMASSING

This week's amassing returns show that 33,685 tons of bread cereals had been brought in by 31 May, which was still 34,815 tons below the Government's target figure of 68,500 tons. Rice amassing reached 13,790 tons. It will be recalled that UNRRA specified a target figure of 150,000 tons as necessary to maintain the ration. Imports of bread cereals during May were 154,187 tons.

Preliminary figures for UNRRA imports of food other than cereals into Italy during May show a total of 41,500 tons. Among the main items are 14,780 tons of sugar, 6,980 tons of fats, 7,160 tons of condensed, evaporated and dried milk. Fish (canned, dried, salted), and meat (including meat preparation and sausages) amount to 4,720 and 4,700 tons respectively. The balance is accounted for by coffee (mainly distributed to refugee camps), soya flour, dehydrated soup, dried vegetables and miscellaneous foodstuffs.

Government's New Measures

Italy harvest prospects show a marked improvement on last year's (see *Economic Notes* No. 15). Provided the farmers deliver maximum quotas to the people's granaries and consumption is strictly and fairly rationed,

Declassified E.O. 12356 Section 3.3/NND No. 785021

to 45 per cent. below total demands.

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At this Conference held in Paris under the auspices of the European Coal Organization during the period 21 to 23 May at which 21 nations and four international organizations are represented, it is resolved:—

To draw the special attention of all Governments and of the heads of all international organizations concerned to the facts:—

a) that unless exceptional measures are taken at once, the shortage of solid fuel in Europe over the ensuing twelve months is likely to be such as to cause widespread unemployment and seriously to retard post-war recovery;

b) that this catastrophe can be avoided only if effective steps are taken (i) to ensure adequate food for miners, particularly underground workers; (ii) to provide special incentives to attract recruitment of labour to the mines; (iii) to give special priority to the manufacture and distribution of mining equipment and mining supplies generally, and (iv) to ensure the availability of adequate facilities to lift and transport every ton of coal mined;

c) that the above measures are not designed solely for the benefit of the coal mining industry, but are essential if dislocation of almost all industries including food processing, is to be avoided;

d) that the application of the above measures cannot in itself result in fulfilment of the minimum needs of Europe unless accompanied by rigid control of consumption of coal in Germany and maximum export of coal from that country.

Resolution II.

That urgent examination be made by E.C.O. of:

a) the possibility of increasing coal production by the adoption of special methods of certain end uses, as steel, when recommending the allocation of coal and coke.

Italy's present relatively favourable position in regard to coal stocks represents a striking example of national self-discipline and foresight. Although the situation is now easier, the problem of eking out supplies will remain for the whole of next year. For the future stability of Italy's national economy, therefore, it will be necessary to continue to plan allocations according to a definite program of priorities. It is essential also for the success of this planned economy that industry should carry out faithfully and promptly the directives issued by the Government.

FOOD AND AMASSING

This week's amassing returns show that 33,685 tons of bread cereals had been brought in by 31 May, which was still 34,815 tons below the Government's target figure of 68,500 tons. Rice amassing reached 13,790 tons. It will be recalled that UNRRA specified a target figure of 150,000 tons as necessary to maintain the ration. Imports of bread cereals during May were 154,187 tons.

Preliminary figures for UNRRA imports of food other than cereals into Italy during May show a total of 41,500 tons. Among the main items are 14,780 tons of sugar, 6,980 tons of fats, 7,160 tons of condensed, evaporated and dried milk. Fish (canned, dried, salted), and meat (including meat preparation and sausages) amount to 1,720 and 1,700 tons respectively. The balance is accounted for by coffee (mainly distributed to refugee camps), soya flour, dehydrated soup, dried vegetables and miscellaneous foodstuffs.

Government's New Measures

Italy harvest prospects show a marked improvement on last year's (see *Economic Notes* No. 15). Provided the farmers deliver maximum quotas to the people's granaries and consumption is strictly and fairly rationed, Italy's reliance on imports can be kept within reasonable limits. A determined effort to

Declassified E.O. 12356 Section 3.3/NND No. 759021

pay a fair price to farmers, level out discrepancies in food distribution and enforce compliance with regulations is now a major objective of Italy's internal policy. The first steps have already been taken with the repeal last month of the law on amassing passed in October 1945, and the publication of the new amassing decree, and the decree abolishing luxury meals in restaurants.

At the request of the Italian Government, the Chief of the UNRRA Italy Mission, Mr. S. M. Keeny, has formally set out his suggestions for more effective control of Italy's food stocks. Writing on May 22 to Signor Alcide De Gasperi, he suggested that:—

a) Amassing retentions should be limited to those prevailing in 1945, and oats should be amassed as well.

b) The machinery for amassing should be greatly strengthened.

c) Appropriate steps should be taken to prevent loss of grain through excessive feeding to animals.

d) There should be a greatly strengthened agricultural drive for 1947.

e) The entire black market for bread should be abolished and strenuous efforts made to abolish the distribution of food through luxury restaurants.

Italian Premier's Reply

In reply to Mr. Keeny, the Prime Minister stated that the inclusion of oats in the 1946 amassing decree was inadvisable for technical and practical reasons, but that the Government would consider the matter later on. He further assured the Chief of the UNRRA Italy Mission that "everything possible is being done to make a success of the amassing campaign," both as regards "control of the areas cultivated by each single cereal producer," and "the determination of the actual production obtained, together with a check kept on threshing operations and a reinforced surveillance of the mills."

SUPPLEMENTARY AMASSING PROGRESS

COMPARTMENT	STOCKS April 30	AMASSING TARGET	ACTUAL AMASSING 1-31 May 1946	UNRRA ARRIVALS 1-31 May 1946
Piemonte . . . . . qls.	42,510	59,000	37,432	158,690
Liguria . . . . . "	81,397	2,700	2,126	77,720
Lombardia . . . . . "	89,384	73,400	49,321	269,690
Veneto and Venezia Tridentina "	166,671	89,900	40,790	131,780
Emilia . . . . . "	89,316	118,000	85,300	41,910
Toscana . . . . . "	91,110	60,500	39,187	45,910
Marche . . . . . "	130,813	58,000	18,017	—
Umbria . . . . . "	87,826	27,000	13,831	—
Lazio . . . . . "	133,046	27,500	8,864	95,330
Abruzzi and Molise . . . "	56,422	37,000	5,128	12,170
Campania . . . . . "	96,754	27,500	8,768	237,410
Puglie . . . . . "	35,687	16,200	9,841	133,240
Lucania . . . . . "	36,174	14,000	2,446	3,240
Calabria . . . . . "	50,804	13,000	4,117	83,630
	111,622	49,500	8,987	180,950

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Sicilia . . . . . "	111,622	49,500	8,987	180,950
Sardegna . . . . . "	25,579	12,000	2,698	70,000
Total	1,325,115	685,200	336,853	1,541,670

Declassified E.O. 12356 Section 3.3/NND No. 785021

UNRRA IMPORT PROGRAMM

Tentative figures for UNRRA's program of imports into Italy during the second half of the year have now been provisionally agreed upon in Washington where they await consideration and approval by the UNRRA Central Committee which is scheduled to meet this month. In anticipation, however, of this approval, a preliminary procurement and shipping program has already been mapped out.

On his return to Rome after a four weeks' visit to Washington to submit the new program, Mr. Harlan Cleveland, Deputy Chief of Mission for Requirements and Distribution, reports that the outlook for the future is reasonably satisfactory. In most major categories of food and liquid fuel, supplies should be forthcoming in roughly their present volume through the rest of the year. On the important item of coal, it is hoped to reach during the second half of the year a rate of 600,000 tons per month, once large shipments from the United States are again possible.

9,000,000 Tons of Supplies

This represents a shifting to the second half of the year of the maximum flow of UNRRA supplies to Italy. As originally planned, UNRRA shipments were to be concentrated largely in the first six months of 1946, and to taper off very steeply during the third and fourth quarters of the year. But owing to world shortages, United States work stoppages and other difficulties outside UNRRA's control, it has been impossible to procure or ship many of the supplies programmed for delivery in the early months of the year. Approximately 3,000,000 tons of the 9,000,000 tons of supplies which UNRRA plans to bring into Italy this year have so far been delivered. The remaining 6,000,000 tons are due to arrive during the next eight months, June 1946 through January 1947.

This re-arrangement of time-table does *not* mean that there will be any substantial ad-

of activity in this country will have spent a total of approximately 500,000,000 dollars (£125,000,000 sterling) on the purchase of supplies and their shipment overseas. Of that sum, less than 50 million dollars were spent in 1945, and the rest represents the 1946 program.

Although world shortages and other difficulties have so far prevented realisation of the program as it was originally planned, it is anticipated that the program for the second half of the year will, in fact, be realised, since most of the supplies it is proposed to import, will tend to become much more readily procurable. In place of the hand to mouth procurement policy on major commodities to which force of circumstances has compelled UNRRA to resort in recent months, it should now become gradually possible to plan the future program on a more stable economic basis—not for a few weeks ahead, but with an eye on the needs of the next eight months, as far as UNRRA is concerned, and for the next year or two from the standpoint of the Italian Government and people.

This is particularly necessary for food, which together with coal and petroleum products absorb by far the greatest part of the UNRRA funds available for Italy. In collaboration with the Italian Government UNRRA is examining the problem of how best to minimise next year's shortages. Italy as a grain importing country, will need to be continually and realistically aware of the difficulties that arise from the continued world shortage of bread grains. Some deficit there must be in Italy's total supply of bread grains—imported and home-grown. But active steps are being taken to reduce that deficit to the minimum.

Fats in Better Supply

While procurement of bread grains and sugar may continue to be difficult, the supply situation with other foods, notably fats, is now somewhat easier, and UNRRA hopes to increase imports substantially during the second half of the year. With the aim of increasing

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This re-arrangement of time-table does *not* mean that there will be any substantial addition to UNRRA's total expenditure on relief and rehabilitation in Italy. The total will be approximately the same. In all, by the end of 1946 UNRRA during its two years in 1945, and the rest represents the 1946 program.

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Fats in Better Supply

While procurement of bread grains and sugar may continue to be difficult, the supply situation with other foods, notably fats, is now somewhat easier, and UNRRA hopes to increase imports substantially during the second half of the year. With the aim of increasing food crops next year, special emphasis will also be laid on importing, in time for autumn and next spring's planting seasons, seeds, fertilisers, pesticides, and other agricultural supplies.

Declassified E.O. 12356 Section 3.3/NND No. 740031

Reference is made elsewhere in this issue to the improved coal situation. Within the next eight weeks it is hoped to establish Italy's coal consumption at a level of 500,000 tons a month, as an intermediate step in the attainment of the higher target mentioned above. This represents a little less than 50 per cent. of Italy's normal coal consumption before the war. Supplies of gasoline and other petroleum products will be maintained at roughly the same level as at present and will continue to arrive in a steady flow until the end of the year. These supplies should prove sufficient to meet Italy's vital needs but, as has been frequently stated in *Economic Notes*, will not permit of luxury use.

ITALIAN EXPORT TRADE

Italian textile manufacturers have been invited to submit bids to the UNRRA Italy Mission for the manufacture of approximately 900 tons of cotton yarn and fabrics for export to the UNRRA Albanian Mission. 300 tons of cotton calico cloth and 600 tons of cotton yarn for machine weaving and knitting are required.

Any Italian firm may make bids for all or part of the contracts, which will be given to those companies making the lowest bids on any part of the requirements. Payment for processing and transporting the material will be made entirely in lire.

This project is a further step in UNRRA's efforts to have some goods manufactured in Italy for export to other receiving countries, as part of the industrial rehabilitation program for Italy. Bids have already been accepted and contracts are now being drawn for the production of 250 tons of fish-net twine in Italy for export to UNRRA Missions in Yugoslavia, Greece and China (*).

NOTE

(*) Full information on specifications and contracts is available from the Milan office of UNRRA's Sub-Bureau of Industrial Rehabilitation located in the Montecatini Building, or from the Headquarters Office of the Sub-Bureau in Rome.

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(MAY 27 - JUNE 2 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Geo. E. Pickett	Genoa	27 May	UNRRA / It. Gov.t	General	5,920
Edwin Knowles	Naples	" "	UNRRA	Food/General	4,554
Fantoff	Genoa	28 "	It. Gov.t	Fish	1,019
Greenland	Naples	" "	UNRRA	General	60
Herdis	"	29 "	"	Food General	6,500
Susanna	Genoa	" "	It. Govt.	Fish	900
Cypria	"	30 "	UNRRA	Copra	4,903
Sollund	"	" "	It. Govt.	Wool	201
Johann Printz	Leghorn	" "	UNRRA	Food/General	7,303
John A. Donald	Naples	1 June	"	" "	5,000
Accunah Abell	Civitavecchia	2 "	"	" "	7,176
Seps	Genoa	" "	It. Comm.	Cotton	668
			UNRRA	Copper	900

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Declassified E.O. 12356 Sec. 3.3/NND No. 785021

ES/1154

May 31, 1946 Vol. I, No. 20

For Ship

ECONOMIC NOTES

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

CONTENTS

1. Allocation and use of imported industrial supplies
2. Supplementary Amassing Campaign
3. Proper use of Gasoline
4. Visit of UNRRA'S Deputy Director-General
5. Movements of Ships

ALLOCATION AND USE OF IMPORTED INDUSTRIAL SUPPLIES

The procedures covering the allocation of industrial supplies imported under the 1946 agreement have been finally established by the Italian Government, which three weeks ago published a decree establishing a Central Industrial Commission to organize and control the distribution of "critical" imported commodities. We are advised that this decree has now been implemented by a further decree of the Ministry of Industry and Commerce, which has received final approval by the Interministerial Committee for Reconstruction and which has been formally agreed to by the Prime Minister and the Ministry of Industry and Commerce. The Italian Delegation was advised on May 24 to this effect and formally communicated this decision to the Italy Mission.

This plan for providing UNRRA and the Italian Government with the necessary information for the maintenance of records and for the allocation of industrial supplies was jointly developed as long ago as December, 1945. In accordance with that plan, the Government published a legislative Decree on April 20, which set up a Central Industrial Commission to organise and control the distribution of such "critical" commodities as coal, cotton, wool and petroleum products.

Responsibility

Procurement of imported raw materials included in the UNRRA program is the responsibility of the UNRRA Italy Mission, acting with the concurrence of the Italian Government. The preparation of allocation programs, in accordance with which these supplies are to be distributed, is the responsibility of the Italian government with UNRRA concurrence. Actual distribution of supplies—within the agreed allocations—is the responsibility of the Italian Government. Detailed records, however, are furnished to UNRRA, showing how the commodities imported have been distributed.

The critical raw materials affected by the new procedure are the large dollar-value items such as coal, cotton, wool, rubber, gasoline, kerosene, diesel oil, fuel oil, hides, and copper. According to the plan, the critical list, however, is subject to revision at any time. Items may be added, or dropped, as changing circumstances require. It is anticipated that no item will be removed from the critical list, except by mutual agreement between UNRRA and the Italian Government.

Central Industrial Commission

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Declassified E.O. 12356 Section 3.3/NND No. 785031

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Central Industrial Commission

The Central Industrial Commission, set up by the Italian Government, is attached to the Ministry of Industry and Commerce. The

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Declassified E.O. 12356 Section 3.3/NND No. 759021

Undersecretary of State for Industry is chairman of the Commission, which includes among its members the Director-General of Industry and Mines, representatives of the Treasury, the Ministry of Labour and the National Research Council, the Italian Delegation for Relations with UNRRA, and representatives of industrialists, industrial workers and industrial engineers. The Minister of Industry and Commerce will have power to appoint experts to the Commission: and ministerial or professional representatives may from time to time be co-opted to deal with specific problems.

The actual work of processing allocation requests will be in the hands of one or more sub-commissions. In these sub-commissions will sit representatives of the Ministry of Industry and Commerce and the Ministry of Labour, together with representatives of local chambers of commerce, agriculture and industry, local industrialists, local traders, local workers, engineers and experts.

The Central Commission, through the sub-commission structure, will assist in the industrial reconstruction of Italy in any manner in which the organization may be utilized. The concentration of personnel thoroughly familiar with industrial problems should be particularly useful for many purposes.

Procedure for individual concerns

In the procedure which has been established, to secure an initial allocation of raw materials, individual concerns are required to supply the sub-commission for their area with detailed information regarding what is to be produced during the next six months, plans for disposing of the finished goods, pre-war production

SUPPLEMENTARY AMASSING PROGRESS

The following table shows that only 35 per cent of the emergency campaign target had been attained by May 24. UNRRA imports covering the same period were 143,142 tons against 24,259 tons of domestic production additionally brought in to the people's granaries.

The target figures were exceeded by Novara, Cremona, Sondrio, Varese, Forlì, Livorno, Lecce and Siracusa with 200, 108, 277, 115, 102, 118, 114, and 112 per cent respectively of the expected quota. At the opposite end were Como, Naples and Caltanisetta with 2, 2 and 3 per cent.

The leading region is Liguria with 59 per cent, the lowest Abruzzi and Molise with 8 per cent.

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Declassified E.O. 12356 Sec. 3.3/NND No. 785021

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Piemonte . . . . . qls.	42,510	59,000	24,116	158,690
Liguria . . . . . „	81,397	2,700	1,602	103,020
Lombardia . . . . . „	89,384	73,400	35,259	244,590
Veneto and Venezia Tridentina „	166,671	89,900	27,005	131,780
Emilia . . . . . „	89,316	118,000	61,607	41,910
Toscana . . . . . „	91,110	60,500	30,377	42,000
Marche . . . . . „	130,813	58,000	13,293	—
Umbria . . . . . „	87,826	27,000	11,221	—
Lazio . . . . . „	133,046	27,500	7,437	95,330
Abruzzi and Molise . . . „	56,422	37,000	3,151	12,170
Campania . . . . . „	96,754	27,500	4,620	209,960
Puglie . . . . . „	35,687	16,200	8,974	133,240
Lucania . . . . . „	36,174	14,000	2,331	3,240
Calabria . . . . . „	50,804	13,000	1,697	101,630
Sicilia . . . . . „	111,622	49,500	7,757	83,860
Sardegna . . . . . „	25,579	12,000	2,140	70,000
Total	1,325,115	685,200	242,587	1,431,420

Declassified E.O. 12356 Section 3.3/NND No. 759021

and the raw materials now required. Thereafter, authorised consumers will furnish monthly returns, showing the finished goods produced and despatched, together with full particulars of critical raw materials received, in stock and actually used. They will be required not only to state their requirements for the following month but to estimate requirements and production for three months ahead in order to guide procurement of essential supplies.

The collection and processing of these requests will be the task of the sub-commissions, which are to be kept fully informed of the availability of all controlled materials. Subject to the final approval of the Ministry of Industry and Commerce and UNRRA, the sub-commissions will have power to accept, refuse or modify applications from individual firms. The applications submitted by industrialists to the sub-commissions will form the basis of each month's allocations program, which will be jointly agreed—on the national level—by the Italian Government and UNRRA.

Prices and distribution

The prices to be charged for critical materials delivered to Italian industry are the subject of special discussions, which are still continuing. All materials imported by UNRRA for relief and rehabilitation become the property of the Italian Government; and in so far as is practicable, it is proposed that the Government should sell them direct to the manufacturers for processing or use.

Distributors, or jobbers, are only to be employed where a large number of small allocations is to be made within a particular area, or where direct allocation to the consumer is impractical.

Northern Sub-commission

Fortunately, the northern sub-commission contemplated in this plan has been functioning for some time and has done much to facilitate the allocation of materials. The Allied Commission, with its control of transportation authority and finances, has done much to facilitate the industrial program.

The final establishment and implementation of the commission structure should greatly facilitate the allocation and use of UNRRA industrial supplies. Adequate provision has been made for the financing of the organization, so that it can be promptly established on a permanent basis.

Rational allocation basis

The plan for making allocation requests and the method of processing such requests provides the Italian Government with a rational basis for making allocation of materials in short supply and at the same time provides UNRRA with necessary reports concerning the use of imported supplies. Also the commission structure created to administer this procedure has the advantage of providing a non-political organization for fixing general industrial policies normally requiring Government action. It should play an important part in restoring Italy to a competitive position in world markets.

PROPER USE OF GASOLINE

Increasing use of automobiles for non-essential purposes in recent weeks has prompted Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, to call upon the Italian people and the Government for greater efforts in putting a halt to gasoline and tire consumption in luxury motoring. "The Italian people have it in their power either to build or destroy the good-will of the people of the United Nations by the extent to which they make proper use of UNRRA goods, a gift from United Nations taxpayers," Mr. Keeny declared. "Continued use of motor-cars by Italian motorists for pleasure, sport and other luxury purposes in the face of an insufficient supply of motor fuel and rubber for full maintenance of essential services is strongly disapproved."

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Northern Sub-commission

Fortunately, the northern sub-commission contemplated in this plan has been functioning since March and has handled the allocation of about 75 % of total UNRRA industrial supplies to date. This organization, functioning under adverse conditions with respect to the commission structure should greatly facilitate the allocation and use of UNRRA industrial supplies. Adequate provision has been made for the financing of the organization, so that it can be promptly established on a permanent basis.

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Recently, gasoline has been used for automobile races at San Remo and on the Rome-Ostia highway. Private motor-cars in increasing numbers have been appearing at sporting

Declassified E.O. 12356 Section 3.3/NND No. 789021

events, clubs and beaches. UNRRA considers this a flagrant misuse of essential gasoline and has asked the Ministry of Industry and Commerce to take proper measures to prevent such exhibitions. UNRRA has pointed out further that the unnecessary circulation of private cars is consuming precious rubber supplies which are needed for essential work. Non-essential motoring also requires additional repair and maintenance which consumes copper, iron, solder, acetylene and other scarce materials more vitally needed in other activities.

Gambling versus Fishing

A communication to Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, from a cooperative society of fishermen reports: "Here we see hundreds of luxury cars which come from far off, with permits for 'industrial and commercial necessity' but which, in fact, bring their rich proprietors to gamble at the Casino. Every day the long distance motor bus services increase; dozens of 'pullmans' leave daily for Milan, Turin, Florence, Genoa, Rome, etc. These services could well be dispensed with at the present critical time... Even motor races are organized.

"In this way hundreds of thousands of gallons of kerosene and petrol are wasted, whilst the fishermen receive only an allotment of Diesel oil for ten working days for trawlers and petrol for three working days for the motor boats...

"This does not seem fair... especially as their work is useful for feeding the population."

The UNRRA Mission has brought this and other paradoxes to the attention of the proper Government authorities.

UNRRA'S duty

In response to a recommendation from the Royal Automobile Club of Italy that automobile circulation restrictions be lifted, UNRRA states: "We cannot agree that the abolition of circulation permits would prevent the misuse of gasoline and, as such abolition would obviously increase the number of vehicles in the main paid for with UNRRA funds, which materials could more profitably be used for essential purposes in the rehabilitation of the Italian economy.

"Whilst UNRRA is paying for the gasoline imported into Italy, 100 per cent. of it must be used for absolutely essential purposes and no justification can be found for any other use. We therefore oppose most strongly your request to abolish the circulation permits."

Ineffectual control of gasoline use may still further enhance the difficulties attendant on UNRRA Italy Mission's efforts to implement its program.

Other countries

It should be realized that other UNRRA countries are not even getting enough gasoline to assure their essential circulation. Justifications based on the contention that the gasoline used for unauthorized purposes is not UNRRA gasoline do not appear reasonable. It is in any case imported gasoline, there being no domestic production in Italy. It has also been maintained that the numbers of motorists and the quantity of gasoline involved are relatively small in relation to the program. This again is beside the point, and in any case, the impressions and effects are bad and will do Italy considerable harm. Nothing less than the utmost co-operation on the part of everyone concerned in this as in other economic departments, will expedite Italy's recovery.

VISIT OF UNRRA'S DEPUTY DIRECTOR-GENERAL

Mr. Ivan Iliuschenko, Deputy Director-General in charge of Supplies for UNRRA's European Regional Office, this week paid a visit to Rome and conferred with officials of the Italy Mission on price policies for UNRRA goods and distribution measures which will insure equitable allocation of relief and rehabilitation supplies and also on procurement and transport of military surplus by the UNRRA Allied Force Headquarters liaison office in Rome.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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He reported that England's reconversion from war to peace production is resulting in

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Declassified E.O. 12356 Section 3.3/NND No. 759018

some difficulties in procurement from countries receiving UNRRA assistance. As a result, it is not always possible to procure relief and rehabilitation supplies at the time when they would be most helpful, Mr. Iliuschenko said.

Agricultural supplies easier

The European Regional Office is trying to procure more coal for Italy from German production. In recent weeks, UNRRA's chief European office was able to provide Italy with gammexine in record time to combat the current locust plague in Sardinia. In general, Mr. Iliuschenko reported, agricultural supplies programmed for Italy from United Kingdom sources are not so tight as industrial items.

With UNRRA since November 1943, Mr. Iliuschenko served as USSR alternate UNRRA Council member and as vice-chairman of the Council's Committee for Europe until January of this year when he was appointed Deputy Director-General and Chief of Supply in the European Office. An economist by training, he served with the USSR Ministry for Foreign Trade between 1939 and November 1943 on transport and supply problems during the war, including Lend-Lease.

The Deputy Director-General has lately visited France in connection with military surplus and the UNRRA Mission Headquarters at Prague, Vienna and Belgrade on supply, distribution and pricing problems. He will return to London this week.

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(MAY 20 - 26 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Vulcania	Naples	21 May	UNRRA / Comm'l	Misc./Food	400
George P. McKay	Genoa	22 „	UNRRA	Oats/Soya Flour	7,401
Cape Alava	Naples	„ „	„	Misc./Food	5,588
Thomas Janasson	Genoa	„ „	Commercial	Cotton	2,138
Voluntas	„	23 „	UNRRA	Corn	7,800
Vittorio Veneto	„	„ „	„	„	6,500
Bravo	„	„ „	„	Fish	1,742
Winifred L. Smith	Genoa/Naples *	24 „	British / Comm'l	General	5,000
Joseph Story	Palermo	25 „	UNRRA	Wheat	7,910
Condesa	Naples	„ „	„	Maize	2,098
William Wilkens	Genoa	„ „	It. Govt.	General	6,695
Braga	„	„ „	Commercial	General/Food	1,687

* *Arrived at first-named port on the date shown; discharging at the second port later*

0704
Declassified E.O. 12356 Section 3.3/NND No. 785021

May 24, 1946

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ECONOMIC NOTES

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

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5. Movements of Ships

ITALY'S BREAD RATION AND WORLD FOOD SUPPLY

World production is not expected to return to normal before 1950, and it is therefore imperative that every country should make its own long-term plans to reduce the gap between food supply and demand.

Results to date of the emergency amassing campaign show that from 1 May to 17 May, 14,095 of the 68,500 tons wheat target had been brought in, plus 8,280 tons of rice. The accompanying table shows comparative data between the amounts delivered to the people's granaries in response to the Government's appeal, and the amounts imported by UNRRA.

The provinces of Novara and Sondrio have exceeded their target, while Cremona has already reached 90 per cent. of its target figure. The provinces of Bergamo, La Spezia, Reggio Emilia, Leghorn and Taranto have already brought in more than 60 per cent of the emergency quota.

The grain situation today in Italy is self-evident. Domestic production—notwithstanding the highly satisfactory results so far achieved in the above provinces—has not yet fulfilled minimum expectations and the allocations by the Combined Food Board have not come up to UNRRA Italy Mission's requirements.

World Production Slump

According to the White Paper published by the British Government in April 1946 the

SUPPLEMENTARY AMASSING PROGRESS

COMPARTMENT	STOCKS April 30	AMASSING TARGET	ACTUAL AMASSING 1-17 May 1946	UNRRA ARRIVALS 1-17 May 1946
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Toscana	91.110	60.500	16.863	42.000
Marche	130.813	58.000	7.305	—
Umbria	87.826	27.000	6.348	—
Lazio	133.046	27.500	5.279	95.330
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Declassified E.O. 12356 Section 3.3/NND No. 785021

estimated 1945-46 crop in the four main exporting countries compares with their respective pre-war averages as follows (figures in millions of tons): U.S. 30.1 (19.2 pre-war average), Canada 8.1 (7.1); Argentina 4.0 (6.5); Australia 3.0 (1.1).

In Continental Europe, excluding U.S.S.R., production of bread grains (wheat and rye) during last autumn amounted to only 31 million tons compared with 46 million a year earlier and a pre-war average of 59 million tons.

The rise in production of pre-war averages in North America, Argentina and Australia of 9.2 million tons was therefore more than counter-balanced by the tremendous drop in European production of 28 million tons.

Rice Crops

Estimated stocks in all four countries have declined, especially in the U.S.

While the world supply has fallen, demand has become proportionately acute. Continental Europe's stated import requirements for the year July 1945 to June 1946 amount to 15.6 million tons of bread grains as compared with a pre-war total of 3.7 million tons. Even if these quantities could be obtained, total supplies in Europe would be about 25 per cent. less than during an average pre-war year.

The other deficit countries (India, China, French North Africa, South Africa and certain others) present a similar picture, stated import requirements for 1945-46 amounting to 10.7 millions tons compared with a pre-war import of 2.4 million tons.

In the two principal rice-exporting countries, Burma and Siam, 1946 production is estimated at only 4.9 million tons against a pre-war average of 8.4 million tons. According to United States estimates, rice production in China has fallen by 6.5 million tons (17 per cent.) and in Japan by 2.5 million (20 per cent.) below pre-war average.

World-wide droughts have further contributed to lower crops. Europe, particularly the Mediterranean area, and French North Africa, suffered considerably in 1945. Wheat production in the Union of South Africa fell from 0.5 to 0.3 million tons. New Zealand was hit during late 1945 and early 1946, while

Future Prospects

The White Paper emphasizes the fact that present difficulties are unlikely to disappear with the next harvest. An expected increase in production in the former war zones, and the unlikelihood of a repetition of last season's disastrous droughts will be offset by a heavy fall in exportable supplies, due to virtual exhaustion of stocks accumulated during the war. One new factor which might afford considerable relief would be good crops and a large exportable surplus in the U.S.S.R.

Far Eastern production of vegetable oils and sugar has declined to a point where imports for relief are required in certain areas, whereas before the war, the Far East exported substantial quantities to Europe and America.

Before the war about 1.75 million tons (in terms of oil) were imported into Europe and America from Manchuria, the Netherlands East Indies, the Philippine islands and Malaya. It is not expected that these countries will be able to export more than 250 to 300 thousand tons, owing to reduced production, difficulties of collection and increased local consumption. Declines have been registered in European, Indian and tropical Africa production.

No Delay

The urgent need for a combined effort by every nation must be realised before it is too late. Only by careful planning and the fullest co-operation on the part of governments and farmers can an adequate food supply be ensured. Italy, like every other country, has now three months left in which to decide on agricultural policy in regard to next year's crops. That policy, and the means to implement it, must be ready by autumn.

FISHING INDUSTRY REHABILITATION

Initial assistance provided by the Allied authorities to Italian fishing industry, which the war had brought to a standstill, has now developed into a comprehensive long-term plan drawn up by UNRRA in cooperation with the Italian authorities. Italy's 5,300 miles of seaboard has always afforded wide

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Declassified E.O. 12356 Section 3.3/NND No. 785021

Though the Mediterranean is one of the poorest fishing grounds in Europe, the Italian fishing industry with its large and up-to-date fleet, provided as much as 200,000 tons of food annually. Power fishing was carried out by some 1,400 units of which approximately 1,300 were engaged in deep-sea trawl-fishing and fitted with 50 to 300 H.P. engines. Costal or mid-water fishing with fixed nets, bow nets and fish lines gave employment to about 30,000 sail and row boats.

Ocean Fishing

There was also a small but efficient ocean fishing fleet, consisting of about 25 units with a gross tonnage of 12,000 tons, which operated off the coast of North West Africa (Mauretania), Newfoundland and Iceland. The official annual yields were stated as follows:

	Tons
Coast fishing	130,000
Tuna	3,000
Pond	7,000
Shellfish bridings	8,000
Fresh waters fishing	10,000
North Western Africa (frozen fish by trawlers)	5,000
Newfoundland and Iceland (salted fish by trawlers)	6,000
Total	169,000

Many Italian authorities give the total catch as nearer 200,000 tons, on the grounds that fishermen would report lower figures in order to evade harbour dues and other liabilities. About 130,000 men were employed in the industry, and the value of the total catch was estimated at over 8,490,000 dollars (£2,122,500).

After the 8th September 1943, the Italian fishing activities were greatly reduced. The smaller craft had largely been damaged or destroyed; the larger fishing vessels had been requisitioned for mine-sweeping. Equipment such as nets, hemp and cotton twines, steel cables, and other essential gear were either looted or destroyed and could not be replaced. Many fishermen had sunk their craft so as to avoid seizure by the Germans. Shipyards, workshops, net factories and refrigerating

Extent of Damage

Access to fishing grounds was made very difficult, either because of restrictions imposed by the Allied Naval Authorities for military reasons, or because mines and wreckage made sailing unsafe. Havoc had been caused to inland waters, where during the war period, fishing by explosives and poisons had been extensively practised, with the consequent destruction of stock and particularly of minnows.

Rehabilitation of the fishing industry is now proceeding. Mined beaches are being cleared and obstructions of ports and channels removed. Sunken motor fishing vessels, rowing and sails boats are being salvaged and repairs carried out on damaged and partially destroyed craft. Steps have been taken to secure de-requisition of units of the fishing fleet as military necessities have ceased.

Reconstruction Imports

Over 1,000 tons of supplies provided by the Allies substantially contributed to the re-equipment and repair of fishing craft. Rehabilitation of net factories, workshops and shipyards has been planned, and petroleum products imported by UNRRA are supplied to fishermen through local agencies of the Comitato Italiano Petroli.

Large quantities of raw cotton have been supplied by the Allied Commission and later by UNRRA. UNRRA has requested an allocation of 500 tons of manilla fibre and 500 tons of coir yarn, which are still in considerably short supply. UNRRA is also importing 300 tons of linseed oil for the manufacture of paints.

The chief handicap to rehabilitation of power-driven fishing craft was fuel shortage. Allocations of UNRRA procured fuel through the Italian Government Agency, CIP, have now reached approximately: Diesel oil 62 %, Kerosene 68 % and Gasoline 35 % of demand, enabling craft to operate on an average of some 16 days a month.

Inland Waters

After a lapse of six years, an Italian ocean-going trawler has been able to operate outside Mediterranean water. The rebuilding, refit-

Declassified E.O. 12356 Section 3.3/NND No. 789001

were engaged in deep-sea trawl-fishing and fitted with 50 to 300 H.P. engines. Coastal or mid-water fishing with fixed nets, bow nets and fish lines gave employment to about 30,000 sail and row boats.

Ocean Fishing

There was also a small but efficient ocean fishing fleet, consisting of about 25 units with a gross tonnage of 12,000 tons, which operated off the coast of North West Africa (Mauretania), Newfoundland and Iceland. The official annual yields were stated as follows:

	Tons
Coast fishing	130,000
Tuna	3,000
Pond	7,000
Shellfish bridings	8,000
Fresh waters fishing	10,000
North Western Africa (frozen fish by trawlers)	5,000
Newfoundland and Iceland (salted fish by trawlers)	6,000
Total . . .	169,000

Many Italian authorities give the total catch as nearer 200,000 tons, on the grounds that fishermen would report lower figures in order to evade harbour dues and other liabilities. About 130,000 men were employed in the industry, and the value of the total catch was estimated at over 8,490,000 dollars (£2,122,500).

After the 8th September 1943, the Italian fishing activities were greatly reduced. The smaller craft had largely been damaged or destroyed; the larger fishing vessels had been requisitioned for mine-sweeping. Equipment such as nets, hemp and cotton twines, steel cables, and other essential gear were either looted or destroyed and could not be replaced. Many fishermen had sunk their craft so as to avoid seizure by the Germans. Shipyards, workshops, net factories and refrigerating plants had been rendered useless by bombing or sabotage.

sailing unsafe. Havoc had been caused to inland waters, where during the war period, fishing by explosives and poisons had been extensively practised, with the consequent destruction of stock and particularly of minnows.

Rehabilitation of the fishing industry is now proceeding. Mined beaches are being cleared and obstructions of ports and channels removed. Sunken motor fishing vessels, rowing and sails boats are being salvaged and repairs carried out on damaged and partially destroyed craft. Steps have been taken to secure de-requisition of units of the fishing fleet as military necessities have ceased.

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Inland Waters

After a lapse of six years, an Italian ocean-going trawler has been able to operate outside Mediterranean water. The rebuilding, refitting and fuelling of larger units is now under consideration and plans in this connection have

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Declassified E.O. 12356 Section 3.3/NND No. 785061

been submitted to UNRRA. Re-stocking of lakes and rivers has been materially assisted by one consignment of 70,000 rainbow trout eggs flown to Italy from the United States. UNRRA has already arranged for a second load of 70,000 trout eggs to be flown from Wisconsin during the month of May. The minnows have been distributed to experimental breeding ponds throughout Italy.

Self-Help

Staff members of UNRRA Fisheries Branch, working in close conjunction with local authorities, are at present making inspections of all Italian fishing ports.

Apart from the fact that the high nutritive value of fish proteins and fats help to make up the deficiencies of the average diet, it is essential that Italy should be given every opportunity to produce her own food, so as to relieve the acute shortage and ease her dependency on imports. Such fish, or portions of it, as are not consumed directly as food, may be converted into essential by-products such as industrial oils, vitamin A and D bearing oils, livestock and poultry feeds and fertilizers.

THE PETROL STRIKE

The end of the eight-day petrol strike was greeted with relief by the Italian people in the area affected, no less than by the officials of UNRRA Italy Mission. Appreciation was also felt at the strikers' action in agreeing to UNRRA's request that petrol workers be allowed to continue operating in connection with supplies for UNRRA's essential services. This instance of cooperation was a gratifying sign that the task which UNRRA is endeavouring to carry out on behalf of Italy's relief and rehabilitation is fully realised.

The smooth operation of ports and transport throughout the country is vital to Italian economy. The flow of imported goods must on no account be checked if the country is to progress towards normality. During the recent strike, UNRRA Italy Mission was compelled to request suspension of all kerosene loading in the United States till further notice, so as to avoid excessive pressure on Italy's

Speed Essential

The feeding of Italy's population and the country's long-term reconstruction depend on the speed with which goods can be imported and distributed. Battered ports provide insufficient berthing and warehousing accommodation. The task of unloading and clearing ships is immensely difficult, and Italian dock workers rose splendidly to the occasion in April when record clearance times were achieved.

Bottlenecks arising from delay in transferring goods from quays to transit warehouses and finally removing them from port areas entail financial and shipping space losses. Railroad haulage is entirely inadequate.

Tonnage lying idle in ports means so much less shipping space for supplies to devastated areas throughout the world, the revival of seaborne trade, repatriation of prisoners, and possibilities of ocean travel.

About 50 per cent. of all UNRRA imports —with the exception of coal and cotton—are unloaded in the area affected by the recent strike. This means that the distributing of food, cereals, fertilizers, raw materials and other essential commodities might have been delayed to the point where they could not have been used to the fullest advantage.

The harvesting period is now approaching, when speed in gathering in, amassing and marketing crops will be a major factor in the battle against hunger. UNRRA has succeeded in increasing its procurements to meet seasonal requirements, and the extent of the Administration's effort may be judged by the following figures for July totals:

Petrol (barrels)	210,000
Kerosene (June: 140,000 barrels)	190,000
Diesel oil (June: 210,000 barrels)	240,000

If Italy is unable to make use of these supplies, the nation's low food level may have to undergo still further adjustments.

Vital Needs

It has already been emphasized in *Economic Notes* that the world supply situation in regard to some petroleum products is still critical. These products, like other supplies imported into Italy under the UNRRA program, are

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The smooth operation of ports and transport throughout the country is vital to Italian economy. The flow of imported goods must on no account be checked if the country is to progress towards normality. During the recent strike, UNRRA Italy Mission was compelled to request suspension of all kerosene loading in the United States till further notice, so as to avoid excessive pressure on Italy's limited tank storage accomodation. Complete stoppage of petroleum imports might have been necessary had the strike continued.

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Vital Needs

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Declassified E.O. 12356 Section 3.3/NND No. 785021

Rehabilitation Administration, many of which have themselves to accept supply restrictions in order to provide assistance elsewhere.

Months of careful planning in Rome and Washington may well be nullified, should fuel not be immediately and plentifully available during the next few critical weeks. Transport of agricultural labor and machinery, the timely application of fertilizers to the major crops of rice and corn and to the summer vegetable crops, and the use of power-driven farm machinery, will all be jeopardised.

Petroleum products are the sinews of war in the struggle now being waged against plant parasites throughout Italy. Any halt in the flow of supplies may jeopardise this and next year's crop.

Sardinia's entire population, aided by UNRRA personnel, fuel, transport and supplies, is fighting day and night in a desparate attempt to crush the unprecedented plague of grasshoppers.

The petrol strike caused delays in round-the-clock delivery of vital supplies urgently needed for transport of reconnaissance units and grasshopper fighters, and the operation of chemical warfare devices, flame-throwers and other technical apparatus. Italian and UNRRA experts had to postpone inspection of the campaign's progress, through lack of transport from Rome. Nor is Italy's mainland secure, for there are sporadic infestations throughout central and southern Italy. Grasshoppers are also reported in Sicily.

Insecticides and fungicides are vital for the protection of Italian agriculture which has suffered seriously as a result of inevitable neglect and war-damage in the past few years. Lack of liquid fuel would deny these materials to the farmer. It would also react on Italy's renascent fishing industry and hence on the general food situation.

The effect of transportation shortage on UNRRA's relief activity materialised during the recent strike, when milk for nursing mothers could not be collected. This is one more reminder that hundreds of thousands of mothers, babies and school-children, now receiving UNRRA food, will go hungry if transport is not available. Hence the need for unremitting co-operation on all sides, so that

COMPARATIVE COSTS AND WAGES

Recent statements in the United States and British Press purporting to show that the cost of living is low and wages adequate in Italy are not borne out by official or private evidence.

Comparative data compiled by UNRRA Division of Operations Analysis from British and Italian sources prove that the bulk of the Italian population for the past few years has been living on a bare subsistence level. Income of weekly wage earners, lower-salaried officials and the white collared class in general does not even cover food requirements.

The monthly salary of an Italian Cabinet Minister is about £25, plus a monthly cost-of-living allowance of £10.0.0; the corresponding figures for an Undersecretary of State are £20 and £8. A skilled worker with three dependents receives an average weekly wage of £2.4.5, including all allowances and bonuses.

In Great Britain the average weekly wage for an adult was £6.1.4. in July 1945 (according to the Ministry of Labour Gazzette for March 1946) since when it has increased rather than diminished.

When dealing with the cost of living in Italy it should be remembered that the official ration provides about 690 calories per day and consists of:

Bread	7	oz	per day
Pasta	17,5	"	" month
Oil	6,5	"	" "
Sugar	3,5	"	" "

Medical authorities hold that 2000 calories per day is the minimum essential for basic subsistence. The average caloric intake per person per day in the United States is 3000 calories.

The Italian must therefore secure the food equivalent of calories additional to the official 690 on the open or black market, where prices compare with official British figures as follows:

		LONDON (Official) s. d.	ROME (Black Market) s. d.
Bread	4 lbs.	0.9	6.4
Flour	6 „	1.3	9.1
Sugar	per lb.	0.4	11.6
Bacon	„ „	1.10 ½	4.8
Milk	qt.	0.9	1.3 p. litre

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Bacon	„ „	1.10 ½	4.8	
Milk	„ qt.	0.9	1.3	p. litre
Butter	„ lb.	1.8	7.4	
Pasta	„ „	—	2.3	
Oil	„ litre	—	10.5	

Declassified E.O. 12356 Section 3.3/NND No. 763021

			(Open Market)
Potatoes	7 lbs.	0.8 ½	3.10
Eggs	each	0.2	0.4
Meat	per lb.	—	4.6
Beans	" "	—	1.8

With the serious setbacks the country's economy has suffered and the stoppage of normal imports, the excess of demand over supply has entirely upset the balance between income and expenditure during the past few years. Clothing, medicines, sanitary supplies, footwear, building materials and other daily-use commodities virtually disappeared. Controls came to be regarded as an anachronism, there being nothing left to distribute or allocate.

At present, with UNRRA supplies reaching the country, limited quantities of food and essential materials are providing a foundation for recovery. Industry, agriculture, transport and communications are gradually recovering from the chaos of war, and a system of controls is being re-established and enforced.

Nevertheless, as pointed out in a recent report of the UNRRA Welfare and Repatriation Division, "it is generally recognised that courage and energy are dependent upon a reasonable diet."

Wage increases vary according to regions. The following representative figures show an average increase of 11 times over the 1938 earnings (1938=1):

	MILAN (March)	GENOA (Feb.)	FLORENCE (Jan.)
Labourer	15.6	10.1	18.8
Skilled labourer	11.8	—	12.2
Clerical employee	8.3	9.5	
Technical employee	7.3		
Executive	8.7		

Food prices on the other hand have increased over 30 times. The following figures show increases by February 1946 (1938=1):

North Italy	32.3
Central Italy	33.7
South Italy	35.7
Italian islands	29.8

In a disrupted economy, the few available commodities inevitably tend to accumulate uneconomically in certain places or in certain hands.

Superficial impressions gleaned by casual visitors are an unsatisfactory criterion by which to assess the true state of affairs. The foregoing study of conditions existant throughout Italy will afford a more accurate picture of the real state of the nation's economic life.

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(MAY 13 - 19 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Patrick Henry	Bari	13 May	UNRRA	Wheat	7,998
Sidney Sherman	Genoa	" "	"	Wheat / Food	8,230
Alexander Park	Naples	14 "	UNRRA & Comm'l	Food	750
Runswick	T. Annunziata	" "	UNRRA	Fertilizer	5,600
Bravo	Genoa	" "	"	Fish	1,742
Canvasback	"	15 "	UNRRA & Comm'l	Food	180
Robert Broussard	Civitav. - Leghorn	" "	UNRRA	Sugar	8,300
Dansborg	Castellammare	" "	"	Oats	8,149
Nicholas Bidole	Genoa	" "	"	Flour / Cotton	7,335
James Oliver	"	" "	"	Wheat	8,350
Webb Miller	Naples	17 "	"	Soap	1,450
Hickory Isle	"	19 "	"	Ambulances / Sulphates	1,324
Lucien Labaudt	Genoa	" "	"	Wheat	8,160
					8,175

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Clyde L. Seavey	Castellamm. - T. Annunz. *	" "	"	"	8,175
Sutherland	Naples	" "	"	Rubber	92

** Arrived at first-named port on the date shown; discharging at the second port later*

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Vol. I, No. 18

85/1.54
Trans. & Ships

ECONOMIC NOTES

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CONTENTS

1. Emergency Amassing Returns | 2. Italy's Coal Needs
3. Movements of Ships

EMERGENCY AMASSING RETURNS

The crucial period of the emergency amassing campaign launched by the Italian Government is drawing to a close. Figures so far received by the central authorities should be regarded merely as preliminary, for they reflect the quantities of grain brought in prior to May 10. By that date all growers were expected to have been notified of the Government's requirements in regard to the surrender of six per cent. of the grain legally retained for family consumption. Hence the period between May 10 and May 20 will give the measure of Italian farmers' response to the Government's appeal.

Firenze Province Leading

Returns from 46 provinces for the first week in May show a total of 1091 tons of wheat and other bread cereals delivered to the people's granaries. These 46 provinces are responsible for approximately 55 per cent. of the grain to be collected. All of the 90 provinces, including Venezia Giulia, will, it is expected, be submitting returns for subsequent weeks.

Up to 30 April, the province of Firenze had amassed in the emergency campaign 348 tons of the 1,500 tons set as the target by the Government. This is by far the best target of 1,400 tons and Viterbo province, in Lazio, 110 tons of the 900 it is scheduled to collect. No other province of the 46 reporting achieved comparable results, except Cremona, which collected 91 tons towards the 1,000 required, and Brindisi which collected more than 17 per cent. of its extremely small quota of 50 tons.

The province of Chieti, which is scheduled to collect 850 tons, had up to 8 May amassed no more than half a quintal; nor is it the only province to submit a return of less than one hundred kilos. Livorno province is another. No fewer than 12 other provinces submitted single figure returns. Allowing for fractions of a ton, 14 provinces, from which it is hoped to obtain no less than 10,080 tons, had amassed altogether no more than 7.5 tons during the first week of this month.

Battle Not Yet Won

"Make this battle for bread *your* battle," said the Chief of the UNRRA Italy Mission, Mr. S. M. Keeny, in his broadcast to Italy last week. "We have saved the ration for the moment, but that does not mean that the battle is won . . . Success in holding the ration at its present level rests squarely on the co-operation of the Italian people."

During the week—28 April to 4 May—a

Declassified E.O. 12356 Section 3.3/NND No. 743021

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Up to 30 April, the province of Firenze had amassed in the emergency campaign 348 tons of the 1,500 tons set as the target by the Government. This is by far the best return so far received from any part of the country. Mantova province, in Lombardy, had by 8 May amassed 150 tons towards its target of 1,400 tons and Viterbo province, in Lazio, 110 tons of the 900 it is scheduled to collect. No other province of the 46 reporting achieved comparable results, except Cremona, which collected 91 tons towards the 1,000 required, and Brindisi which collected more than 17 per cent. of its extremely small quota of 50 tons.

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During the week—28 April to 4 May—a total of 16,756 tons of wheat and rye and 6,722 tons of wheat and rye flour arrived at Italian ports—all in UNRRA ships. During

Declassified E.O. 12356 Section 3.3/NND No. 785021

the previous week—21 to 27 April—UNRRA ships brought in 34,376 tons of wheat and corn (maize) and 4,865 tons of flour, rolled oats, macaroni and pasta. Other foodstuffs imported by UNRRA during the week ended 4 May included 4,996 tons of fish and 1,672 tons of evaporated milk. In the previous week—21 to 27 April—miscellaneous UNRRA food imports included 3,360 tons of sugar, 1,671 tons of meat products and 937 tons of fish.

Italian Ships

In the course of the period 5 to 23 May shipments of bread cereals due to arrive at Italian ports on UNRRA account total 102,567 tons, of which 13,325 tons will be imported in the form of flour, rolled oats and macaroni. The remainder is wheat, except for two shipments of corn in the *Vittorio Veneto* and the *Voluntas*, which have sailed with UNRRA cargoes from Argentina under the Italian flag. They are the first to arrive of the fleet of seven former Italian ships bought back from Argentina by the Italian Government.

UNRRA expects during the same period—5 to 23 May—to import 13,717 tons of sugar, 1,527 tons of fish, 1,289 tons of meat products and 3,401 tons of powdered and evaporated milk. Sundry other food imports include more than 2,000 tons of soup, as well as small quantities of coffee and dried vegetables.

Figures to date for the amassing campaign will be published in next week's *Economic Notes*—figures of vital interest as an indication of the contribution made by Italian farmers to the battle for bread, now being waged throughout the world.

ITALY'S COAL NEEDS

The first shipment of Ruhr coal to arrive in Italy since the end of the war has been discharged at Genoa. This cargo of 6,800 tons is part of the allocation of 39,000 tons of Ruhr coking coal and anthracite, procured by UNRRA for delivery in Italy during the second quarter of the year. Another significant Organization) conference, which meets in Paris next Tuesday, 21 May, to study the probable coal position throughout Europe during the coming twelve months. At this conference both the Italian Government and the UNRRA Italy Mission will be represented.

June Requirements

In the expectation that there will be no substantial loadings of coal from the United States during May, UNRRA has been trying to secure for delivery in Italy during June, an additional 134,000 tons of coal from the Ruhr, 20,000 tons of anthracite duff from the United Kingdom, 18,000 tons already scheduled for shipment from South Africa, and possibly an additional 35,000 tons from the United Kingdom. UNRRA has urged upon ECO that—in the absence of shipments from the United States—this total of 207,000 tons is the minimum which Italy should receive during June from European and South African sources.

Future Prospects

Virtually the last shipment of coal from the United States has now been discharged, and under the most favourable circumstances it is not expected that any further shipments can now arrive from America before the second week in July, with the possible exception of some anthracite lines, a very poor fuel. The coal shortage in Italy must, therefore, continue to be extremely severe for at least the next two months, and until the whole position has been clarified in regard to future United States coal supplies, the Emergency Coal Committee can give no indication as to when normal allocations will be resumed. In any case it is highly improbable that this will be before August.

One incidental effect of the stoppage in the United States has been to emphasize the need for a restoration of Europe's coal economy—a restoration in which Italy is vitally interested, since, apart from any other consideration, coal imported from the United States costs at

Declassified E.O. 12356 Section 3.3/NND No. 759021

ported by UNRRA during the week ended 1 May included 4,996 tons of fish and 1,672 tons of evaporated milk. In the previous week—21 to 27 April—miscellaneous UNRRA food imports included 3,360 tons of sugar, 1,671 tons of meat products and 937 tons of fish.

Italian Ships

In the course of the period 5 to 23 May shipments of bread cereals due to arrive at Italian ports on UNRRA account total 102,567 tons, of which 13,325 tons will be imported in the form of flour, rolled oats and macaroni. The remainder is wheat, except for two shipments of corn in the *Vittorio Veneto* and the *Voluntas*, which have sailed with UNRRA cargoes from Argentina under the Italian flag. They are the first to arrive of the fleet of seven former Italian ships bought back from Argentina by the Italian Government.

UNRRA expects during the same period—5 to 23 May—to import 13,717 tons of sugar, 1,527 tons of fish, 1,289 tons of meat products and 3,401 tons of powdered and evaporated milk. Sundry other food imports include more than 2,000 tons of soup, as well as small quantities of coffee and dried vegetables.

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In the expectation that there will be no substantial loadings of coal from the United States during May, UNRRA has been trying to secure for delivery in Italy during June, an additional 134,000 tons of coal from the Ruhr, 20,000 tons of anthracite duff from the United Kingdom, 18,000 tons already scheduled for shipment from South Africa, and possibly an additional 35,000 tons from the United Kingdom. UNRRA has urged upon ECO that—in the absence of shipments from the United States—this total of 207,000 tons is the minimum which Italy should receive during June from European and South African sources.

Future Prospects

Virtually the last shipment of coal from the United States has now been discharged, and under the most favourable circumstances it is not expected that any further shipments can now arrive from America before the second week in July, with the possible exception of some anthracite lines, a very poor fuel. The coal shortage in Italy must, therefore, continue to be extremely severe for at least the next two months, and until the whole position has been clarified in regard to future United States coal supplies, the Emergency Coal Committee can give no indication as to when normal allocations will be resumed. In any case it is highly improbable that this will be before August.

One incidental effect of the stoppage in the United States has been to emphasize the need for a restoration of Europe's coal economy—a restoration in which Italy is vitally interested, since, apart from any other consideration, coal imported from the United States costs at present prices about 50 per cent. more than coal from European sources of supply.

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Declassified E.O. 12356 Section 3.3/NND No. 785001

Paris Conference

The Paris coal conference is to be exploratory only, and will have no executive authority, although its recommendations are likely to serve as a guide for future allocations. The conference will investigate broadly the probable availability of supplies and probable requirements. But, while in its examination of probable availability, the conference will investigate the supply situation in regard to mining equipment, it will *not* touch on the closely allied problem of food for mine workers. In its study of probable requirements, the conference will be mainly concerned in arriving at a reliable forecast of minimum needs, but it will also touch upon such questions as efficiency in the use of fuel and the provision and utilisation of substitutes for coal.

Drastic Cuts

The importance of coal in Italian economy can never be sufficiently stressed. In view of the country's lack of adequate domestic coal resources, all plans for post-war rehabilitation are very closely linked with the ability of the chief coal-exporting countries to supply coal to Italy.

The drastic nature of the cuts in consumption that have been made necessary by the United States' coal stoppage—in spite of heavy advance shipments—is clearly shown by a comparison of UNRRA's estimates for Italian civil imports during the second quarter of 1946, with actual consumption. In April, but for the United States coal stoppage, Italy's estimated requirements of imported coal would have been in the order of 550,000 tons. Actual consumption did not exceed 350,000 tons. It was anticipated that requirements would rise to 600,000 tons in May and 650,000 tons in June, but in the present circumstances actual consumption of imported coal this month and next is likely to be less than in April.

Lower Import Target

Italy's import requirements for the third quarter of the year were originally estimated at 1,200,000 tons per month. Owing to the serious delay in restoring Italy's economy—due largely to the shortage of coal—the import target has now been reduced to 700,000 tons per month for the third quarter and 800,000 tons per month for the fourth quarter.

Second Half-Year Recommendations

The import target figures set by UNRRA for imports into Italy during the third and fourth quarters of the year closely approach those of pre-war consumption. Added to home production, these imports will provide as much as 60 per cent. to 65 per cent. of the pre-war supplies during the third quarter of the year and about 70 per cent. during the fourth. Since the railways must to-day consume a greater proportion of coal owing to the destruction of a large part of the electrical equipment, the reduction of supplies available to industry is even more marked.

UNRRA will, therefore, recommend to ECO that throughout the third quarter of the year the United States and South Africa should continue to supply 450,000 tons a month and that in addition, 250,000 tons a month should come from the Ruhr and Poland. Of this grand total of 700,000 tons it is anticipated that the Italian Government will itself procure, independently of UNRRA, about 100,000 tons a month, while UNRRA will attempt to obtain the remainder.

Critical Situation

The situation is still critical. The truce called by the parties to the United State coal strike is expected to affect only the United States internal situation, and it may be some time before it can influence United States exports.

On May 14 a special meeting of the Emergency Coal Committee was convened to discuss fuel prospects for the months of June and July. Representatives from Northern Italy also attended.

June allocations previously arranged have been maintained, but, as matters now stand, only half the quota for June consumption is

Declassified E.O. 12356 Section 3.3/NND No. 745021

though its recommendations are likely to serve as a guide for future allocations. The conference will investigate broadly the probable availability of supplies and probable requirements. But, while in its examination of probable availability, the conference will investigate the supply situation in regard to mining equipment, it will *not* touch on the closely allied problem of food for mine workers. In its study of probable requirements, the conference will be mainly concerned in arriving at a reliable forecast of minimum needs, but it will also touch upon such questions as efficiency in the use of fuel and the provision and utilisation of substitutes for coal.

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Lower Import Target

Italy's import requirements for the third quarter of the year were originally estimated at between 700,000 and 980,000 tons per month. In view, however, of the general

per month for the fourth quarter.

Second Half-Year Recommendations

The import target figures set by UNRRA for imports into Italy during the third and fourth quarters of the year closely approach those of pre-war consumption. Added to home production, these imports will provide as much as 60 per cent. to 65 per cent. of the pre-war supplies during the third quarter of the year and about 70 per cent. during the fourth. Since the railways must to-day consume a greater proportion of coal owing to the destruction of a large part of the electrical equipment, the reduction of supplies available to industry is even more marked.

UNRRA will, therefore, recommend to ECO that throughout the third quarter of the year the United States and South Africa should continue to supply 150,000 tons a month and that in addition, 250,000 tons a month should come from the Ruhr and Poland. Of this grand total of 700,000 tons it is anticipated that the Italian Government will itself procure, independently of UNRRA, about 100,000 tons a month, while UNRRA will attempt to obtain the remainder.

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The situation is still critical. The truce called by the parties to the United State coal strike is expected to affect only the United States internal situation, and it may be some time before it can influence United States exports.

On May 14 a special meeting of the Emergency Coal Committee was convened to discuss fuel prospects for the months of June and July. Representatives from Northern Italy also attended.

June allocations previously arranged have been maintained, but, as matters now stand, only half the quota for June consumption is likely to be delivered to industries until a more complete picture of the situation is available.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(MAY 6 - 12 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
George Davis	Naples	6 May	UNRRA	Wheat	8,290
Frank J. Irwin	Cagliari	" "	"	"	8,300
John Jay	Bari	" "	"	"	8,320
Andrew Pickens	Naples	7 "	"	Food General	5,461
Fort Ash	"	" "	"	Nitrates	750
Lea Grange	"	" "	"	Nitrates General	2,500
Ocean Rover	"	" "	"	Food General	6,751
Rheinhold Richer	Venice	" "	"	Wheat	8,170
Frank McViegh	Civitav.-Castellammare *	8 "	"	"	8,496
Torfin Jarl	Genoa	" "	"	Seed Peas	450
Merkland	Naples	9 "	"	General	370
Swan Point	Genoa	11 "	"	Nitrates	5,600
Vincent Harrington	Catania-Crotone *	" "	"	Wheat	8,542
William Empey	Genoa	12 "	It. Govt.	General	7,701

* *Arrived at first-named port on the date shown; discharging at the second port later*

LATEST COAL SHIPMENTS

(MAY 6 - 12 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT
Francis Smith	Savona *	6 May	UNRRA	Fort Brule	Venice	7 May	Brit. Army
Edward Bellamy	"	" "	"	Philip Doodridge	"	" "	UNRRA
Thomas Say	Messina	7 "	"	John Regan	Ancona	8 "	"
Nyanza	Savona	" "	"	Joseph Drake	"	9 "	"
Susanne Colby	"	" "	"	Stanridge	Venice	" "	Brit. Army
W. F. Cody	Naples / Salerno	" " 10 "	" "	James Corbett	"	10 "	UNRRA
James A. Wilder	Venice	7 "	"	James McHenry	Civitav.	11 "	"
				Nelson Dingley	Naples	" "	"

Declassified E.O. 12356 Section 3.3/NND No. 759021

(MAY 6 - 12 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
George Davis	Naples	6 May	UNRRA	Wheat	8,290
Frank J. Irwin	Cagliari	" "	"	"	8,300
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Susanne Colby	"	" "	"	Stanridge	Venice	" "	Brit. Army
W. F. Cody	Naples / Salerno	" " / 10 "	"	James Corbett	"	10 "	UNRRA
James A. Wilder	Venice	7 "	"	James McHenry	Civitav.	11 "	"
				Nelson Dingley	Naples	" "	"

* *Arrived Savona instead of Genoa.*

Declassified E.O. 12356 Section 3.3/NND No. 767241

May 10, 1946

Vol. I, No. 17

ECONOMIC NOTES

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

CONTENTS

1. Italy's Emergency Wheat Amassing Program
2. UNRRA Price Policy
3. Italian Dockers Break Records
4. Movements of Ships

ITALY'S EMERGENCY WHEAT AMASSING PROGRAM

Target figures for wheat to be collected in the emergency amassing program have now been prepared for each province by the Italian Government, and are published in full in this issue. For the country as a whole, the amassing target is 68,560 tons of wheat, and, in addition, a quantity of rice in excess of 15,000 tons. This represents substantially less than the target figure of 150,000 tons urged upon the Government by UNRRA, as the minimum at which it should aim. UNRRA officials are now studying the target figures province by province, and until such time as they have been closely examined no statement can be made by the Italy Mission.

Task of the Provinces

It must, however, be emphasised that whatever the figure finally decided upon as the target for each province, this will be the amount of grain which *must* be amassed, if the ration is to be maintained in that particular province. Grain allocations for each province will take full account of what is to be amassed. No more grain will arrive from outside sources than is necessary to make up the deficiency after every quintal of the amassing quota allocated has been brought into the people's granaries. If amassing falls short, the ration for that province must be cut.

The situation facing Italy at this moment [illegible] briefly summarised as follows: Estimated pasta ration during May, the only grain stocks of which UNRRA is at present reasonably assured will amount on May 31 to no more than 48,000 tons. (To this will be added the amount amassed during May.)

June Grain Deficit

There is, thus, a theoretical net deficit of 225,000 tons, which must be met if the ration is to be kept at its present level in June. In fact, the deficit is substantially larger, since a working margin of at least 120,000 tons is required to maintain supplies, particularly in view of the fact that stocks are unevenly distributed throughout the country.

The amount of grain to be shipped to Italy, for delivery in June, is (as this issue goes to Press) still unknown, since no decision has yet been arrived at by the Combined Food Board, which makes these allocations. It is, however, already quite certain that no hope whatever exists of the Board being able to meet in full UNRRA's bid of 250,000 tons of bread grains for shipment to Italy. The best estimate of May loadings is that all bread grains from all sources for Italy will not exceed 220,000 tons, and is likely to be about 180,000 tons. The higher figure will be achieved, if all present UNRRA efforts are successful, and there are no diversions from Italian ports.

There is, therefore, urgent need for Italy

Declassified E.O. 12356 Section 3.3/NND No. 759021

ECONOMIC NOTES

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The situation facing Italy at this moment can be briefly summarised as follows: Estimated consumption is 273,000 tons of bread cereals per month. On the assumption that no change is made in the existing bread and pasta ration during May, the only grain stocks of which UNRRA is at present reasonably assured will amount on May 31 to no more than 48,000 tons. (To this will be added the amount amassed during May.)

June Grain Deficit

There is, thus, a theoretical net deficit of 225,000 tons, which must be met if the ration is to be kept at its present level in June. In fact, the deficit is substantially larger, since a working margin of at least 120,000 tons is required to maintain supplies, particularly in view of the fact that stocks are unevenly distributed throughout the country.

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There is, therefore, urgent need for Italy to amass every ton available, if the ration is to be maintained during the next few critical weeks before the harvest starts to come in.

Declassified E.O. 12356 Section 3.3/NND No. 785001

GOVERNMENT AMASSING CAMPAIGN

(Provincial Collection Figures - In Quintals)

	QTLS.
Alessandria	18,000
Aosta	2,000
Asti	9,000
Cuneo	16,000
Novara	2,000
Torino	9,000
Vercelli	3,000
PIEDMONT	59,000
Genova	800
Imperia	100
La Spezia	800
Savona	1,000
LIGURIA	2,700
Bergamo	6,000
Brescia	12,000
Como	1,200
Cremona	10,000
Mantova	14,000
Milano	13,000
Pavia	16,000
Sondrio	200
Varese	1,000
LOMBARDY	73,400
Bolzano	800
Trento	800
VENEZIA TRID.	1,600
Belluno	300
Udine	10,000
Padova	18,000
Rovigo	13,000
Treviso	12,000
Venezia	10,000
Verona	15,000
Vicenza	10,000
VENETO	88,300
Trieste	100
VENEZIA GIULIA	400
Bologna	18,000
Ferrara	18,000
Forlì	10,000
Modena	18,000
Parma	13,000
Piacenza	13,000
Ravenna	14,000
Reggio E.	14,000
EMILIA	118,000
Apuania	500
Arezzo	12,000
Firenze	15,000
Grosseto	7,000
Livorno	2,000
Lucca	2,000
Pisa	9,000
Pistoia	2,000
Siena	11,000
TUSCANY	60,500
Ancona	14,000
Ascoli	14,000
Macerata	15,000
Pesaro	15,000
MARCHE	58,000
Perugia	22,000
Terni	5,000
UMBRIA	27,000
Frosinone	3,000
Littoria	2,000
Rieti	4,500
Roma	9,000
Viterbo	9,000
LAZIO	27,500
Aquila	6,000
Campobasso	12,000
Chieti	8,500
Pescara	4,000
Teramo	6,500
ABBRUZZI	37,000
Avellino	7,000
Benevento	6,500
Napoli	6,000
Salerno	8,000
CAMPANIA	27,500
Bari	3,000
Brindisi	500
Foggia	10,000
Taranto	1,500
Lecce	1,200
PUGLIE	16,200
Matera	6,000
Potenza	8,000
LUCANIA	14,000
Catanzaro	6,000
Cosenza	5,500
Reggio Calabria	1,500
CALABRIA	13,000
Agrigento	9,000
Caltanissetta	9,000
Catania	5,000
Enna	5,000
Messina	1,500
Palermo	8,000
Ragusa	3,000
Siracusa	3,000
Trapani	6,000
SICILY	49,500
Cagliari	6,000
Nuoro	2,000
Sassari	4,000
SARDINIA	12,000
TOTAL	685,600

Declassified E.O. 12356 Section 3.3/NND No. 763021

	QTLS.
Alessandria	18,000
Aosta	2,000
Asti	9,000
Cuneo	16,000
Novara	2,400
Torino	9,000
Vercelli	3,000
PIEDMONT	59,000
Genova	800
Imperia	100
La Spezia	800
Savona	1,000
LIGURIA	2,700
Bergamo	6,000
Brescia	12,000
Como	1,200
Cremona	10,000
Mantova	14,000
Milano	13,000
Pavia	16,000
Sondrio	200
Varese	1,000
LOMBARDY	73,400
Bolzano	800
Trento	800
VENEZIA TRID.	1,600

	QTLS.
Belluno	300
Udine	10,000
Padova	18,000
Rovigo	13,000
Treviso	12,000
Venezia	10,000
Verona	15,000
Vicenza	10,000
VENETO	88,300
Trieste	400
VENEZIA GIULIA	400
Bologna	18,000
Ferrara	18,000
Forli	10,000
Modena	18,000
Parma	13,000
Piacenza	13,000
Ravenna	14,000
Reggio E.	14,000
EMILIA	118,000
Apuania	500
Arezzo	12,000
Firenze	15,000
Grosseto	7,000
Livorno	2,000
Lucca	2,000
Pisa	9,000
Pistoia	2,000
Siena	11,000
TUSCANY	60,500

	QTLS.
Ancona	14,000
Ascoli	14,000
Macerata	15,000
Pesaro	15,000
MARCHE	58,000
Perugia	22,000
Terni	5,000
UMBRIA	27,000
Frosinone	3,000
Littoria	2,000
Rieti	4,500
Roma	9,000
Viterbo	9,000
LAZIO	27,500
Aquila	6,000
Campobasso	12,000
Chieti	8,500
Pescara	4,000
Teramo	6,500
ABBRUZZI	37,000
Avellino	7,000
Benevento	6,500
Napoli	6,000
Salerno	8,000
CAMPANIA	27,500

	QTLS.
Bari	3,000
Brindisi	500
Foggia	10,000
Taranto	1,500
Lecce	1,200
PUGLIE	16,200
Matera	6,000
Potenza	8,000
LUCANIA	14,000
Catanzaro	6,000
Cosenza	5,500
Reggio Calabria	1,500
CALABRIA	13,000
Agrigento	9,000
Caltanissetta	9,000
Catania	5,000
Enna	5,000
Messina	1,500
Palermo	8,000
Ragusa	3,000
Siracusa	3,000
Trapani	6,000
SICILY	49,500
Cagliari	6,000
Nuoro	2,000
Sassari	4,000
SARDINIA	12,000
TOTAL	685,600

Declassified E.O. 12356 Section 3.3/NND No. 785021

UNRRA PRICE POLICY

Price policies, to ensure stable prices at lower levels, have lately been under discussion between the Italian Government and the UNRRA Italy Mission. Specific price programs have been formulated for coal and seed potatoes. Much preliminary work has also been done to create a joint Italian Government-UNRRA policy committee which will fix stabilising prices for other commodities.

Methods of price stabilisation vary according to whether or not UNRRA imports form the chief source of supply. Prices of imported coal, for instance, all of which is supplied by UNRRA, have been set at levels in line with those which Italy will probably have to pay at the end of the UNRRA program, when she will have to buy on her own account in the world market.

The probable landed cost this autumn—not of United States coal, but of coal from the Ruhr and Silesia, Italy's normal sources of supply—has been taken as the yardstick for present prices (adjusted according to relative thermal-unit value) of coal from the United States, and Sardinia, and also of home-produced lignite. To ensure the lowest possible charges to the consuming public, coal for the State railways, for gas works and other utility services subject to rigidly controlled price rates, is sold at a figure 26 per cent. below that charged to industrial users.

Probable Coal Costs

While there is no assurance that actual costs of coal imports in the autumn will be the same as the "probable" costs used as a base in this stabilization program, they are the best estimates possible in the light of present conditions. UNRRA has been buying coal for Italy from the United States at the rate of about 22 dollars (£5.10s. sterling) per ton, landed cost. The expected lowering of European freight rates, and especially the savings to be effected by bringing in coal from the Ruhr, Poland and other normal supply sources of Italy's coal, will place the cost of coal imports at about 15 dollars (£3.15s.

Sardinian coal and lignite are being sold at prices, that are lower, in view of their lower calorific value, than those of imported coal. Since production costs of Sardinian coal and lignite are at present higher than this "stabilization price," the difference is to be subsidized out of the rehabilitation fund derived from the sale in Italy of UNRRA imports delivered free of charge to the Italian Government.

Where UNRRA is not the chief supplier, as in the case of imported seed potatoes, another method of price stabilization has been adopted. The Italian Government early this year secured some 20,000 tons of seed potatoes by barter and commercial deals with the United Kingdom and Holland. These imports were supplemented by UNRRA imports of 10,000 tons, bought at a lower price. The costs of all three groups were averaged to arrive at a single national price. It was also determined that a portion of the crop should be set aside at harvest time for distribution to relief centres, free of charge.

Price Control Committee

The proposed joint Government-UNRRA price policy committee will extend the benefits of this type of price stabilization to other commodities, as part of the program to reduce Italian prices which, on the average, are now more than twenty times the 1938 level.

While the aim of this program is to help to put Italian industry and agriculture in a position to deal in the international market at the end of the UNRRA program, further measures are necessary on the part of the Italian Government if the Italian people are to receive the benefit of lower prices on essential goods. Until domestic production and imports raise the level of the supply of goods to something approaching the need, thus permitting normal economic forces to lower the cost of living, the Italian Government will need to take strong measures to enforce price controls.

At the present time, UNRRA and the Italian Government are reviewing the prices of bread-cereal and petroleum products which, together with coal, constitute about 40 per

Declassified E.O. 12356 Section 3.3/NND No. 785001

between the Italian Government and the UNRRA Italy Mission. Specific price programs have been formulated for coal and seed potatoes. Much preliminary work has also been done to create a joint Italian Government-UNRRA policy committee which will fix stabilising prices for other commodities.

Methods of price stabilisation vary according to whether or not UNRRA imports form the chief source of supply. Prices of imported coal, for instance, all of which is supplied by UNRRA, have been set at levels in line with those which Italy will probably have to pay at the end of the UNRRA program, when she will have to buy on her own account in the world market.

The probable landed cost this autumn—not of United States coal, but of coal from the Ruhr and Silesia, Italy's normal sources of supply—has been taken as the yardstick for present prices (adjusted according to relative thermal-unit value) of coal from the United States, and Sardinia, and also of home-produced lignite. To ensure the lowest possible charges to the consuming public, coal for the State railways, for gas works and other utility services subject to rigidly controlled price rates, is sold at a figure 26 per cent. below that charged to industrial users.

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At the present time, UNRRA and the Italian Government are reviewing the prices of bread-cereal and petroleum products which, together with coal, constitute about 40 per cent. of all UNRRA imports in money value and over 90 per cent. in tonnage.

In accordance with UNRRA Basic Resolution No. 7 (a summary of which appeared in

Declassified E.O. 12356 Section 3.3/NND No. 743021

Economic Notes of March 29), the Italy Mission is concerned not merely with the provision of immediate relief and physical aid in the task of reconstruction, but also with the restoration of Italian economy, at present disorganized by vastly inflated prices.

ITALIAN DOCKERS BREAK RECORDS

Italy's port and dock workers have achieved exceptionally fast unloading rates during April, states the Ports and Shipping Division of the UNRRA Italy Mission. They have broken many port records for tonnage discharged per day from bulk cargo ships. Throughout the whole of its operations, the Division is receiving the closest co-operation from the Ministry of Marine—and downwards, to the labourers unloading the ships at the ports.

During April, a total of 148 ships arrived at Italian ports, with UNRRA and Italian Government cargoes. Of these 95 discharged 791,927 tons of coal (including coal imported from Sardinia), and 53 discharged 198,614 tons of grain as well as 155,520 tons of general cargo. A total of 1,146,061 tons of cargo was discharged at Italian civil ports during the month. No fewer than 111 ships from overseas carried UNRRA cargoes.

Improvement in Smaller Ports

Last month's big improvement was chiefly in the smaller ports, where, in spite of limited facilities, very high daily rates of discharge were established. A survey of 12 of these smaller ports showed that no fewer than 11 increased their average, in some cases by as much as 60 per cent., compared with January and February. Ports discharging by mechanical equipment also improved. At Savona, according to unofficial records, 9,300 tons of coal were discharged in 22 hours.

Of the other ports, Bari increased its average daily discharge rate for coal from 1,170 tons in February to 1,429 tons in March and to no less than 1,856 tons in April. One coal ship of 8,089 tons was discharged in four days—an all-time record for the port. The month was 2,409 tons of coal, which is a port record, both pre-war and post-war.

Brindisi established a port record of 2,000 tons of coal unloaded in 24 hours, and discharged one shipload of 6,323 tons of general cargo in less than four-and-a-half days. Taranto, another port to break records, with 2,016 tons of coal cleared in 24 hours, increased its average discharge rate from 900 tons to 1,400 tons a day. Ships arriving at Ancona during April were cleared at almost double the average rate maintained during March. Ancona, too, achieved an all-time record for one day's discharge of wheat. Other ports which during April broke all previous records for the discharge of coal, or wheat, were Messina, Reggio di Calabria, Catania, Palermo, Piombino and Torre Annunziata. The April discharge rate at Civitavecchia improved considerably, compared with March. Throughout the month not a single hour of demurrage was lost at this port.

Survey of Requirements

The UNRRA Ports and Shipping Division is now aiding the Italian Government in a survey of port requirements with a view to re-equipment from army surplus. UNRRA is not providing the funds for the purchase of this equipment, but is assisting in locating and procuring it. Thanks to the liaison now established by UNRRA between the army surplus disposal authorities and the Italian Ministry of Marine, a 72-ton crane and a 30-ton crane have recently been installed at Leghorn, where, for the first time since the War, civilian facilities are now available for loading blocks of marble.

Good Prices

Tugs, barges, stevedore gear and port equipment of every sort are now being procured at very good prices. UNRRA has been instrumental, too, in arranging the transfer of skilled personnel to operate the new equipment procured. Rome itself has recently benefited. Wheat and coal are now being delivered by water to the river port of San Paolo on the southern outskirts of the city, following the procurement of additional shallow-draft tugs and barges to operate between San Paolo and

Declassified E.O. 12356 Section 3.3/NND No. 785001

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Declassified E.O. 12356 Section 3.3/NND No. 785021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(APRIL 29 - 5 MAY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Skogness	Naples	29 April	UNRRA	Fish	2,226
Rolf Jarl	"	" "	"	General	—
Noesaniwi	Naples - Genoa	" "	"	Copper	1,400
Samtana	Genoa	30 "	"	Food (cases)	393
Lawton Evans	"	" "	Commercial	Cotton	6,480
Peter Desmet	"	1 May	It. Govt.	Flour	7,921
Solon Turman	"	" "	UNRRA & Comm'l.	Cotton (bales)	5,100
John Clarke	"	" "	UNRRA	Rye	8,411
Elisabeth Blackwell	"	2 "	It. Govt.	General	6,744
Bragerness	Leghorn	" "	UNRRA	Fish	2,372
Del Ouro	Civitavecchia	4 "	" "	General	5,120
Henry Middleton	Messina - Reggio Cal. *	5 "	" "	Wheat	8,229

** Arrived at first-named port on the date shown: discharging at the second port later*

LATEST COAL SHIPMENTS

(APRIL 28 - 5 MAY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT
Joseph MacKenna	Catania / Messina	28 April / 3 May	UNRRA	Stanridge	Venice	30 April	UNRRA
				Ina Coolbrith	Savona *	" "	"
Eldbridge Gerry	Palermo	29 April	"	Edwin Meredith	T. Annunziata	1 May	"
Amy Lowell	Ancona	30 "	"	George Davidson	Bagnoli / T. Annunziata	" " / 3 "	" "
Woodrow Wilson	Venice	" "	"				
Fort Frobisher	"	" "	Brit. Army	Emily Berliner	Genoa	" "	"
Francis Smith	Genoa	" "	UNRRA	Mary A. Livermore	Bagnoli	" "	"
Edward Bellamy	"	" "	"	Susan Colly	Genoa *	5 "	"

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Francis Smith	Genoa	" "	UNRRA	Mary A. Livermore	Bagnoli	" "	"
Edward Bellamy	"	" "	"	Susan Colly	Genoa	5 "	"
				John Drake	Venice	" "	"

* *Arrived Savona instead of Genoa.*

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May 3, 1946

Vol. I, No. 16

ECONOMIC NOTES

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

CONTENTS

1. Italy's Task in the Food Crisis
2. Future Coal Supplies
3. Afforestation Program
4. Movements of Ships

ITALY'S TASK IN THE FOOD CRISIS

May will be a month of battle for food, and in that battle Italy herself will play a major part. Maintenance of the bread ration depends very largely upon the success of the supplementary amassing campaign announced by the Government at the end of last week.

The present grain situation, taking into account UNRRA shipments during March and April and the actual amassing of indigenous grain achieved last month, is as follows:—

	Tons
April	
Actual stocks of bread cereals at 1 April	220,000
Estimated arrivals during April	177,000
Amassing of indigenous grain during April	7,000
Total estimated stocks available during April	404,000
Estimated monthly consumption (bread and pasta)	273,000
May	
Estimated stocks of bread cereals at 1 May	131,000
Estimated arrivals during May	190,000
Total estimated stocks available during May	321,000
Estimated monthly consumption (bread and pasta)	273,000
June	
Estimated stocks of bread cereals at 1 June	48,000

per person per month. But it does not include any estimate of the quantity of grain to be collected through the Government's emergency amassing campaign, the target figure for which should—in the opinion of the UNRRA Italy Mission—be not less than 150,000 tons.

Even if this target is achieved, there will—without heavy imports of grain—still be insufficient to meet the normal monthly ration in June, or the working margin, which is essential if the ration is to be maintained. It is assumed that Italy may safely rely upon substantial imports arriving during June, but at the present moment no figures are available of what shipments can be expected, since the allocations for May loadings have not yet been decided. UNRRA has, in fact, submitted a bid of 250,000 tons for Italy. A further factor which will relieve the situation in June will be the early amassing of grain in Sicily, where the harvest is due to begin towards the end of this month.

Ration Saved By "Good Team Work"

The necessity for a reduction in the bread ration has been averted, for the time at least, by very good team work," said Mr. S. M. Keeny, Chief of the UNRRA Italy Mission in a statement on the food situation in Rome last week. "We are very grateful to the United Kingdom for having released grain from its own stock-pile, and to Mr. La Guardia for his energetic action in getting ships diverted on the high seas."

The importance of these diversions should

Declassified E.O. 12356 Section 3.3/NND No. 787501

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June	
Estimated stocks of bread cereals at 1 June	48,000

This analysis is based on the assumption that the bread ration will remain at its present figure of 200 grams (approximately 7 oz.) per person per day and that the pasta ration will continue at 300 grams (approximately 18 oz.) per person per month. But it does not include any estimate of the quantity of grain to be collected through the Government's emergency amassing campaign, the target figure for which should—in the opinion of the UNRRA Italy Mission—be not less than 150,000 tons.

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The importance of these diversions should not, however, be over-estimated. Up till last Saturday, no more than two ships, carrying a total of 16,000 tons of grain had, in fact, been diverted. The bread ration was *not* saved by diversions, valuable though the extra shipments

158

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Declassified E.O. 12356 Section 3.3/NND No. 785001

will be. The most significant element in the import situation, as shown by the estimates of arrivals during April and May, is that UNRRA's program of sailings from the United States and Argentina is being maintained better than was at one time anticipated.

Imports are, however, only one factor. The other factor—and one which from now onwards will be of fundamental importance—is the action to be taken by Italy herself. "The writing of a headline, that the ration need not be cut, does not mean that the battle is won," states Mr. Keeny. "The battle is just beginning. The battle must be fought in Italy—and the battle is to make real the Government's supplementary amassing program. Success in holding the bread ration at its present level rests squarely on the co-operation of the Italian people. If they play their part, the plan will succeed.

"The triumph will be a double one: The ration will be assured for the month of May; and the rest of the world will know that Italy is able and willing to do her share. There is great good-will towards Italy in the world at large, and great efforts are being made to help her; but Italy must show that she is able to discipline herself."

Up-to-date figures of the Government's amassing campaign will be given weekly in *Economic Notes*. These figures will, so far as possible, indicate the progress of the campaign, both in Italy as a whole and also in the different regions. If during the next few weeks an additional five per cent. of last year's crop could be brought into the people's granaries, Italy would have approximately 200,000 tons more grain in June.

It will be the responsibility of each province to collect its own quota, and those provinces which *fail* to amass the quota prescribed may find themselves forced to introduce a local reduction in the ration. The issue of instructions to the provinces is the sole responsibility of the Italian Government—not of UNRRA. On the other hand, UNRRA is concerned that the Government's program should be carried out, and that leakages should be stopped at provincial, and lower, levels. In particular UNRRA is gravely concerned over the large amount of grain that is lost in distribution and expended on over-issues in certain provinces.

FUTURE COAL SUPPLIES

Settlement of the coal stoppage in the United States will not relieve immediately the present coal shortage in Italy, since there must be a delay of at least six weeks between the return of the miners to the pits and the arrival of coal shipments at Italian ports. If shipments are not re-started before the middle of this month, there is danger of a coal famine early in July when present stocks will be practically exhausted. "Unless the flow of coal is maintained, basic transport, industrial activity and Italy's program of economic rehabilitation will grind to a halt in two months, with widespread unemployment, and further suffering for the Italian people," states Mr. Keeny in a warning issued a few days ago.

All through April, more United States coal ships—rather than fewer—were arriving in Italy, although the mines stopped work on 1 April. Reference to the "Movements of Ships" table on page 4 of this issue will show that coal is still coming into the country. Further cargoes are on their way.

But the significant fact is that loadings in the United States were brought to a standstill some little while ago; and this must inevitably cause a break in the flow of supplies. Of the 1,000,000 tons shipped by UNRRA during March and the early part of April in anticipation of the crisis, approximately 650,000 tons remain. This, at the present severely restricted rate of consumption, will be sufficient for May and June; but by 30 June stocks will have fallen to about 50,000 tons—unless shipments have by then been resumed.

Stern Conservation Measures

"The Italian people have accommodated themselves to stern coal conservation measures," says Mr. Keeny. "It is now up to the coal supplying areas to help to avoid a breakdown of Italy's economic life."

Since the middle of March, coal imports and domestic production have been carefully stock-piled and rigidly allocated by a Coal Emergency Committee, consisting of representatives of the Ministry of Transport, the Ministry of Industry and Commerce, the UNRRA Italy Mission and representatives of

Declassified E.O. 12356 Section 3.3/NND No. 763021

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Declassified E.O. 12356 Section 3.3/NND No. 745021

increasing output to nearly 100,000 tons a month.

Coal has been allocated to a preferential list of consumers, consisting of the railways, gas works, bakeries producing rationed bread, cokeries, electric power plants, shipping, hospitals and drainage and sewage plants. Sugar and tomato processing factories have received special allocations. All other industrial users have been allotted severely limited supplies, according to their national importance and according also to the employment they provide.

Even consumers on the preferential list have had their coal allotments substantially reduced from those in effect prior to the emergency. Railway supplies were reduced by 20 per cent. in April and a similar reduction has been ordered for May. Since the beginning of April, more than 100 passenger trains have been withdrawn. The April-May allotment to the gas-works has been reduced to 45 per cent. of their coal consumption in 1939. Supplies for the cokeries have been strictly controlled.

Coal For Pasta Factories

Coal consumption by food processing plants has on the average been reduced by 40 per cent. Particular emphasis has been placed on keeping pasta and cheese factories in production. For other essential industries, the fuel reductions ordered in April and May range from 10 to 65 per cent.

Many hospitals, bakeries and other coal consumers have been ordered to convert to wood and lignite wherever possible. Extensive briquetting experiments have been conducted, in order to make the greatest possible use of inferior coals. Some industrial plants are converting to fuel oil, but present possibilities in this direction are limited.

According to estimates of the Italian Government, coal requirements to maintain essential services, operate transport and restore industry were put at 2,270,000 long tons for the first quarter of the year. Actual imports under the UNRRA, FEA and Military programs to meet those requirement totalled no more than 1,284,200 long tons, while Italy was able herself to produce only 219,000 tons of Sardinian coal. The gap between need and

AFFORESTATION PROGRAM

Assistance is being given by UNRRA to the Italian Government in its plans for the rehabilitation of the country's forests. Emphasis is laid by the Italy Mission upon the restoration of nurseries as a basis for an intensive afforestation program, beginning in 1948. As an initial step UNRRA is importing a small quantity of forest seed for the nurseries and is requesting considerably more. The seed is chiefly Douglas fir which is particularly suited to the Italian soil and climate. Douglas fir growth in Italy compares very favourably with growth in the United States.

Cypress, Eastern white pine and lodgepole pine are also in the program. Cypress is intended primarily for water control, lodgepole pine for telephone poles and similar uses, Douglas fir and Eastern white pine for timber, and for industrial uses. The world supply of forest seed is short, however, since many other war-damaged countries have similar afforestation programs, and it may not be possible to secure all the seed for which UNRRA has provided funds.

Under the Italian Government's long-range afforestation program, it is proposed to plant before the end of this year about 20,000 acres in timber, half of which will be in Northern Italy. Most of the new stock will be conifers—pines, firs, larch and spruce—with some locust and other species primarily intended for the control of soil erosion.

UNRRA Timber Imports

To meet Italy's immediate timber needs UNRRA has allocated in the program for the first six months of this year 1,500,000 dollars (£375,000 sterling) for the importation of 20,000 metric tons of timber. These imports will consist chiefly of pitch pine, oak, larch and other species not available in Italy, for use in the production of rail-cars and in shipbuilding, as part of UNRRA's plan to help Italian transport and industry.

Prior to the war, Italy provided about 60 per cent of its own timber requirements from

Declassified E.O. 12356 Section 3.3/NND No. 785021

pitals and drainage and sewage plants. Sugar and tomato processing factories have received special allocations. All other industrial users have been allotted severely limited supplies, according to their national importance and according also to the employment they provide.

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Prior to the war, Italy provided about 60 per cent of its own timber requirements from indigenous sources. This was supplemented by imports from Norway, Sweden, Yugoslavia and Austria. Heavy demands for war-damage repairs are resulting in serious depletion of timber reserves.

Declassified E.O. 12356 Section 3.3/NND No. 785081

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(APRIL 22 - 28 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Thomas Walsh	Genoa	22 April	UNRRA	Wheat	8,500
Ulisse	Piombino	" "	It. Govt.	Phosphates	3,550
Twin Falls Victory	Naples	" "	" "	Nitrates	9,000
Terre Haute Victory	Genoa	23 "	" "	General	5,197
Hilton R. Helper	Messina	" "	UNRRA	Wheat	8,270
Drury Victory	Genoa	24 "	It. Govt.	Nitrates	8,750
Royal S. Copeland	Civitavecchia	25 "	UNRRA	Wheat	8,304
Del Rio	Leghorn	" "	"	General	5,972
Sarpfoss	Genoa - Naples	" "	"	Fish	400
John Murray Forbes	Genoa	" "	"	Wheat	8,063
Gaspesian Park	"	" "	"	General	3,217
Sand-Vicken	"	26 "	"	Sugar and Corn	1,783
Foreland	Naples - Genoa	" "	"	Medical Supplies	—
John T. McMillan	Genoa	27 "	"	General	5,388
Coulgurn	"	" "	Commercial	Cotton and Wool	2,084
Bates Victory	"	" "	It. Govt.	Cotton	3,038
John Robin	Naples	28 "	UNRRA	Copper	4,527
				General	7,310

* *Arrived at first-named port on the date shown: discharging at the second port later*

LATEST COAL SHIPMENTS

(APRIL 21 - 28 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT
Robert Lansing	Taranto	21 April	UNRRA	Ina Coolbrith	Genoa	24 April	UNRRA
Mary Pickersgill	Leghorn	" "	"	William J. Brian	Catania	" "	"
Samuel French	Palermo	" "	"	Josephine Lowell	Genoa	25 "	"
William Hawkins	Genoa	22 "	"	Anthony Ravalli	Venice	" "	"
Ralph Barnes	"	" "	"	Florence Critterton	Savona	26 "	"
Freemont Older	Savona	" "	"	George Bellows	Venice	" "	"
Rhoda Seam	"	" "	"	William Watson	"	" "	"
Samuel Aske	Genoa	23 "	"	Amy Lowell	"	" "	"
Admiral Hudson	"	" "	"	Elihu Root	Savona	27 "	"
Francis Newlands	Naples	" "	"	Edwin Meredith	Bagnoli	" "	"
	T. Annunziata	24 "	"	Frank Evers	Savona	" "	"
Robert Randall	Venice	23 "	"	Ole Bull	Genoa	" "	"
	Ancona	26 "	"	John Brackenridge	"	28 "	"

0741
Declassified E.O. 12356 Sec. 3.3/NND No. 785021

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John Robin	Naples	28 "	UNRRA	General	7,340

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Ralph Barnes	"	" "	"	Florence Critterton	Savona	26 "	"
Freemont Older	Savona	" "	"	George Bellows	Venice	" "	"
Rhoda Seam	"	" "	"	William Watson	"	" "	"
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Admiral Hudson	"	" "	"	Elihu Root	Savona	27 "	"
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Robert Randall	Venice	23 "	"	Ole Bull	Genoa	" "	"
	Ancona	26 "	"	John Brackenridge	"	28 "	"
John Vining	Bagnoli	24 "	"	Charles Russell	Venice	" "	"
	Naples	27 "	"	Russel Sage	Piombino	" "	"

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Declassified E.O. 12356 Section 3.3/NND No. 785021

April 26, 1946

Vol. I, No. 15

ECONOMIC NOTES

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

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1. Good outlook for the new harvest
2. Bread or circuses
3. New UNRRA budget
4. Movements of Ships

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According to present estimates, the wheat harvest will yield approximately 5,700,000 tons—an improvement of 35 per cent. on last year's disastrously low figure of 4,200,000 tons. Corn (maize) production is estimated at nearly 2,200,000 tons—a 55 per cent. improvement on last year. Rice, for which this year's crop estimate is a little under 500,000 tons, shows the lowest percentage improvement of any major crop, compared with a year ago. Lack of fertilisers is one of the main reasons for the rice situation.

More Potatoes and Sugar

Rye and barley estimates both indicate increased crop production this year; while the estimate for oats—500,000 tons—is double the actual production in 1945. It is hoped to 2,225,000 tons—sufficient to manufacture approximately 244,750 tons of refined sugar.

While these estimates give every reason to hope that Italy will in 1946-47 provide far more of her own food than she has been able to do in 1945-46, crop estimates this year are still roughly no more than about two-thirds of the average production before the war. The wheat harvest, even with the big improvement hoped for this year, will be very nearly 2,000,000 tons below the average for the three years 1936-37-38. Corn will be 1,000,000 tons short, rice nearly 300,000 tons. Potatoes will be one of the few major food crops this year in which production approximates closely to the pre-war average.

World Food Warnings

Italy will, in consequence, have to import next year an abnormally large proportion of her food supplies, particularly bread grains; and there have already been many warnings that the world food situation during the winter and the early spring months of 1946-47 may be at least as critical as it is this year. The Far Eastern situation in particular is exceptionally grave—and will continue to be so. The rains have come too late to avert the threat of famine in vast areas of India. Extreme famine already exists in many provinces of China, and now threatens Japan.

Declassified E.O. 12356 Section 3.3/NND No. 757031

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Rye and barley estimates both indicate increased crop production this year; while the estimate for oats—500,000 tons—is double the actual production in 1945. It is hoped to harvest nearly 3,000,000 tons of potatoes, against last year's crop of little more than half that amount. According to present estimates, the sugar-beet harvest will be four-and-a-half times last year's crop. Production is put at 2,225,000 tons—sufficient to manufacture approximately 244,750 tons of refined sugar.

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Italy is faced, therefore, with the imperative need to husband her own resources, if she is to carry on successfully until next year's harvest. And it must be emphasised that UNRRA aid, on which Italy at present so

0744
Declassified E.O. 12356 Section 3.3/NND No. 745031
1217 158

heavily depends, is scheduled to cease by the end of this year.

The Government has promised an amassing program that will assure economic prices to the farmers. The need for a more effective system of amassing this season than was in operation last year is clearly indicated by the latest analysis of the 1945-46 wheat amassing program, prepared by the Sub-Bureau of Relief Supplies of the UNRRA Italy Mission.

Taking the country as a whole, no more than 65 per cent. of the estimated total available for non-producers was, in fact, collected. Furthermore, the percentage of collections showed enormous variations in different parts of the country. In general, the North had a far better record than the rest of Italy. In the country's three most important wheat growing regions, Emilia, Veneto and Lombardy collections were 80 per cent., or even higher. In Central and Southern Italy, Marche achieved the highest percentage of any region in the country, save only Venezia Giulia, where collections actually exceeded expectations. Tuscany and Umbria were well above the average for the country.

Amassing Below 50 per Cent

On the other hand, in such important regions as Abbruzzi and Molise, Lazio and Puglie, the percentage of collections was in every case below 50 per cent. Collections were least effective in Sicily, where of the 141,000 tons estimated to be available no more than 24,000 tons were actually brought in. Had Sicily achieved a quota equal to the percentages of Emilia and Marche, the anxieties on the island during these last few weeks would largely have been relieved.

Production of olive oil during the year 1946-47, is estimated to reach 171,000 tons—an improvement of 78 per cent. on last year's output, but still 32 per cent. below the pre-war average. A factor of first importance in any estimate of Italy's position in regard to fats and edible oils is this year's substantial improvement in forage production, compared with the unhappy situation last year when, owing to the drought, large numbers of stock had to be killed. The total number of avail-

BREAD OR CIRCUSES

Irresponsible campaigning by private motorists in Italy to secure the "freedom of the automobile" through the abolition of the present system of circulation permits for passenger cars has provoked most unfavourable reactions both at UNRRA Headquarters in Washington and among UNRRA officials in Rome. In a letter last week to the Minister of Industry and Commerce, Prof. G. Gronchi, the Chief of the UNRRA Italy Mission, Mr. S. M. Keeny, stated: "I am confident that you share my sense of stupefaction at the recent demonstration staged by a group connected with the R.A.C.I., having the avowed purpose of forcing the abolition of the circulation permits."

Waste of Fuel

Did the organisers of that demonstration know that the gasoline they were wasting was the same as is at present being supplied to Italy to assist in her rehabilitation, Mr. Keeny asked. "In view," he added, "of the necessity of including in the UNRRA program large amounts of foodstuffs, coal, fuel oil, diesel oil and kerosene for agriculture, and other materials essential to the Italian economy, it is unthinkable that gasoline should be supplied in quantities which would permit complete 'freedom of the automobile' for pleasure-driving and other non-essential uses. I am sure that the Italian people would not wish to have gasoline for non-essential purposes placed ahead of wheat, coal and other essential Italian imports."

UNRRA Supplies

Since the beginning of February UNRRA has assumed responsibility for Italy's civilian petroleum supplies. These supplies, estimated to cost more than 18,000,000 dollars (£4,500,000 sterling) during the first six months of 1946, are a charge upon the UNRRA budget for the present Italian relief and rehabilitation program. Like other supplies imported into Italy under that program, they are delivered free of charge to the Italian

Declassified E.O. 12356 Section 3.3/NND No. 745021

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(Continued on page 4)

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Declassified E.O. 12356 Section 3.3/NND No. 749021

As has already been emphasised in *Economic Notes*, the world supply situation in regard to petroleum products is still critical, and there is still urgent need to restrict allocations to those activities that are directed towards Italy's national recovery. Not only is it a question of the proper expenditure of available UNRRA funds, but also of the proper allocation of available supplies.

No Margin for «Joy Riding»

UNRRA would welcome a lightening of restrictions on all forms of road transportation —when Italy is able on her own account to secure funds for the purchase of additional petroleum imports. But while these imports are financed from the limited funds available to UNRRA for the entire Italian relief and rehabilitation program, and while the needs of Italian agriculture and fisheries are likely to increase, no margin exists for the so-called "freedom of the automobile."

On behalf of the Italian Government, it has been suggested that the present system of circulation permits is frequently inequitable and that a relaxation of restrictions would create employment in garages and automobile repair shops. The feasibility of abolishing the permits and also the system under which petroleum products are allocated by the Italian Government are now being discussed with the Ministry of Industry and Commerce by Dr. Luzzatto, Director of the Italy Mission Sub-Bureau of Industrial Rehabilitation. But, until some more effective means can be devised of preventing wasteful consumption of petroleum products, the Mission has recommended that any action to eliminate circulation permits should be suspended.

To the complaint that holders of permanent circulation permits enjoy unjustifiable advantages when they use their vehicles for non-essential purposes, UNRRA's reply is that to increase the number of those who could indulge in such non-essential motoring would merely aggravate the situation. UNRRA recommends, on the contrary, a more rigid enforcement of legal restrictions to eliminate "joy-

to give employment to these work-people. UNRRA also questions the desirability of using scarce materials for the repair of motor cars engaged in non-essential business.

The Black Market in petroleum products is a matter of grave concern to the UNRRA Italy Mission; and, in its view, to increase the number of circulation permits at the present moment would increase the number of potential Black Market customers. The Mission has advised the Minister of Industry and Commerce that it considers this Black Market in petroleum products "is largely a result of failure to allocate those products correctly among the various users. Those enterprises that receive an unduly large allocation of petroleum products sell their surpluses through Black Market channels." The Mission is, therefore, closely concerned in the Government's allocation of these UNRRA imported supplies—and in the end-use to which these supplies are put.

NEW UNRRA BUDGET

The UNRRA Italy Mission in collaboration with the Italian Government is now completing its program of relief and rehabilitation for the second half of the year and the Deputy Chief of Mission for Requirements and Distribution, Mr. Harlan Cleveland, will leave by air on Sunday, 28 April, for Washington to submit the program in person to UNRRA Headquarters. While there, he will investigate supply prospects for the next few months and at the same time try to arrive at a firm figure for the budget allocation for Italy during the second half of the year. As stated in *Economic Notes* of April 5, the allocation is at present only tentative.

The general aim of the program from July onwards will be to secure for Italy increased amounts of key commodities, like coal, wheat and raw materials. Many of these were budgeted for in the early part of the year, but were partly unprocurable, owing to shortage of supplies and other difficulties. The Mission is anxious to lay down in Italy between

Declassified E.O. 12356 Section 3.3/NND No. 763021

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The plight of the work-people in automobile repair shops is fully appreciated, but in UNRRA's view it would be inappropriate to provide more gasoline for pleasure motoring,

The Black Market in petroleum products is a matter of grave concern to the UNRRA Italy Mission; and, in its view, to increase the number of circulation permits at the present moment would increase the number of potential Black Market customers. The Mission has advised the Minister of Industry and Commerce that it considers this Black Market in petroleum products "is largely a result of failure to allocate those products correctly among the various users. Those enterprises that receive an unduly large allocation of petroleum products sell their surpluses through Black Market channels." The Mission is, therefore, closely concerned in the Government's allocation of these UNRRA imported supplies—and in the end-use to which these supplies are put.

NEW UNRRA BUDGET

The UNRRA Italy Mission in collaboration with the Italian Government is now completing its program of relief and rehabilitation for the second half of the year and the Deputy Chief of Mission for Requirements and Distribution, Mr. Harlan Cleveland, will leave by air on Sunday, 28 April, for Washington to submit the program in person to UNRRA Headquarters. While there, he will investigate supply prospects for the next few months and at the same time try to arrive at a firm figure for the budget allocation for Italy during the second half of the year. As stated in *Economic Notes* of April 5, the allocation is at present only tentative.

The general aim of the program from July onwards will be to secure for Italy increased amounts of key commodities, like coal, wheat and raw materials. Many of these were budgeted for in the early part of the year, but were partly unprocurable, owing to shortage of supplies and other difficulties. The Mission is anxious to lay down in Italy between July and December a reasonable stock of food and agricultural and industrial supplies, so as to ensure maximum activity during the second half of the year. Mr. Cleveland will be accompanied by Dr. F. Consolo, chief of UNRRA's Program Branch.

Declassified E.O. 12356 Section 3.3/NND No. 740301

GOOD OUTLOOK FOR THE NEW HARVEST

(Continued from page 2)

(2,940,000 kilolitres). To improve milk production, UNRRA plans to import a total of 50,000 tons of oilseed cake, but in view of the present severe world shortage, it may not be possible to achieve this figure.

Apart from cattle, Italy can rely to a substantial degree on dairy produce from sheep and goats, of which it is estimated there will be on 1 July this year some 7,200,000 head and 1,500,000 head respectively. Production of hog fat during 1946-47 is estimated at 75,000 tons.

While the livestock situation is, in general, fair, the future is dependent not only upon adequate pasture forage, but also (as in other countries) on the amount of grain that can be spared for livestock feeding.

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(APRIL 15 - 21 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Edward Grant	Venice	15 April	UNRRA	Wheat	8,223
Thaddeus Kosciuszko	Castellammare	" "	"	"	7,955
Hubert H. Bancroft	Naples	17 "	It. Govt.	General	6,931
Gabes Strong	Venice	20 "	U. S. Army & Com'l.	"	6,737
Coe Victory	Naples	" "	UNRRA	"	4,309
Minot Victory	"	21 "	Commercial	"	6,760
Charles Warfield	Bari	" "	UNRRA	Wheat	8,223

LATEST COAL SHIPMENTS

(APRIL 13 - 21 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT
Harry Wilson	Leghorn	13 April	UNRRA	Horace Mann	Genoa	18 April	UNRRA
Vitus Beering	Piombino	14 "	"	William B. Ayer	Catania	" "	"
Charles Folger	Savona	15 "	"	Beckley Seam	Savona	" "	"
John Ross	Brindisi	16 "	"	J. Trombull	Venice	" "	"
Secundo Ruiz Belvis	Genoa	" "	"	Mary Pickersgill	Genoa	19 "	"
Marrimac Seam	Savona	" "	"	Walter Forward	Catania	" "	"
Richard Randall	Messina	17 "	"	Sam Oland	Venice	" "	Brit. Army
Frank Wiggins	Ancona	" "	"	Seaman A. Knapp	Bari	20 "	UNRRA
William Kamaka	Venice Ancona	" " 19 "	" "	Moses Rogers	Genoa	" "	"
Peter Daniel	Taranto	18 "	"	Macham Syrkir	Savona	" "	"
Robert Lansing	Bari	" "	"	Auson Burlingham	Genoa	" "	"

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Peter Daniel	Taranto	18 "	"	Macham Syrkir	Savona	" "	"
Robert Lansing	Bari	" "	"	Auson Burlingham	Genoa	" "	"
Ocean Faith	Civitav.	" "	Brit. Army	Russel Sage	"	" "	"
John G. Brady	Genoa Piombino	" " 20 "	UNRRA "	Nathaniel Alexander	Civitav.	21 "	"

Declassified E.O. 12356 Section 3.3/NND No. 785021

April 19, 1946

Vol. I, No. 14

ECONOMIC NOTES

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

CONTENTS

1. Italian Railway Progress
2. Record Deliveries in March
3. UNRRA Inter-Mission Trade
4. UNRRA and the Black Market
5. Movements of Ships

ITALIAN RAILWAY PROGRESS

Impressive progress towards normality can be claimed by the Italian State Railways, since the liberation of Northern Italy just under a year ago. To-day 85 per cent. of Italy's total mileage of railway track is once more in service. Freight traffic has increased, the number of passengers carried has steadily risen, and there has been a substantial increase in the number of serviceable locomotives and goods wagons.

Fundamentally this progress continues, in spite of the purely temporary reduction in services imposed by the coal stoppage in the United States. In the vital matter of coal supplies, every effort is being made by the United Nations Relief and Rehabilition Administration to ease the present situation by reopening trade channels with the Ruhr and Silesia, and by personal appeals from Mr. La Guardia himself to the miners of America to maintain the flow of coal supplies.

Coal Imports

Of the 432,000 tons of coal per month allocated for imports into Italy recently, some 125,000 tons have been for the railways. Severe as are the temporary cuts in passenger and goods traffic made necessary by the United States coal stoppage, those cuts are far less drastic than would have been necessary, but for the timely shipping to Italy during March of approximately 50 per cent. more coal than

2,543,762 tons in February. This compares with an average freight traffic of about 4,000,000 tons per month before the war. Huge war losses in goods wagons have still to be replaced. According to figures corrected to 13 April, there were 85,786 serviceable goods wagons of all types, or about 64 per cent. of the total just prior to the Allied landings three years ago. Shortages are, furthermore, uneven. The situation in regard to box cars is particularly difficult. With no more than 2,819 steam and electric locomotives at present available for service, the Italian State Railways are faced with an over-all deficiency of slightly more than 40 per cent., compared with June, 1943.

Train Mileage

Train mileage (both goods and passenger, and including military trains), amounted last December to 3,143,000 miles (5,000,000 kilometres)—approximately 60 per cent. of the average monthly train mileage before the war. April will show a heavy reduction in train mileage compared with December, owing to the curtailment of passenger and goods services recently brought into operation to save coal.

All Italy's main lines are now open to traffic. The 15 per cent. of track still to be restored is limited to lines of secondary importance. But, although open, much of the track is not yet at full operational efficiency.

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The Italian State Railways increased goods traffic from 530,605 tons in May last year to 2,543,762 tons in February. This compares with an average freight traffic of about 4,000,000 tons per month before the war. Huge war losses in goods wagons have still to be replaced. According to figures corrected to 13 April, there were 85,786 serviceable goods wagons of all types, or about 64 per cent. of the total just prior to the Allied landings three years ago. Shortages are, furthermore, uneven. The situation in regard to box cars is particularly difficult. With no more than 2,819 steam and electric locomotives at present available for service, the Italian State Railways are faced with an over-all deficiency of slightly more than 40 per cent., compared with June, 1943.

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All Italy's main lines are now open to traffic. The 15 per cent. of track still to be restored is limited to lines of secondary importance. But, although open, much of the track is not yet at full operational efficiency. Much of the reconstruction is either frankly temporary or only semi-permanent, and this in itself will make travel slow for some time to come. The emergency bridges put up to

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replace those destroyed during the war are not designed to carry heavy trains at express speeds.

Wartime destruction is still an important limiting factor. In all 1,142 masonary bridges were damaged or destroyed, of which a total of 216 had been permanently reconstructed and 631 temporarily repaired by August, 1945. Of the 698 iron or steel bridges damaged or destroyed, 101 had at the same date been permanently reconstructed and 292 temporarily repaired.

Reconstruction Program

To make good present deficiencies of rolling stock, the Italian State Railways have since the beginning of the year been turning out from their workshops an average of 117 new and repaired wagons per week. In view of Italy's own industrial resources it is not UNRRA's policy to import either locomotives or rolling stock into the country. UNRRA's contribution to railway reconstruction continues to be the importation of fuel, and essential raw materials for the production of railway equipment, including such items as steel, and copper of which the railways are in particular need owing to heavy German looting of Italian electrical railway equipment. According to the most recent revision of the UNRRA program for industrial rehabilitation, it is planned to allocate funds to the purchase, if available, of 15,000 tons of new steel rails and 10,000 tons of used steel rails.

UNRRA'S Function

UNRRA's function in relation to Italian railway administration is to advise and assist. In view of the present state of the railway system and the urgent need for rapid distribution of UNRRA supplies, rail clearance at the ports is a matter of immediate concern to the UNRRA Italy Mission. Traffic disabilities demand a careful balance between rail clearance and port acceptances of shipping.

RECORD DELIVERIES IN MARCH

March was a month of records both in the international sphere of UNRRA activities and in Italy itself. Civil supplies imported into Italy during the month totalled 840,000 tons—the highest figure achieved since the liberation of the country. UNRRA supplies totalled 694,000 tons—which was also a record figure. The remaining 146,000 tons were F.E.A. and Italian Government imports. In one week, 10-17 March, 37 ships arrived carrying more than 300,000 tons. At the end of the month an additional 400,000 tons of UNRRA supplies were at sea, bound for Italy.

Coal arrivals during March were the highest recorded since the Armistice. From all sources 600,000 tons were received. More coal was produced also in Sardinia where the month's output totalled 88,000 tons, compared with about 73,000 tons in February. March 31 output, of 3,825 tons, was the highest daily production figure recorded for over two years.

Coal Reserves

As already reported in last week's issue of *Economic Notes*, March loadings of coal for Italy (as distinct from March deliveries) reached a new record of 648,000 tons. But, owing to the stoppage in the United States, coal is being reserved from current shipments for later use by the railways, power plants, bakeries and other essential undertakings. On the other hand, the electric power situation has so far improved that rationing in the North has been lifted this month.

In the international field, UNRRA shipments to liberated areas during March were the highest in the history of the Administration. These shipments, totalling 1,326,200 gross long tons—the equivalent of more than seven ship cargoes a day—were as follows:—

	Tons
Albania	2,300
Austria	14,400
Byelorussian SSR	11,800
China	115,000
Czechoslovakia	77,000
Dodecanese Islands	1,900
Finland	1,200
Greece	99,000
Italy	856,700

Declassified E.O. 12356 Section 3.3/NND No. 745021

limiting factor. In all 4,142 masonary bridges were damaged or destroyed, of which a total of 246 had been permanently reconstructed and 631 temporarily repaired by August, 1945. Of the 698 iron or steel bridges damaged or destroyed, 101 had at the same date been permanently reconstructed and 292 temporarily repaired.

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Continued on page 3

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China	115,000
Czechoslovakia	77,000
Dodecanese Islands	1,900
Finland	1,200
Greece	99,000
Italy	856,700
Poland	102,200
Ukranian SSR	25,100
Yugoslavia	127,300
Other operations	2,300

Declassified E.O. 12356 Section 3.3/NND No. 759021

Supplies other than food, particularly coal, accounted for a large proportion of the tonnage. Food shipments, including bread grains, oils and fats fell far below minimum needs. Prior to January this year, food made up more than 70 per cent. of UNRRA cargoes. In February only about 16 per cent. of the shipments were foodstuffs and this reduced ratio of foods to other commodities was also reflected in the figures for March. "A ton of food is infinitesimal when millions are to be fed," states UNRRA's Director-General, Mr. Fiorello H. La Guardia. "We were about 41 per cent. short on food shipments during March. This shortage during the months of January, February and March has created a dangerously critical food situation in all countries dependent on UNRRA."

UNRRA INTER-MISSION TRADE

Assistance in the negotiation of trade deals between Italy and Czechoslovakia and Yugoslavia is being given by the UNRRA Italy Mission and the UNRRA Missions in Prague and Belgrade. Czechoslovakia plans to buy salt, lemons and sulphur. Jugoslavia requires sulphur. The quantities and terms of payment are not yet fixed. These transactions are comparatively small, both in regard to the quantities involved and the value they represent. While they are useful, their importance should not be exaggerated.

Facilities Are Limited

Since the first information concerning inter-Mission trade was published in *Economic Notes* of 1 March, there has been, in some quarters, an impression that UNRRA could handle an unlimited number of foreign transactions in a very wide range of commodities. This is not the case. It must be repeated that UNRRA exists as a relief and rehabilitation, and not as a trading, organisation. UNRRA facilities are made available only as an emergency measure where—and only where—

specialised instances: and when such an occasion does arise all arrangements are made by the Government. Offers by exporters should, therefore, be made to the Italian Government —and not to UNRRA.

Payment Problems

Payment presents considerable difficulty. Various methods have been adopted in different transactions. Of greatest advantage to the Italian Government is a deal in which payment is made in free exchange. Another method is direct barter. A further means of payment is for the credit established by sales abroad to be added to the UNRRA supply budget for Italy. Up to the present the Italy Mission has experienced difficulty in arranging payment, except in free foreign exchange, and occasionally by barter. Policy in regard to budget credits has not yet been finally decided, and supplies of free exchange available for inter-Mission deals are strictly limited.

UNRRA AND THE BLACK MARKET

In view of the continued publicity given to unfounded reports of an UNRRA "threat" to the Italian Government in regard to the Black Market, the following official denial is re-published:—

The UNRRA Italy Mission denies the inaccurate statement, published in a number of newspapers, that it has informed the Italian Government that it will be compelled to suspend delivery of relief supplies if action is not taken against the Black Market.

ITALIAN RAILWAY PROGRESS

(Continued from page 2)

ports reached record figures. Port clearances are steadily improving. At one northern port,

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Declassified E.O. 12356 Section 3.3/NND No. 740001

February only about 16 per cent. of the shipments were foodstuffs and this reduced ratio of foods to other commodities was also reflected in the figures for March. "A ton of food is infinitesimal when millions are to be fed," states UNRRA's Director-General, Mr. Fiorello H. La Guardia. "We were about 41 per cent. short on food shipments during March. This shortage during the months of January, February and March has created a dangerously critical food situation in all countries dependent on UNRRA."

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UNRRA is not responsible for exporting goods from Italy, except in a relatively few

Payment Problems

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ITALIAN RAILWAY PROGRESS

(Continued from page 2)

ports reached record figures. Port clearances are steadily improving. At one northern port, capable normally of a daily clearance of 8,000 tons, the railways have, thanks to efficient handling, moved on occasion as much as 13,000 tons in a single day.

Declassified E.O. 12356 Section 3.3/NND No. 763021

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(APRIL 8 - 14 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
G. L. Stone	Civitavecchia	8 April	UNRRA	General	6,563
Walter Flemming	Venice	" "	It. Govt.	"	7,749
Alfred Victory	Naples	10 "	UNRRA	"	6,482
Thomas Nelson	"	" "	"	Wheat	7,166
D. Houston	Venice	" "	"	"	8,545
James Barbour	Bari	12 "	It. Govt.	"	7,808
Dodekanisos	Genoa	13 "	UNRRA	"	8,223

LATEST COAL SHIPMENTS

(APRIL 7 - 14 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT
Jeremiah Rusk	Genoa	7 April	UNRRA	Jack London	Palermo	10 April	UNRRA
Clarence Darrow	Venice	" "	"	Richard Randall	Catania	11 "	"
William Ashling	"	8 "	"	Dolly Madison	Savona	" "	"
Raymond Ingersoll	Piombino	" "	"	Vitus Beering	Genoa	12 "	"
John Todd	Genoa	" "	"	Walt Whitman	"	13 "	"
Beltram Goodhue	Savona	9 "	"	Edwin Stanton	Savona	" "	"
Morgan Robertson	"	" "	"	Benjamin Rush	Bagnoli	" "	"
Harry Wilson	Genoa	" "	"	Peter Daniel	Bari	" "	"
P. S. Farrar	Leghorn	" "	"	Luther Kelly	Civitav.	" "	"
Roy Johnson	Ancona	" "	"	William Kamaka	Cagliari	14 "	"
Albert Nicholson	Bari	" "	"	Frank Wiggins	Venice	" "	"

Declassified E.O. 12356 Section 3.3/NND No. 757 071

(APRIL 8 - 14 INCLUSIVE)

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Thomas Nelson	"	" "	"	Wheat	7,166
D. Houston	Venice	" "	"	"	8,545
James Barbour	Bari	12 "	It. Govt.	"	7,808
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Raymond Ingersoll	Piombino	" "	"	Vitus Beering	Genoa	12 "	"
John Todd	Genoa	" "	"	Walt Whitman	"	13 "	"
Beltram Goodhue	Savona	9 "	"	Edwin Stanton	Savona	" "	"
Morgan Robertson	"	" "	"	Benjamin Rush	Bagnoli	" "	"
Harry Wilson	Genoa	" "	"	Peter Daniel	Bari	" "	"
P. S. Farrar	Leghorn	" "	"	Luther Kelly	Civitav.	" "	"
Roy Johnson	Ancona	" "	"	William Kamaka	Cagliari	14 "	"
Albert Nicholson	Bari	" "	"	Frank Wiggins	Venice	" "	"
Charles Sumner	Genoa	" "	"	Printz Campbell	"	" "	"
Anson Jones	Bagnoli	" "	"				

Declassified E.O. 12356 Section 3.3/NND No. 765021

12 Aprile 1946

Vol. I, N. 13

NOTE ECONOMICHE

PUBBLICATE DALL'UFFICIO STAMPA DELL'UNRRA IN ITALIA, VIA DI SAN NICOLA DA TOLENTINO 78, ROMA

SOMMARIO

1. Prospettive alimentari in Italia
2. Necessità di disciplinamento
3. Consegna dei carichi dell'UNRRA
4. Il razionamento della benzina
5. Movimento Navi

PROSPETTIVE ALIMENTARI IN ITALIA

Un bilancio preventivo circa la situazione alimentare italiana nel secondo trimestre 1946 è stato sottoposto in questa settimana al Capo della Missione Italiana in Italia dal Col. W. J. Legg, Direttore della Sottosezione dei Rifornimenti Assistenziali. Il Col. Legg, tornato ora a Roma da Washington dove egli si era recato alcune settimane fa allo scopo di studiare la situazione futura nel campo alimentare e di riferire sulle necessità dell'Italia, è latore di un messaggio speciale indirizzato al Governo ed al popolo italiano da parte di Fiorello La Guardia.

« Ho assunto ora la carica di Direttore Generale dell'Amministrazione delle Nazioni Unite per l'Assistenza e la Ricostruzione » dichiara il Signor La Guardia. « Non posso compiere miracoli, ma mi sono messo subito al lavoro. Ovunque si trovino derrate alimentari, io le procurerò, e se questo mi viene impedito, farò sapere a tutti il perchè ».

Il problema della saldatura

I provvedimenti di carattere eccezionale che sono ora in corso di attuazione negli S.U. ed altrove allo scopo di procurare quantitativi addizionali di cereali non potranno — secondo il parere dell'UNRRA — modificare la situazione granaria in Italia se non verso i primi di giugno. I rifornimenti di grano all'Italia tonnellaggi di zucchero (i primi che l'Italia abbia avuto quest'anno), di grassi, di carni, di pesce e di legumi.

Per mantenere l'attuale razione occorrerebbe un minimo di 250.000 tonnellate di grano mensili. Come fu riferito a suo tempo nelle *Note Economiche*, per ogni 1.000 tonnellate di minore disponibilità rispetto al totale suddetto, si prospetta l'eventualità di dover ridurre di un grammo al giorno la razione individuale di pane. Anzichè continuare con l'attuale sistema, vivendo cioè « alla giornata », mentre le scorte si vanno sempre più assottigliando, e piuttosto che correre l'alea di gravi deficienze locali provocate da una irregolare ripartizione all'interno del paese, sarebbe preferibile — così ritiene l'UNRRA — di ridurre la razione di cereali per il breve periodo della saldatura, compensando tale riduzione fin dove è possibile, con i quantitativi addizionali di derrate alimentari assicurati nel corso del soggiorno a Washington del Col. Legg. Questa riduzione viene suggerita unicamente come misura provvisoria di carattere eccezionale destinata a far superare al paese il prossimo periodo di poche settimane.

Grassi e Zucchero

Data la situazione deficitaria mondiale, i quantitativi di grassi ottenuti per far fronte al fabbisogno italiano nel secondo trimestre 1946

Declassified E.O. 12356 Section 3.3/NND No. 758021

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Sorge quindi un problema speciale che riflette la saldatura fra la metà di aprile e i primi di giugno. Occore tuttavia tener presente che, a prescindere dalla mancanza di cereali, la missione svolta dal Col. Legg ha avuto come risultato l'ottenimento di notevoli tonnellaggi di zucchero (i primi che l'Italia abbia avuto quest'anno), di grassi, di carni, di pesce e di legumi.

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Data la situazione deficitaria mondiale, i quantitativi di grassi ottenuti per far fronte al fabbisogno italiano nel secondo trimestre 1946 sono inferiori alla cifra esposta nel primitivo piano. Quantunque al di sotto delle esigenze, la spedizione di tali quantitativi, in base a dati attendibili, può ritenersi assicurata.

Quanto allo zucchero, terzo fra i prodotti principali di cui esiste una situazione deficitaria, le notizie che il Col. Legg ha riportato da Washington sono inaspettatamente consolanti. Delle 56.000 tonnellate chieste, si ritie-

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ne che l'Italia potrà ottenere nell'attuale trimestre ben 55.000 tonnellate. Quest'ultima cifra fa parte del « bilancio preventivo », non basata cioè su contratti già firmati. Trattasi di una previsione basata sulle ultime statistiche disponibili circa la domanda e l'offerta mondiale. Mentre vien posto la massima cura perchè le cifre del « bilancio preventivo » rappresentino una valutazione realistica dell'attuale congiuntura, tali cifre debbono sempre essere considerate alla stregua di « obbiettivi » che si spera di poter raggiungere.

Delle 27.000 tonnellate di legumi previsti per il secondo trimestre dell'anno, sembra probabile l'invio di 20.000 tonnellate di fagioli e di lenticchie nonchè (se il governo italiano si troverà d'accordo) un quantitativo addizionale di garbanzos (piselli spaccati). Non è risultato possibile procurare neanche una parte delle 2000 tonnellate di semolino richiesto ai fini del programma di alimentazione supplementare della Sezione per l'Assistenza. Del latte richiesto per questo programma sono state provvisoriamente fissate 15.000 tonnellate le quali, aggiunte alle scorte attualmente esistenti, saranno sufficienti a far fronte al fabbisogno.

Il totale di 10.548 tonnellate di pesce richieste dalla Missione italiana è stato effettivamente procurato. Il pesce rappresenta in fatti uno dei principali generi alimentari per il quale le richieste hanno potuto essere soddisfatte in pieno. Quasi altrettanto soddisfacente è la situazione per la carne, in quanto delle 8.130 tonnellate in programma se ne potranno probabilmente ottenere 8.000, con un deficit di soltanto 130 tonnellate.

Programma assistenziale

Lo scopo principale delle prolungate discussioni del Col. Legg a Washington era di sottoporre e giustificare agli uffici centrali dell'UNRRA il bilancio della Missione italiana per i generi alimentari nei mesi da aprile a giugno, e di chiarire anzitutto la situazione dei cereali nei suoi riflessi tanto per la razione-base, quanto per il programma assistenziale dell'UNRRA. Quest'ultimo programma ha reso possibile finora di fornire giornalmente cibi supplementari a 1.800.000 fra le madri e i bambini più bisognosi in Italia. Durante la

NECESSITÀ DI DISCIPLINAMENTO

Al colloquio svoltosi la settimana scorsa fra il Presidente del Consiglio, On. Alcide De Gasperi ed il Capo della Missione Italiana dell'UNRRA, Sig. S. M. Keeny, il quale era accompagnato dal Signor Harlan Cleveland, Vice-capo della Missione incaricato della Sezione Fabbisogno e Distribuzione, è stato rilevato la necessità che, da parte del Governo Italiano, venga fatto un ulteriore sforzo onde affrontare le attuali difficoltà nel campo dei rifornimenti alimentari e di materie prime. Più precisamente si è discussa l'opportunità: 1) di un rigorosissimo controllo dei consumi alimentari; 2) di una energica azione nei confronti delle prossime operazioni di ammasso del nuovo raccolto; 3) di una sollecita fissazione della procedura da seguirsi nell'assegnazione delle materie prime industriali in conformità al decreto-legge recentemente approvato ma non ancora pubblicato; 4) di economia nel consumo di carbone onde far fronte alla crisi temporanea dovuta alla sospensione di lavoro nelle miniere statunitensi.

La tecnica inglese

I rappresentanti dell'UNRRA accennarono all'opportunità che in Italia venga studiata la tecnica del razionamento che ha già dato buona prova in Gran Bretagna in ispecie per quello che riguarda i ristoranti.

E' stata poi sottolineata la necessità che in nessuna provincia, venga oltrepassato il limite consentito dalle carte annonarie. A tal proposito si è rilevato che nelle provincie di Catania, Potenza e Genova, la razione giornaliera di pane consentita in febbraio superava i 200 grammi regolamentari a persona, mentre in ben 50 per cento delle provincie è stata consentita nei mesi di gennaio e febbraio una razione di pasta superiore a quella regolarmente autorizzata. Nella provincia di Ravenna fu distribuito un quantitativo notevolmente superiore al doppio della razione legale.

Si è rilevato il carattere di urgenza che riveste l'aumento immediato a 60.000 tonnellate mensili delle importazioni di fosfati dalla Tunisia, allo scopo di migliorare il raccolto nel prossimo anno.

Da parte dei rappresentanti dell'UNRRA è stato manifestato al Presidente del Consi-

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Da parte dei rappresentanti dell'UNRRA è stato manifestato al Presidente del Consiglio il vivo desiderio che il decreto legge, già approvato dal Consiglio dei Ministri, per la creazione di una Commissione industriale centrale per l'assegnazione delle materie prime industriali (comprese quelle importate dall'UNRRA) sia promulgato e messo in vigore al più presto.

Si ritiene da parte dell'UNRRA che il disciplinamento nazionale nell'assegnazione delle materie prime essenziali sia indispensabile per

Declassified E.O. 12356 Section 3.3/NND No. 785021

un regolare utilizzo delle materie stesse ai fini della ricostruzione nazionale italiana.

Riferendo poi sulla situazione carbonifera, i rappresentanti dell'UNRRA hanno informato il Primo Ministro che il carbone spedito in Italia in marzo (di cui il grosso giungerà in aprile) ha raggiunto una cifra di primato, con ben 648.000 tonnellate complessive. Secondo le ultime comunicazioni pervenute dagli S.U., tale ritmo è stato mantenuto durante la prima settimana di aprile.

Tuttavia, dato il prolungarsi dello sciopero dei minatori negli S.U., gran parte di questo quantitativo dovrà essere accantonato e rigorosamente razionato per far fronte al fabbisogno essenziale durante i tre mesi aprile, maggio e giugno. Nonostante quindi l'alto livello raggiunto dalle spedizioni, sarà necessario ridurre il consumo mensile onde evitare l'esaurimento delle scorte di carbone. Il Sig. Keeny ha calorosamente elogiato lo sforzo fatto dai minatori di Carbonia (Sardegna) la cui produzione ha ora raggiunto le 3.500 tonnellate giornaliere. Egli ha pure lodato l'opera degli scaricatori portuali i quali recentemente, in una settimana, hanno iniziato e portato a termine lo scaricamento di 37 navi dell'UNRRA, nell'orario prestabilito.

CONSEGNA DEI CARICHI DELL'UNRRA

Tutti i rifornimenti UNRRA importati in Italia a destinazione dell'economia civile passano in proprietà al Governo Italiano nel momento in cui vengono scaricati sulla banchina. Così è disposto nel nuovo accordo firmato in questi giorni dalla Missione Italiana dell'Amministrazione delle Nazioni Unite per l'Assistenza e la Ricostruzione ed il Governo Italiano, il quale ha nominato suo rappresentante l'Istituto Nazionale per il Commercio Estero. L'accordo si riferisce unicamente alle merci importate allo scopo di trasferirne la proprietà al Governo Italiano. Esso non riguarda i rifornimenti UNRRA di carattere amministrativo, nè quelli previsti dal programma per i profughi non italiani, nè quelli destinati dall'UNRRA ad altri territori e che transitano per l'Italia.

Con un contratto supplementare, la Missione conto dell'UNRRA, si è verificato un notevole acceleramento nelle operazioni portuarie relative allo scaricamento.

Nei riguardi di qualsiasi carico importato dall'UNRRA per l'economia civile, il passaggio di proprietà al Governo Italiano avviene sotto paranco o sotto bordo secondo il tipo di carico e dei mezzi portuali. Il controllo delle rese di bordo verrà eseguito sotto paranco e contemporaneamente allo scarico.

Trattandosi di carichi alla rinfusa, quali grano o carbone, il Governo Italiano accetterà il manifesto di bordo per quanto si riferisce al peso. Le casse ed i colli, dopo avvenutane la consegna al Governo Italiano, dovranno essere controllati al più presto, ad opera congiuntamente della « Sorveglianza » in rappresentanza dell'UNRRA e dell'ICE. In caso di necessità, la « Sorveglianza » preleverà un campione dei carichi alla rinfusa, in conformità alle consuetudini commerciali. Onde agevolare lo scambio di informazioni e sollecitare la trasmissione agli organi portuali delle istruzioni necessarie, è stato creato un ufficio di collegamento dell'ICE presso la Direzione dell'UNRRA a Roma. Ogni notizia che pervenga all'UNRRA relativa ai carichi, alle navi, ai piani di caricamento, ai porti d'arrivo ed alle spese portuali verrà comunicata all'ICE il quale a sua volta ne darà comunicazione alle autorità competenti.

Il compenso dovuto all'ICE per tali prestazioni è a carico del Governo Italiano e verrà calcolato in base a criteri da fissarsi d'accordo con l'UNRRA. La « Sorveglianza » viene pagata dall'UNRRA in base a tariffa già stabilita contrattualmente. Tali pagamenti vengono addebitati ad un fondo speciale in lire creato con i proventi della vendita in Italia di rifornimenti UNRRA messi gratuitamente a disposizione del Governo Italiano. La « Sorveglianza » si assume la responsabilità dei carichi nelle stive durante le operazioni di scarico, come pure quella di accertare e controllare qualsiasi mancanza o avaria verificatasi nei riguardi del carico stesso. Le merci verranno maneggiate, immagazzinate e distribuite a mezzo di organismi designati dal Governo Italiano (d'accordo con l'UNRRA) quali subagenti dell'ICE. In casi speciali l'ICE potrà provvedere direttamente al ritiro delle merci.

Declassified E.O. 12356 Section 3.3/NND No. 787031

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Con un contratto supplementare, la Missione Italiana dell'UNRRA ha nominato suo rappresentante in tutti i porti italiani la « Sorveglianza » (Società Italiana per Azioni Assistenza agli sbarchi e Spedizioni). La « Sorveglianza » si incarica di presiedere allo sbarco delle spedizioni UNRRA provenienti da oltremare a destinazione dell'Italia, e di comunicare giornalmente alla Direzione UNRRA di Roma il tonnellaggio ed il prodotto scaricato.

Dall'inizio del mese, epoca in cui fu affidato alla « Sorveglianza » il controllo per

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IL RAZIONAMENTO DELLA BENZINA

L'annuncio dato in un recente numero delle *Note Economiche* circa il programma UNRRA relativo ai rifornimenti di petrolio ha fatto sorgere l'impressione — del tutto erronea — che si andasse verso un alleggerimento dell'attuale regime vincolistico in materia. Mentre è vero che i richiesti quantitativi da importare per l'anno in corso rappre-

0764
Declassified E.O. 12356 Section 3.3/NND No. 745031

sentano una notevolissima percentuale delle cifre normalmente importate nel periodo d'anteguerra — ed in alcuni casi tali cifre vengano addirittura raggiunte — occorre tuttavia tener presente che si tratta solamente di piani preventivati e non di impegni concreti. La realizzazione del programma è condizionata non soltanto dalle eventuali eccedenze esportabili di prodotti di cui già vi è penuria, ma anche dalle disponibilità di navicisterna per trasportare in Italia il prodotto stesso.

L'attuale parziale cessazione della produzione carbonifera negli S.U. serve a ricordare che la situazione dei rifornimenti in generale è soggetta a fattori che sfuggono a qualsiasi previsione e che sono del tutto estranei alla volontà dell'UNRRA. Considerando le scorte di petrolio attualmente esistenti in Italia, è necessaria la massima attenzione nell'assicurare che le relative assegnazioni siano destinate unicamente a quelle attività strettamente connesse alla ripresa nazionale. Le disponibilità attuali, specialmente di benzina e di olio Diesel, non giustificano alcun alleggerimento nelle disposizioni vigenti dirette al mantenimento del consumo entro determinati limiti.

MOVIMENTO NAVI

ESCLUSI I CARICHI DI CARBONE

(DALL'1 AL 7 APRILE INCL.)

NAVE	PORTO DI ARRIVO	DATA DI ARRIVO	PER CONTO DI	CARICO	TONN.
Gabriel Franchere	Castellammare - Torre Annunziata *	1 Apr.	UNRRA	Grano	8.143
H. Bernard	Messina - Catania *	2 „	„	„	8.143
H. Williamson	Bari - Ancona *	3 „	„	„	8.437
St. Claud Victory	Genova	„ „	Gov. it.	Misto	1.605
Elmira Victory	Napoli	„ „	„	„	7.304
E. Cornell	Genova	„ „	UNRRA	Grano	7.993
H. T. Andrews	Venezia	4 „	„	„	8.223
C. Nordhoff	Genova - Napoli *	„ „	Gov. it.	Cotone e Nitrati	6.505
Cape Meredith	Genova	„ „	„	Misto	6.416
Luis Arguello	Genova - Livorno *	6 „	UNRRA	Grano	8.116
Sarah O. Jerwett	Genova	„ „	„	„	8.027
Ph. Knox	Palermo - Reggio C.*	„ „	Gov. it.	„	8.107
W. MacKee	Civitavecchia	„ „	„	„	8.317

* *Arrivato al primo porto alla data suddetta: l'arrivo al secondo porto a data successiva.*

GLI ARRIVI DI CARBONE

(DAL 1 AL 7 APRILE INCL.)

NAVE	PORTO DI ARRIVO	DATA DI ARRIVO	PER CONTO DI	NAVE	PORTO DI ARRIVO	DATA DI ARRIVO	PER CONTO DI
William Carson	Civitav.	1 Apr.	UNRRA	Knute Nelson	Venezia	2 Apr.	UNRRA
James H. Goodhue	Bagnoli	„ „	„	William Coleman	Ancona	3 „	„ „
William Clark	Savona *	„ „	„	Henry Adley	Venezia	„ „	„ „

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Declassified E.O. 12356 Section 3.3/NND No. 759021

anche dalle disponibilità di navicisterne per trasportare in Italia il prodotto stesso.

L'attuale parziale cessazione della produzione carbonifera negli S.U. serve a ricordare

attuali, specialmente di benzina e di olio Diesel, non giustificano alcun alleggerimento nelle disposizioni vigenti dirette al mantenimento del consumo entro determinati limiti.

MOVIMENTO NAVI

ESCLUSI I CARICHI DI CARBONE

(DALL'1 AL 7 APRILE INCL.)

NAVE	PORTO DI ARRIVO	DATA DI ARRIVO	PER CONTO DI	CARICO	TONN.
Gabriel Franchere	Castellammare - Torre Annunziata *	1 Apr.	UNRRA	Grano	8.143
H. Bernard	Messina - Catania *	2 „	„	„	8.143
H. Williamson	Bari - Ancona *	3 „	„	„	8.437
St. Claud Victory	Genova	„ „	Gov. it.	Misto	1.605
Elmira Victory	Napoli	„ „	„	„	7.304
E. Cornell	Genova	„ „	UNRRA	Grano	7.993
H. T. Andrews	Venezia	4 „	„	„	8.223
C. Nordhoff	Genova - Napoli *	„ „	Gov. it.	Cotone e Nitrati	6.505
Cape Meredith	Genova	„ „	„	Misto	6.416
Luis Arguello	Genova - Livorno *	6 „	UNRRA	Grano	8.116
Sarah O. Jerwett	Genova	„ „	„	„	8.027
Ph. Knox	Palermo - Reggio C. *	„ „	Gov. it.	„	8.107
W. MacKee	Civitavecchia	„ „	„	„	8.317

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James H. Goodhue	Bagnoli	„ „	„	William Coleman	Ancona	3 „	„ „
William Clark	Savona *	„ „	„	Henry Adley	Venezia	„ „	„ „
William Brewster	Napoli	„ „	„	Raymond Ingersoll	Genova	„ „	„ „
John Gallup	Savona *	„ „	„	P. S. Farrar	„	4 „	„ „
John Evans	Reggio C.	2 „	„	John Gorrie	Savona *	„ „	„ „
Elwood Mead	Venezia	„ „	„	Henry Lomb	Bari	„ „	„ „
William Ayer	Venezia	„ „	„		Taranto	7 „	„ „
	Ancona	6 „	„	Roy K. Johnson	Venezia	5 „	„ „
Benjamin Coston	Piombino	2 „	„	Merton 3	„	„ „	Eser. Brit.
Fort Normand	Civitav.	„ „	Eser. Brit.	Ralph W. Emerson	Savona	6 „	UNRRA

** Arrivato a Savona invece che a Genova*

Declassified E.O. 12356 Sect 3.3/NND No. 785021

5 Aprile 1946

Vol. I, N. 12

NOTE ECONOMICHE

PUBBLICATE DALL'UFFICIO STAMPA DELL'UNRRA IN ITALIA, VIA DI SAN NICOLA DA TOLENTINO 78, ROMA

SOMMARIO

1. L'UNRRA rende noto il suo bilancio per l'Italia
2. L'acceleremento degli sbarchi
3. Granturco dall'Argentina
4. Movimento Navi

L'UNRRA RENDE NOTO IL SUO BILANCIO PER L'ITALIA

Sono state in queste settimane annunciate dalla Missione Italiana le previsioni sul modo in cui verranno utilizzati i 359.440.100 dollari (89.860.025 sterline) votati dal Consiglio Centrale dell' UNRRA, per il primo semestre 1946. Queste previsioni, formulate d'accordo con il Governo italiano, sono state sottoposte al Consiglio Centrale a Washington perchè proceda agli acquisti dei prodotti relativi.

Non rimane ormai che un solo ostacolo da superare, e cioè le eventuali situazioni deficitarie mondiali che potranno, per alcuni prodotti, rendere impossibile l'accoglimento in pieno delle richieste italiane.

La somma complessiva disponibile fino al 30 giugno per l'acquisto di rifornimenti in base agli accordi del 1946 con l'Italia sarà di 325.440.100 dollari (81.360.025 sterline). La rimanenza, cioè 34 milioni di dollari (8.500.000 sterline) è devoluta ai pagamenti per merci consegnate o ordinate nel 1945 per un programma di assistenza diretta. La somma votata è sufficiente per far fronte al costo effettivo dei rifornimenti f.o.b. I noli verranno pagati con altri stanziamenti.

La disiribuzione delle spese

Le erogazioni per la seconda metà dell'anno che dovranno servire a completare il programma sino alla fine del 1946 sono state votate per questi 4 settori, risultano in cifra tonda dalla seguente tabella:

	dollari
Generi alimentari	176.147.000
Ricostruzione industriale (compresi tessuti e pellami) . .	124.522.000
Ricostruzione agricola . . .	15.686.000
Rifornimenti medici e sanitari .	6.035.000
	322.390.000
Non ancora destinati	3.050.100
	325.440.100

Sotto il titolo « Generi alimentari » è compresa la somma di 10.500.000 dollari per il Programma Assistenziale. La somma da destinarsi all'acquisto di tessili, che fa parte della voce Ricostruzione industriale, comprende anche gli stanziamenti per opere di assistenza. Entro la somma totale delle spese di bilancio votate dal Consiglio Centrale e disponibili per la Missione Italiana fino al 30 giugno 1946, la Missione stessa può — d'accordo con il Governo Italiano — modificare la proporzione delle spese nei singoli capitali. Le assegnazioni in bilancio sono state fatte tenendo presenti i bisogni attuali, l'esperienza fatta con le forniture durante gli ultimi 3 mesi e le valutazioni per quanto possibile esatte circa le merci disponibili.

Declassified E.O. 12356 Section 3.3/NND No. 759021

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La distribuzione delle spese

Le erogazioni per la seconda metà dell'anno che dovranno servire a completare il programma sino alla fine del 1946 sono state provvisoriamente fissate in 57.599.900 dollari (14.399.975 sterline) ma questa previsione verrà nuovamente esaminata in una successiva riunione del Consiglio Centrale. In sostanza più della metà dei 325.000.000 dollari previsti in bilancio per i primi 6 mesi del 1946 saranno spesi in generi alimentari. Le altre categorie principali sono costituite dalle voci: Ricostruzione industriale, Ricostruzione agricola, Medicinali e Servizi sanitari. Le somme votate per questi 4 settori, risultano in cifra tonda dalla seguente tabella:

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Molti fattori potrebbero intanto provocare prima del prossimo 30 giugno, modifiche radicali nella distribuzione dei fondi, fermo restandone la somma totale. Delle somme stanziate per generi alimentari, la massima parte sarà spesa per le materie per la trasformazione. Le cifre di cui sopra sono basate sui bisogni italiani fino alla fine di giugno. Saranno però inevitabili delle modifiche in vista dell'incertezza dei rifornimenti, dovuta alla scarsezza

Declassified E.O. 12356 Section 3.3/NND No. 785021

in tutto il mondo dei beni in questione. La considerazione di gran lunga prevalente sarà quella appunto della disponibilità dei rifornimenti.

I negoziati per i viveri che il Signor W. J. Legg (Capo dell'Ufficio Rifornimenti della Missione Italiana dell'UNRRA) ha condotto a Washington non sono ancora completati. Alla luce intanto degli ammonimenti del Direttore Generale dell'UNRRA, del Signor Hoover e di altre personalità risulta molto probabile che gli acquisti effettivi durante la prima metà di quest'anno di generi alimentari così scarsi come i cereali, i grassi e lo zucchero rimarranno al disotto delle previsioni. I fondi che rimarranno in tal modo disponibili potranno essere destinati all'acquisto di altri generi.

Le importazioni per l'Industria

Fra i generi che comportano la spesa maggiore nel programma delle importazioni per la ricostruzione industriale sono il carbone e i combustibili liquidi (compresa la benzina, l'olio Diesel, il petrolio e l'olio combustibile). Si prevede una spesa di 16.800.000 dollari per l'importazione di 2.395.000 tonnellate di carbone nei primi 6 mesi di quest'anno, la spesa per i combustibili liquidi durante lo stesso periodo sarà di 18.185.000 dollari. Bisogna tener presente che le importazioni di carbone potranno subire notevoli rinvii a causa di scioperi negli Stati Uniti. Sono attualmente in corso i negoziati per la ripresa delle importazioni di carbone dalla Ruhr e dalla Slesia, e si ritiene che nei mesi di aprile, maggio e giugno si potranno avere 36.000 tonnellate di coke e 3.000 tonnellate di antracite per elettrodi dalla Ruhr. Entro la fine di maggio, il quantitativo importato dovrebbe aver raggiunto le 18.000 tonnellate. Ancora grave si presenta il problema dei trasporti. Sono attualmente in corso trattative con la E.C.I.T.O., l'organo che si occupa del movimento ferroviario internazionale in Europa. Non si esclude tuttavia che una parte almeno del quantitativo di carbone venga inviato a mezzo di barconi fino ad Anversa ed a Rotterdam, e quindi trasportato in Italia via mare.

non dalla loro entità agli effetti delle esigenze italiane, ma dal fatto che rappresentano l'inizio della ripresa in un campo che costituiva per l'Italia, in tempi normali, una delle fonti principali dei rifornimenti di combustibile.

Maggiori importazioni di materie prime

Gli acquisti di acciai lavorati e semi-lavorati come pure di ghisa nel primo semestre 1946, raggiungeranno una cifra notevolmente più elevata di quella prevista in un primo tempo. La cifra attualmente proposta è di 230.000 tonnellate al prezzo approssimativo di 11.100.000 dollari. Nel bilancio viene prevista l'importazione di 12.000 tonnellate di rame, 1.200 tonnellate di stagno e 1.500 tonnellate di nichelio. Vi si trovano inoltre prodotti chimici industriali per una spesa totale di 3.200.000 dollari, e l'amianto, e materiali refrattari e argillosi per oltre 2.000.000 di dollari.

Nelle prime previsioni delle necessità minimali dell'Italia, formulate alla fine dell'anno scorso, era stata suggerita la cifra di 12.000 tonnellate per le importazioni di gomma per conto dell'UNRRA., con un possibile aumento a 15.000 tonnellate. In base al programma modificato è stato adesso proposto di importare 20.000 tonnellate di gomma al prezzo di 11.000.000 di dollari e di incrementare al tempo stesso le importazioni di nerofumo e di altre materie prime necessarie per la lavorazione della gomma sintetica in Italia. Il programma tessile, che prevede l'importazione di cotone e di lana grezzi (di cui una parte è già arrivata in Italia), renderà possibile la produzione di articoli di vestiario per quel settore della popolazione italiana che non si trova in grado di affrontare i prezzi attuali degli indumenti e dei prodotti tessili.

L'accelerazione della ricostruzione agricola

Uno speciale significato, in vista della situazione alimentare, riveste la maggiore importanza data alla ricostruzione agricola. Le spese per questo settore sono state aggressive

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Qualunque possa essere il mezzo di trasporto prescelto, è certo comunque che gli invii non potranno oltrepassare il tre per cento dei rifornimenti previsti — secondo il primitivo progetto — per l'Italia durante i prossimi tre mesi. Tali invii, qualora il perdurare dello sciopero negli Stati Uniti dovesse provocare una notevole riduzione nelle esportazioni da quella nazione, non potrebbero quindi in nessun modo compensare la situazione deficitaria che ne risulterebbe. L'importanza, perciò, degli arrivi di carbone dalla Ruhr, è costituita

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L'accelerazione della ricostruzione agricola

Uno speciale significato, in vista della situazione alimentare, riveste la maggiore importanza data alla ricostruzione agricola. Le spese per questo settore sono state accresciute approssimativamente del 50 %, dato che le prime previsioni sono state fatte alla fine del 1945.

Accresciute in modo particolare sono le somme destinate all'acquisto di fertilizzanti. Le spese per queste sole materie ammonteranno a 7.5 milioni di dollari, cioè a circa la metà degli stanziamenti totali. Tuttavia, gli invii effettivi, specialmente per quanto si riferisce ai nitrati, dipenderanno dalle disponibilità. Si spenderà anche dippiù per panelli

Declassified E.O. 12356 Section 3.3/NND No. 759001

di semi oleosi (prodotto ora difficilmente reperibile) per il bestiame e una somma di approssimativamente 1.750.000 dollari è stata stanziata per l'acquisto di liquidi disinfettanti e pesticidi per l'agricoltura. Negli stanziamenti del bilancio relativi ai rifornimenti medici e sanitari è compresa la somma di 500.000 dollari per l'acquisto di attrezzature per la fabbricazione di penicillina in Italia, sotto gli auspici del Governo Italiano.

Questa iniziativa è ancora nella sua fase iniziale, ma se le trattative avranno buon esito si disporrà nel 1947 di un notevole quantitativo di penicillina fabbricata in Italia. La distribuzione della penicillina importata dall'UNRRA verrà aumentata in aprile da 5.000 a 10.000 fiale al mese. Per il programma antimalarico in Sardegna, il contributo dell'UNRRA in valuta straniera è stato fissato provvisoriamente in 400.000 dollari.

A questa cifra si aggiungono i 300 milioni di lire appositamente prelevati per questo scopo dal fondo speciale in lire creato in base ad accordi dell'UNRRA con l'Italia allo scopo di finanziare progetti di assistenza e di ricostruzione. La spesa per la lotta antimalarica in Sardegna e anche per il progetto concernente la penicillina si estenderà probabilmente alla seconda metà dell'anno; ma con queste eccezioni il programma sanitario per il semestre compreso nel presente stanziamento dovrà comprendere le operazioni di tutto l'anno. Onde incoraggiare la ripresa dell'industria farmaceutica italiana vien data particolare importanza alle importazioni di materie prime ogni qual volta ciò è possibile.

L'ACCELERAMENTO DEGLI SBARCHI

Sulla necessità di accelerare il più possibile le operazioni di sbarco dei piroscafi alleati richiama l'attenzione una circolare urgente dell'« Ispettorato Funzionamento Porti » ai Comandanti di porto.

« L'interesse pubblico deve avere, in questo momento eccezionale, assoluta prevalenza su ogni interesse privato. » è detto nella circolare. « I comandanti di porto, finchè perdurino le attuali circostanze straordinarie, sovrappongano sempre la loro autorità, nella regolazione del traffico del proprio porto, tutte tempo prestabiliti. E poichè tale pagamento verrebbe fatto con i fondi a disposizione dell'UNRRA per gli aiuti all'Italia, ne risulterebbe che, in eguale misura, dovrebbero essere ridotte le nostre importazioni. »

(Questa affermazione non è del tutto esatta. I costi dei trasporti marittimi non sono addebitabili ai bilanci delle singole nazioni ma vengono prelevati da un fondo comune costituito da tutti i tassi di nolo, ecc. Qualunque risparmio sui costi « libererà », evidentemente, una corrispondente somma totale adoperabile per ulteriori acquisti. *N. d. R.*)

« Essendo le stallie considerate per le merci alla rinfusa o di massa (carbone e grano) in base ad una resa di 1000 tonnellate al giorno dal momento dell'arrivo della nave, i Comandanti di porto dovranno personalmente vigilare perchè la media predetta di discarica venga costantemente mantenuta. »

« Dovrà evitarsi ad ogni costo, per esempio, che si ripeta il fenomeno, già rilevato recentemente in qualche porto, che una nave in corso di discarica, avendo a bordo soltanto 150-200 tonnellate di merce, abbia rimandato al giorno dopo lo sbarco di tale piccolo residuo, che, con poche ore di lavoro straordinario e con una maggiore sollecitudine da parte dei lavoratori, avrebbe agevolmente potuto essere scaricato senza indugio. »

La circolare termina chiedendo ai Comandanti di porto esplicita assicurazione che essi svolgeranno al riguardo la necessaria azione con tutta l'energia richiesta.

Conviene aggiungere, in base all'esperienza fatta dall'UNRRA, che gli appunti contenuti nella suddetta circolare possono concernere solo alcuni porti. In generale, dalle osservazioni fatte risulta che i lavoratori dei porti italiani eseguiscono con rapidità ed impegno le operazioni di scarico.

GRANTURCO DALL'ARGENTINA

In seguito a speciali accordi conclusi a Washington l'UNRRA pagherà i noli e i costi di imbarco, e cioè circa 272.000 dollari (68.000 sterline) per l'invio dall'Argentina in Italia, per conto dell'UNRRA, di 15.000 tonnellate di granturco, sui piroscafi: *Vittorio Veneto* e *Voluntas*, i primi due dei sette

Declassified E.O. 12356 Section 3.3/NND No. 745021

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A questa cifra si aggiungono i 300 milioni di lire appositamente prelevati per questo scopo dal fondo speciale in lire creato in base ad accordi dell'UNRRA con l'Italia allo scopo di finanziare progetti di assistenza e di ricostruzione. La spesa per la lotta antimalarica in Sardegna e anche per il progetto concernente la penicillina si estenderà probabilmente alla seconda metà dell'anno; ma con queste eccezioni il programma sanitario per il semestre compreso nel presente stanziamento dovrà comprendere le operazioni di tutto l'anno. Onde incoraggiare la ripresa dell'industria farmaceutica italiana vien data particolare importanza alle importazioni di materie prime ogni qual volta ciò è possibile.

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« L'interesse pubblico deve avere, in questo momento eccezionale, assoluta prevalenza su ogni interesse privato. » è detto nella circolare. « I comandanti di porto, finchè perdurino le attuali circostanze straordinarie, sovrappongano sempre la loro autorità, nella regolazione del traffico del proprio porto, tutte le volte che l'azione degli interessati possa turbare o non tutelare sufficientemente i gravi interessi nazionali. »

« Tanto più ciò si manifesta necessario nel momento attuale, in quanto è stato determinato dalle Autorità Alleate che dovranno, d'ora in poi, essere rigorosamente pagate in valuta estera (in ragione di 1700 dollari al giorno) le controstallie per tutte le navi in arrivo che non siano state liberate nei limiti di risparmio sui costi « libererà », evidentemente, una corrispondente somma totale adoperabile per ulteriori acquisti. *N. d. R.*)

« Essendo le stallie considerate per le merci alla rinfusa o di massa (carbone e grano) in base ad una resa di 1000 tonnellate al giorno dal momento dell'arrivo della nave, i Comandanti di porto dovranno personalmente vigilare perchè la media predetta di discarica venga costantemente mantenuta. »

« Dovrà evitarsi ad ogni costo, per esempio, che si ripeta il fenomeno, già rilevato recentemente in qualche porto, che una nave in corso di discarica, avendo a bordo soltanto 150-200 tonnellate di merce, abbia rimandato al giorno dopo lo sbarco di tale piccolo residuo, che, con poche ore di lavoro straordinario e con una maggiore sollecitudine da parte dei lavoratori, avrebbe agevolmente potuto essere scaricato senza indugio. »

La circolare termina chiedendo ai Comandanti di porto esplicita assicurazione che essi svolgeranno al riguardo la necessaria azione con tutta l'energia richiesta.

Conviene aggiungere, in base all'esperienza fatta dall'UNRRA, che gli appunti contenuti nella suddetta circolare possono concernere solo alcuni porti. In generale, dalle osservazioni fatte risulta che i lavoratori dei porti italiani eseguiscono con rapidità ed impegno le operazioni di scarico.

GRANTURCO DALL'ARGENTINA

In seguito a speciali accordi conclusi a Washington l'UNRRA pagherà i noli e i costi di imbarco, e cioè circa 272.000 dollari (68.000 sterline) per l'invio dall'Argentina in Italia, per conto dell'UNRRA, di 15.000 tonnellate di granturco, sui piroscafi: *Vittorio Veneto*, e *Voluntas*, i primi due dei sette che l'Italia aveva venduto all'Argentina al principio della guerra e che ha, ora, riacquistato.

I due piroscafi partiranno dall'Argentina verso il 10 aprile.

I noli verranno addebitati all'Italia ma la somma corrispondente verrà accreditata al fondo lire UNRRA ed il Governo Italiano impiegherà tale credito per l'acquisto di prodotti per l'assistenza e la ricostruzione.

Declassified E.O. 12356 Section 3.3/NND No. 785021

MOVIMENTO NAVI

ESCLUSI I CARICHI DI CARBONE

(DALL'25 AL 31 MARZO INCL.)

NAVE	PORTO DI ARRIVO	DATA DI ARRIVO	PER CONTO DI	CARICO	TONN.
Franklin H. King	Bari - Ancona *	25 Mar.	UNRRA	Grano	8.223
F. A. C. Muhlenburg	Castellammare - Salerno *	26 "	"	"	7.982
John Bartram	Venezia	27 "	"	"	8.114
L. A. Sengteller	Venezia	28 "	"	"	8.170
Pierre Soule	Bari - Crotone *	29 "	"	"	7.948
Stephen Girard	Genova	30 "	"	"	7.942

* *Arrivato al primo porto alla data suddetta; l'arrivo al secondo porto a data successiva.*

GLI ARRIVI DI CARBONE

(DAL 23 AL 31 MARZO INCL.)

NAVE	PORTO DI ARRIVO	DATA DI ARRIVO	PER CONTO DI	NAVE	PORTO DI ARRIVO	DATA DI ARRIVO	PER CONTO DI
Billy Sunday	Genova	23 Mar.	UNRRA	John Evans	Catania	28 Mar.	UNRRA
James Shureman	Palermo	24 "	"	John Gorrie	Genova	" "	" "
Benjamin Chew	Savona	25 "	"	George Eldbridge	Venezia	" "	" "
Benjamin Coston	Genova	" "	"	William Brewster	Bagnoli	29 "	" "
Cushing Eelis	Bagnoli	" "	"	Mary Dodge *	Savona	" "	" "
Cyrus Brady	Bari	26 "	"	William S. Clark	Genova	" "	" "
Henry Clay	Genova	" "	"	Francis Jenkins	Genova	" "	" "
George Read	Genova	" "	"	John Gallup	Genova	" "	" "
[illegible]	[illegible]			William T. Coleman	Venezia	" "	" "

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Benjamin Coston	Genova	" "	"	William Brewster	Bagnoli	29 "	" "
Cushing Eelis	Bagnoli	" "	"	Mary Dodge *	Savona	" "	" "
Cyrus Brady	Bari	26 "	"	William S. Clark	Genova	" "	" "
Henry Clay	Genova	" "	"	Francis Jenkins	Genova	" "	" "
George Read	Genova	" "	"	John Gallup	Genova	" "	" "
William R. Davies	Reggio C.	" "	"	William T. Coleman	Venezia	" "	" "
Empire Sumner	Civitav.	27 "	Escr.Brit.	Earl Lyman	Ancona	30 "	" "
Floyd Bennet	Civitav.	" "	UNRRA	Nathan S. Davis	Genova	" "	" "
Richmond P. Hobson	Piombino	" "	"	Samuel Ingham	Bari	31 "	" "
Jesse Applegate	Taranto	" "	"				

* *Arrivato a Savona invece che a Genova*

Declassified E.O. 12356 Section 3.3/NND No. 745021

February 22, 1946 Vol. I, No. 6

158 Fle

UNRRA

ECONOMIC NOTES

— PUBLISHED BY UNRRA ITALIAN MISSION, VIA DI SAN NICOLA DA TOLENTINO 78, ROME, ITALY —

CONTENTS

1. Italian Agriculture
2. Rubber Production
3. Woollen Industry
4. Movements of Ships

ITALIAN AGRICULTURE

The shipments of seed potatoes which have been arriving from the United Kingdom in recent weeks represent the beginning of a substantial program of agricultural rehabilitation to be undertaken jointly by the Italian Government and UNRRA during the present year.

Under the 1946 Program proposed by the Italian Government and A. C. it was originally planned to allocate approximately 10,000,000 dollars (£ 2,500,000 sterling) to the purchase of seed, fertiliser, oilseed cake and other agricultural supplies. Requirements have now been considerably increased. The new schedule of agricultural supplies to be imported by UNRRA at an estimated cost of 12,269,250 dollars (£3,067,312 sterling) has this month been submitted to Washington, and is now under consideration. In addition, deliveries have yet to be completed of some 4,000,000 dollars' (£1,000,000 sterling) worth of tractors, reapers and binders, combine harvesters and other agricultural machinery ordered prior to the 1946 UNRRA program.

Imports of Fertiliser

The revised figure includes the expenditure of 900,000 dollars (£225,000 sterling) on 50,000 tons of superphosphate and 1,600,000 dollars (£400,000 sterling) on 10,000 tons of potash fertiliser, neither of which were included in the original UNRRA allocations. By far the largest item of expenditure is 5,070,000 dollars (£1,267,500 sterling) on 78,000 tons of ammonium nitrate, which—in conjunction

are dollar *equivalents* of all foreign currencies available to UNRRA.)

As an index of what these imports mean in any program of agricultural rehabilitation, it is conservatively estimated that one ton of superphosphate, when properly balanced with nitrate, will increase the crop yield of wheat per hectare (about two-and-a-half acres) by at least three tons. With adequate supplies of fertiliser, potato yields can be increased by 130 per cent.

Effects of War

During the War Italian consumption of fertilisers was heavily reduced, partly owing to interruption of imports and partly owing to the fact that Italian fertiliser factories were engaged in war production. In 1942 imports of rock phosphates had fallen to 44 per cent. of the 1939 figure. Imports of sodium nitrate had ceased. No figures are available for the years following 1942, but it is well known that farmers were able to secure only a very small fraction of their requirements.

This has inevitably resulted in a serious decline in soil fertility. In 1943, although the area under wheat was five per cent. higher than the average for the five pre-war years, 1935 to 1939 inclusive, the total harvest was smaller, since the actual yield per hectare was no less than 19 per cent. below pre-war average.

Lack of fertiliser is but one of the many factors which have produced the present serious decline in Italian agricultural output. Not least of the causes was last year's disastrous

Declassified E.O. 12356 Section 3.3/NND No. 745021

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Imports of Fertiliser

The revised figure includes the expenditure of 900,000 dollars (£225,000 sterling) on 30,000 tons of superphosphate and 1,600,000 dollars (£400,000 sterling) on 40,000 tons of potash fertiliser, neither of which were included in the original UNRRA allocations. By far the largest item of expenditure is 5,070,000 dollars (£1,267,500 sterling) on 78,000 tons of ammonium nitrate, which—in conjunction with phosphate fertilisers—is an essential to maximum crop production. It is probable that not all of the 78,000 tons will be available by the end of March, which is the latest date for its use this spring. (All figures of expenditure are dollar *equivalents* of all foreign currencies available to UNRRA.)

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Effects of War

During the War Italian consumption of fertilisers was heavily reduced, partly owing to interruption of imports and partly owing to the fact that Italian fertiliser factories were engaged in war production. In 1942 imports of rock phosphates had fallen to 14 per cent. of the 1939 figure. Imports of sodium nitrate had ceased. No figures are available for the years following 1942, but it is well known that farmers were able to secure only a very small fraction of their requirements.

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Lack of fertiliser is but one of the many factors which have produced the present serious decline in Italian agricultural output. Not least of the causes was last year's disastrous drought. As for direct war damage, much of the devastated farmland has already been restored, although it will be years before replanted olive groves, vineyards and orchards become productive.

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Declassified E.O. 12356 Section 3.3/NND No. 785021
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The total area of farmland which has been, or still is, unproductive as the result of bombing, shelling or requisitioning for military purposes is estimated by the Italian Ministry of Agriculture to be several thousand acres. The exact amount is difficult to ascertain.

Littoria Province received the greatest damage; but, on the other hand, most of the Po Valley suffered very little from war operations, while, in general, the areas most seriously damaged were in the mountains and consequently, from the agricultural point of view, the poorest. Land reclamation schemes suffered much as the result of the war; but reconstruction operations, which were started, with Allied assistance, immediately after the fighting had finished, have been so far successful that a considerable part of the damage has been made good.

Fewer Draught Animals

The War was responsible for a serious reduction in the number of draught animals. Between 1942 and 1944 the number of horses in all Italy fell from 770,000 to 667,000, the decline being proportionately much more severe in Central and Southern Italy than in the North. Oxen declined by 126,000 and draught cows by 228,000. In certain of the war areas—along the Gothic Line, and more especially in Emilia, in the province of Frosinone and in Littoria—losses were far higher than the national average. In Littoria they amounted to 78 per cent. The position has now, however, been greatly relieved, thanks to re-stocking by the Allies and the Italian Government.

Yet another severe handicap to Italian agriculture is the present shortage of livestock concentrates. In the revised estimate of requirements it has, therefore, been proposed that UNRRA should import 50,000 tons of oilseed cake, or two-and-a-half times the quantity originally suggested. It is not yet known whether this amount will actually be available.

It is in the light of these deficiencies that figures of agricultural production last year must be viewed. How far it fell short of what is possible is clearly indicated in the following duction for 1944-45. It must be borne in mind, however, that two specially adverse factors affecting production in 1944-45 were (1) that fighting was actually in progress in certain areas during the sowing season, and (2) that Italy, in common with other Mediterranean countries, suffered one of the worst droughts of modern times.

Home Food Production

	Average for 1936-38 Metric Tons	Actual for 1944-45 Metric Tons
Wheat	7,153,083	1,206,333
Rye	138,300	78,911
Barley	224,596	124,259
Rice	780,700	115,446
Corn (Maize)	3,128,800	1,115,823
Potatoes	2,931,129	1,526,031
Olive oil	251,553	90,325

Production figures for the following food commodities are for the pre-war period only, since no reliable figures are available for the year, 1944-45.

	Metric Tons
Sugar	316,603
Butter	52,586
Eggs	328,860
Milk	1,583,130

Present production of these commodities is also very low in relation to pre-war figures.

Planned restoration of Italy's agriculture would go a long way not only towards relieving the domestic food situation, but also towards restoring the national economy. Italy is essentially an agricultural country. More than 40 per cent. of her population is rural, while nearly half of all those gainfully employed are engaged in agriculture. By large-scale land reclamation, and by increasing crop yields per acre through more careful selection of seed, and better methods of farming, Italy, in the years immediately preceding the War, so far increased domestic food production as to become 90 per cent. self-sufficient.

While, in some respects, this intensive agricultural drive was economically unsound,

Declassified E.O. 12356 Section 3.3/NND No. 785021

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It is in the light of these deficiencies that figures of agricultural production last year must be viewed. How far it fell short of what is possible is clearly indicated in the following comparative table which shows the average production for some of the more important crops and food products during the pre-war period, 1936-38, and the actual production in certain areas during the sowing season, and (2) that Italy, in common with other Mediterranean countries, suffered one of the worst droughts of modern times.

Home Food Production

	Average for 1936-38 Metric Tons	Actual for 1944-45 Metric Tons
Wheat	7,153,083	1,206,323
Rye	138,300	78,944
Barley	221,596	124,209
Rice	780,700	115,446
Corn (Maize)	3,128,800	1,445,823
Potatoes	2,931,123	1,526,034
Olive oil	251,553	96,325

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While, in some respects, this intensive agricultural drive was economically unsound, agricultural exports, nevertheless, accounted for two-fifths of Italy's total export trade, and thus created substantial foreign credits for the purchase of essential imports.

Declassified E.O. 12356 Section 3.3/NND No. 745021

RUBBER PRODUCTION

Slowly as yet, but already with notable effect, the wheels have begun to turn once more in the rubber industry.

At Tivoli the Pirelli works, using American synthetic rubber, have been producing passenger-car tyres since October last, and output is now in excess of 100 tyres per day. At their works in Milan where production began in January of tyres of all types (including a substantial proportion of heavy-duty tyres), output is expected very shortly to exceed 200 tyres per day. Rayon plants are now once more at work producing the rayon fabric which is essential in synthetic rubber tyres. Michelin have not yet begun production of automotive tyres, but it is anticipated that they will start shortly.

Both Michelin and Pirelli are already producing tyres for bicycles from reclaimed rubber. Output has now been stepped-up almost to normal production. An incidental, but by no means negligible, activity has been the production of rubber soles and heels, also from reclaimed rubber. Output is now very substantial and the availability of this alternative to leather has helped considerably to relieve the acute foot-wear shortage.

These developments have been made possible by imports received under the Military and Transitional Programs. Supplies ordered in accordance with those programs are now only just beginning to arrive in quantity. Substantial imports of synthetic rubber and the essential supplementary materials at an estimated cost of more than 8,000,000 dollars have been included in the new UNRRA program, but it is expected that some time yet will elapse before these supplies start to arrive.

Urgent Tyre Needs

Italy's need of tyres and tubes is immense and urgent, since lack of them is causing serious bottle-necks in distribution by truck transportation. Rubber is at present being allocated almost entirely to their manufacture, to meet essential needs. It is estimated that the minimum requirements this year are in the order of 400,000 to 500,000 tyres and tubes

The target figure for bicycle sizes is 6,500,000. Motorcycle requirements total 35,000 tyres and tubes. Of paramount importance also, is the production of such industrial equipment as transmission belting and conveyor-bands and communications material, such as insulated cables. As with tyres, this equipment is an essential pre-requisite to large-scale rehabilitation.

Priority in the distribution of tyres for private passenger vehicles is given by the Italian Authorities to doctors, industrial executives and establishments engaged in work of special importance. Truck tyres are available only to those concerns engaged in work of national importance. Bicycle tyres are issued only to those who can prove their need to use a bicycle to go to and from their work or for transportation in connection with their business.

Import Program

It is in view of the key character of the rubber industry in Italy that UNRRA's share of the 30,000 tons of natural and synthetic rubber which it is planned to import during 1946 has been set at the higher of the two alternative estimates considered, namely, 15,000 tons. Last year under the Transitional Program provision was made to import 4,000 tons of rubber. Some has already arrived but deliveries are not yet complete. The great bulk of these imports will comprise synthetic rubber imported from the United States, but it is hoped that a proportion will be made up of natural rubber derived from British sources of supply. It is, in fact, essential that some natural rubber should be included in the imports since tyres cannot be made wholly of synthetic rubber but must include a proportion of natural rubber.

The import program is a "rounded" one, that is to say, it includes delivery not only of natural and synthetic rubber, but of such essential manufacturing ingredients as carbon black and cellulose for high-tenacity rayon. The policy throughout will be to import the raw materials. Not only is this more economical of money, time and materials, but it has also the obvious advantage of helping Italian industry to begin work once more.

Declassified E.O. 12356 Section 3.3/NND No. 745 079

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portance also, is the production of such industrial equipment as transmission belting and conveyor-bands and communications material, such as insulated cables. As with tyres, this equipment is an essential pre-requisite to large-scale rehabilitation.

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In view of the present world situation, it is fortunate that production of synthetic rubber, which was only at the experimental stage before the war, was, under the stress of wartime conditions, extensively developed in the

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Declassified E.O. 12356 Section 3.3/NND No. 785021

major warring countries. In such essential ancillary ingredients as carbon black, Italy has never been self-supporting. Under war conditions home production of carbon black reached 1,500 tons in 1942, but even this figure is far below the total of 12,000 tons of carbon black and lamp black needed if the full 1940 production program is to be carried out.

No general statistics of what the Italian rubber industry achieved during the war are available and in the absence of such statistics no estimate can, at the moment, be made of present-day production capacity, particularly in view of the set-backs inflicted upon the industry by Allied bombing and German looting and sabotage. Broadly speaking, however, the principal rubber-manufacturing plants have survived the war with their production capacity intact. In normal times the industry was not only capable of meeting Italian requirements, but of providing a surplus for export. Given an adequate flow of raw materials it can be effectively re-established.

WOOLLEN INDUSTRY

Under the 1946 UNRRA Program 14,000 tons (scoured) of raw wool are scheduled to be delivered during the early months of the year, on UNRRA account. In all, on UNRRA and other account, it is hoped to import during 1946 a total of 18,700 tons (scoured) of raw wool, while home production is expected to yield a further 4,300 tons.

In addition to raw wool, it is planned to import some 24,000 tons of wool rags of which approximately half—11,000 tons—will be supplied on the UNRRA program. As with cotton, so with wool, the urgent clothing needs of the Italian population are to be met by the importation of raw materials, since Italy's large productive capacity can fully supply home needs. After Italy's own essential needs have been met there will remain a substantial number of spindles for both worsted and carded wool and some thousands of looms which, it has been suggested, might be employed in producing essential woollen goods for relief in other areas.

Under the 1945 Transitional Program 2,911 metric tons of pure wool fabric and 1,864 tons of wool yarns, and a favourable, although much-smaller, export balance of mixed fabrics.

The woollen mills have survived the war virtually intact. Only in comparatively small spinning centres in Calabria, Campania and Abruzzi and Molise has serious damage been sustained. Spindles—all carded wool and none worsted—in these provinces account altogether for less than two-and-a-half per cent. of the total, while the number of looms is no more than one-half per cent. In Piedmont, Veneto, Tuscany and Lombardy, where virtually the entire industry—both worsted and woollen—is concentrated, the potential exists for full-scale production—given the raw materials, the coal and the necessary electric power to work the mills.

Italy's woollen industry was hampered by shortage of raw materials, *before* the war, while, of course, during the war all imports ceased. This was particularly so of the worsted section of the industry which, owing to "starvation" except for such domestic supplies as were available, has had to endure a long period of inactivity.

Interference with normal sources of supply began as long ago as 1934 when the Fascist Government inaugurated its campaign for textile self-sufficiency. In accordance with that policy, raw wool imports, which in 1933 rose as high as 91,838 metric tons, fell in 1938 to as low as 37,649 tons—with a corresponding sharp increase in production of mixed woollen cloth and artificial wool fibres. In order to operate under this cramping policy of self-sufficiency which, in the war years was, of course, forced upon the industry, much machinery has had to be adapted for use with artificial fibres.

Present Policy

Present policy with regard to the allocation of imports is designed to correct the unnatural tendencies of recent years and to stimulate the worsted section of the industry. With that end in view the first 1,200 tons of raw wool imported has, experimentally, been allocated in the ratio of 55 per cent. to the worsted spindles and 45 per cent. to the carded wool spindles, after the deduction of small amounts

Declassified E.O. 12356 Section 3.3/NND No. 745021

is far below the total of 12,000 tons of carbon black and lamp black needed if the full 1946 production program is to be carried out.

No general statistics of what the Italian rubber industry achieved during the war are available and in the absence of such statistics no estimate can, at the moment, be made of present-day production capacity, particularly in view of the set-backs inflicted upon the industry by Allied bombing and German looting and sabotage. Broadly speaking, however, the principal rubber-manufacturing plants have survived the war with their production capacity intact. In normal times the industry was not only capable of meeting Italian requirements, but of providing a surplus for export. Given an adequate flow of raw materials it can be effectively re-established.

WOOLLEN INDUSTRY

Under the 1946 UNRRA Program 14,000 tons (scoured) of raw wool are scheduled to be delivered during the early months of the year, on UNRRA account. In all, on UNRRA and other account, it is hoped to import during 1946 a total of 48,700 tons (scoured) of raw wool, while home production is expected to yield a further 1,500 tons.

In addition to raw wool, it is planned to import some 24,000 tons of wool rags of which approximately half—11,000 tons—will be supplied on the UNRRA program. As with cotton, so with wool, the urgent clothing needs of the Italian population are to be met by the importation of raw materials, since Italy's large productive capacity can fully supply home needs. After Italy's own essential needs have been met there will remain a substantial number of spindles for both worsted and carded wool and some thousands of looms which, it has been suggested, might be employed in producing essential woollen goods for relief in other areas.

Under the 1945 Transitional Program 2,911 metric tons (scoured) of raw wool have so far been imported. These imports represent the first beginnings in the long process of re-establishing an industry, which in 1938 had established a net export balance of some 8,965 spinning centres in Calabria, Campania and Abruzzi and Molise has serious damage been sustained. Spindles—all carded wool and none worsted—in these provinces account altogether for less than two-and-a-half per cent. of the total, while the number of looms is no more than one-half per cent. In Piedmont, Veneto, Tuscany and Lombardy, where virtually the entire industry—both worsted and woollen—is concentrated, the potential exists for full-scale production—given the raw materials, the coal and the necessary electric power to work the mills.

Italy's woollen industry was hampered by shortage of raw materials, *before* the war, while, of course, during the war all imports ceased. This was particularly so of the worsted section of the industry which, owing to "starvation," except for such domestic supplies as were available, has had to endure a long period of inactivity.

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Declassified E.O. 12356 Section 3.3/NND No. 745001

in the North. The Associazione was responsible for the original allocation, and now has the whole question under review.

Allocations of UNRRA wool will, of course, be subject to special considerations because of the necessity of making certain that the finished products are such as to provide essential goods needed by the Italian people, at prices which they can afford to pay. Discussions on the best way to follow this policy will be carried on in the next few weeks before the first UNRRA shipments arrive.

MOVEMENTS OF SHIPS

(CARGOES OTHER THAN COAL)

(FEBRUARY 1-18 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO
J. C. Blackburn	Genoa	11 Feb.	FEA	Wheat
Harry Gluckman	Genoa	12 „	For Switzerland	„
Henry Rainey	Genoa	13 „	For Switzerland	„
Joseph Emery	Castellamare Salerno	16 „	UNRRA	„
Arthur Riggs	Civitavecchia	16 „	UNRRA	„
James Devereaux	Genoa	16 „	FEA	„
Thos. Hill	Catania Syracuse	* 17 „	UNRRA	„
Geo. Mackay	Leghorn	* 18 „	It. Govt.	„
Francis Smith	Genoa	11 „	Commercial	Cotton
Jose Benitez	Genoa Naples	11 „	It. Govt., Commercial	Cotton, Steel
Nancy Lykes	Genoa	12 „	It. Govt., Commercial	„ „
Geo. Flanders	Genoa Leghorn	15 „	It. Govt.	Copper, Nitrate

* *Expected date of arrival*

COAL

(FEBRUARY 11-17 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT
James McHenry	Bari	11 Feb.	FEA	Stephen Furdeck	Venice	15 Feb.	FEA
	Ancona	17 „		Orland Loonis	Genoa	16 „	U. S. Army
Benjamin H. Bristow	Civitav.	11 „	„	Henry M. Rice	Venice	„ „	FEA
Brander Matthews	Genoa	12 „	„	Fort Brandon	Civitav.	17 „	British Army
Fort Senneville	Genoa	„ „	British Army	Finley P. Dunne	Bari	„ „	FFA
Anson Burlingam	Genoa	„ „	FEA	R. S. Wilson	Genoa	„ „	FEA
John Carlisle	Savona	„ „	„	Nelson Dingley	Venice	„ „	FEA
Andrew Carnegie	Palermo	13 „	„	William Rayburn	Venice	„ „	FEA

Declassified E.O. 12356 Section 3.3/NND No. 787831

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John Carlisle	Savona	„ „	„	Nelson Dingley	Venice	„ „	FEA
Andrew Carnegie	Palermo	13 „	„	William Rayburn	Venice	„ „	FEA
Carter B. Axton	Genoa	14 „	„				
Pittsburg Seam	Savona	15 „	„				

NOTE: Several coal shipments for which only estimated dates of arrival could be given last week are included in the above table, in view of the more detailed information now available.

Declassified E.O. 12356 Section 3.3/NND No. 785021

February 15, 1946 Vol. I, No. 5

UNRRA

ECONOMIC NOTES

— PUBLISHED BY UNRRA ITALIAN MISSION, VIA DI SAN NICOLA DA TOLENTINO 78, ROME, ITALY —

CONTENTS

1. Shipping Problems
2. Sugar, Fats And Meat.
3. Movements of Ships

SHIPPING PROBLEMS

To provide a week by week picture of what ships are arriving at Italian ports and what goods are coming into the country, these Notes will in future include a weekly summary of ship movements and principal imports. The first of these summaries covers the period from February 1 until Monday, February 11, but with subsequent issues the period will be one week only—from Monday noon to Monday noon.

For January, the shipping and import situation was, briefly, as follows:—

Number of ocean-going ships arrived at Italian ports with civilian supplies . . 71

Principal Imports:

Wheat	186,811	metric tons
Other Foods	9,274	» »
Coal	289,832	» »
Miscellaneous Non-food	39,042	» »

Principal Ports of Discharge:

Genoa	21	ships
Venice	11	»
Savona	6	»
Naples	5	»
Bari	5	»

counting both those on FEA account and those on UNRRA account. Of the 89 ships, 51 will carry coal, estimated at about 400,000 tons. Of the FEA ships (other than coal) seven will load with flour, one with cotton and nitrates and five with general cargo, details of which are not at present available. The UNRRA ships (other than coal) will, according to tentative program estimates, load approximately 227,000 metric tons of supplies for delivery during March, of which 170,000 metric tons will be bulk wheat, 16,000 tons wheat flour, another 15,500 tons oats and approximately 4,500 tons rye flour, rolled oats and cornmeal. UNRRA shipments are expected also to include approximately 10,500 tons of condensed and dried milk, as well as 1,000 tons of sardines. Supplementing FEA deliveries of coal from the Western Hemisphere, will be approximately 16,000 tons of coal shipped on UNRRA account from South Africa. It must be emphasised that these figures are *tentative*.

February loadings, for delivery during March, are expected to clear the bulk of the outstanding FEA supplies. March loading on FEA account will be small. From then on, the bulk of Italy's basic supplies will be shipped by UNRRA.

Availability of Supplies

What UNRRA can achieve will, to a considerable extent, depend upon factors over which UNRRA as an international body, has [illegible] control—or sometimes none at

Declassified E.O. 12356 Section 3.3/NND No. 785021

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What UNRRA can achieve will, to a considerable extent, depend upon factors over which UNRRA as an international body, has only limited control—or sometimes none at all. Over-riding all else is the question of availability.

The discussions which have just been completed in London regarding the future of the

Declassified E.O. 12356 Section 3.3/NND No. 785021

shipping "pool," which is to end on March 2, must by their very nature have a most intimate bearing upon the whole future of Italian rehabilitation. As this issue goes to Press, details of the decisions arrived at in London are not available in Rome. How far the individual nations will exercise control—as is recommended—in the interim period, which will follow the winding up of the United Maritime Authority—the so-called "pool"—cannot be stated, but one fact is incontestable: Orderly availability of the world's shipping is as much a matter of international concern as the orderly availability of such basic commodities as grain. For Italy in particular, shipping availability is of special importance since her imports are at the present time almost 100 per cent sea-borne, and they reach Italy in largely non-Italian shipping.

The availability of shipping depends in its turn upon factors, some temporary some permanent, of great diversity. Securing actual shipping tonnage is by no means the only problem to be solved. Indeed, shortage of shipping tonnage is not at the moment the most pressing of those problems. Of greater urgency are such questions as whether the cargo a particular ship is chartered to carry can, in fact, be made available for loading at the port, when required; whether a ship can, in fact, be manned and whether at the port of discharge facilities exist for the proper handling, and onward despatch, of the cargo.

Manning Difficulties

Unprecedent snow-storms, for instance, in the United States during December reacted immediately upon loading schedules at the ports. As mentioned in a previous issue, inland transportation difficulties have prevented delivery to the seaboard of the grain which the Argentine Government has promised as a gift to Italy. Another serious consideration at the present time is the shortage of crews to man the ships that are available to carry the cargoes. In some cases this shortage is a passing phase. In December, for example, a substantial number of men were not available for duty because they were spending the holidays with their families at home. Also, with the end of the War, the United States Mercantile

A further serious difficulty which hampers the orderly movement of shipping is the inability of all war ravaged importing countries to clear the ships quickly, owing to war damage in the ports themselves, and, above all, owing to the inadequacy of internal transportation systems. This is undoubtedly true of Italy. Lack of railway wagons, lack of locomotives and lack of fuel all combine to cause delay in the "turn-round" of ships at the ports—delay which is aggravated further by the destruction of port facilities. Yet another cause of delay in "turn-round" is the uneven flow of shipping. A port's capacity depends not so much on what it can handle per year, but on the number of ships it can accommodate at any one period of time. In Genoa, recently, three Swiss ships, which arrived within a week, could not discharge their cargo because no berths were available. But while these difficulties remain serious, it must be recorded that strenuous and effective efforts have been, and are being, made by the Italian Authorities to overcome them.

Reducing Road Haulage

In view of the present serious state of road and rail transportation in Italy, the aim is always to deliver cargo to the port nearest to where the supplies are needed, thereby reducing inland haulage to a minimum. Practical considerations make it impossible always to carry out such a policy. Phosphates from Chile, for example, consigned to provinces for which Ancona was the obvious port could not be landed there direct, owing to the fact that Ancona, a comparatively shallow-draught port, could not accommodate fully-laden, ocean-going freighters.

A much asked question is: What is to be done with the merchant shipping tonnage which prior to the War belonged to Italy? How far it can be used to serve Italian needs depends, first, upon the final settlement of treaty terms between the United Nations and Italy and, secondly, upon the adjustments which will result from the London decision to wind up U. M. A.

Italian—or former Italian—shipping can be divided into three classes:

Declassified E.O. 12356 Section 3.3/NND No. 787801

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Italian—or former Italian—shipping can be divided into three classes:

(1). Ships under 300 tons gross, comprising schooners and other coastal vessels.

(2). Ships over 300 tons gross employed in Italian coastwise traffic and

Declassified E.O. 12356 Section 3.3/NND No. 785021

(3). Ships over 300 tons gross employed in the shipping "pool" under the control of U. M. A., outside Italian waters.

Coastal ships in Class I, totalling 50,000 tons gross have, since July 1 last, been operated under the direct control of the Italian Ministry of Marine through "Cogena," i.e. the Comitato Gestione Navi. Ships in Class II, totalling some 100,000 tons gross, are at the present time operated under the control of the Italian Government working in collaboration with U. M. A. Their future is obviously dependent upon the arrangements which will follow the winding up of U. M. A. Ships outside Italian waters, of which the gross tonnage is somewhat over 150,000, are, with few exceptions, in the U. M. A. shipping "pool."

Argentine Deal

So far, no practical results have come of the deal with Argentina, by which the Italian Government bought back seven ships, of an average of 5,000 tons gross, which were sold to Argentina at the beginning of the War. On paper, all the negotiations are complete and for one of the ships a charter party has already been signed for the trip from Argentina back to Italy; but the exact date of departure is not known. Some of the other ships have still to complete voyages under the Argentine flag before they become available for transfer. It is, further, a condition of sale that the ships must be handed back to Italy in the same condition they were in when they were sold to Argentina. The necessary surveys and repairs are expected to involve substantial delays before the ships are physically in a condition to sail for Italy. On the other hand, it is certain that their return to the Mediterranean for use in the Italian trade would be a substantial gain.

The destiny of Italian shipping is not controlled by UNRRA; but UNRRA will look with a benign eye on any increase in the ships available to Italy. For to the extent that Italian ships can carry the hundred or so ship-

SUGAR, FATS AND MEAT

Sugar supplies are likely to be a cause of anxiety during the coming months until domestic production brings relief in October. With sugar, as with wheat, the reason for anxiety is the same: world shortage. In compiling their import requirements for 1946, the Italian Government based their figures on a tentative monthly ration of 500 grams per person and an allotment of 130,000 tons for special concessions and the manufacture of fruit preserves. Even at the time, however, when this figure was first put forward, the world shortage was such that import requirements were at once pruned from a theoretical optimum of 238,000 tons to 152,000 tons, of which UNRRA was asked to contribute a total of 82,000 tons.

On this basis, it was hoped to increase the monthly ration to 300 grams a month, and maintain it at this figure until October, when distribution of home-grown, and home-processed sugar could begin. (Although the harvest is in mid-August, it is estimated that none of the new season's sugar can be on the market before October at the earliest.) In present circumstances, however, not only must any thought of increasing the sugar ration be put aside, but the possibility must also be faced of a cut in the existing ration (200 grams per month per normal consumer) before the new harvest is processed and on the market. The necessity for this, it must once again be emphasised, is due entirely to world shortages. The reduction in imports during 1946, now seen to be inevitable, will apply not only to Italy but to all those countries bidding for a share in the depleted world stocks of sugar. Early forecasts of the 1946 domestic sugar crop are satisfactory and present estimates point to a yield of 130,000 tons—just sufficient to maintain the present ration after the harvest without recourse to imports.

Ration Fluctuations

A point to be noted in regard to the rationing of sugar and of other subsidiary foods is that the actual value of the ration will necessarily have to be based on a month to month

Declassified E.O. 12356 Section 3.3/NND No. 760021

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The destiny of Italian shipping is not controlled by UNRRA: but UNRRA will look with a benign eye on any increase in the ships available to Italy. For to the extent that Italian ships can carry the hundred or so shiploads of UNRRA supplies that will come into Italy monthly, UNRRA (and the United Nations) are saving good money, that can be spent on relief and rehabilitation if it does not need to be spent on freight.

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Ration Fluctuations

A point to be noted in regard to the rationing of sugar and of other subsidiary foods is that the actual value of the ration will necessarily have to be based on a month to month allocation. Unlike the bread ration, where plans are laid far ahead to ensure a fixed scale, rations of subsidiary foods are likely to show month to month fluctuations, according to the availability of supplies.

Declassified E.O. 12356 Section 3.3/NND No. 785021

Fat Ration

In respect of another of the subsidiary foods included in the UNRRA program, namely fats, it now seems probable that the level of imports tentatively planned for 1946 will not be reached, although reductions are unlikely to be as proportionately drastic as in the case of sugar. This should cause little surprise, since as with sugar, preliminary estimates put forward by the Italian Government were reduced as it seemed "very unlikely that such a large import program could ever be fully implemented, because of the world-wide shortage of fats, oils and oil-bearing seeds."

Import Requirements

Total requirements on the basis of a monthly ration of 250 grams for each of the 36,000,000 non-producers in the country, plus higher rations for certain special classes, would represent 150,000 tons a year. This would involve importing some 108,000 tons, on the assumption that 42,000 tons would be available from domestic sources for distribution to ration card holders. Total home production of fats and oils is estimated to be 190,000 tons—or more than four times what is available for distribution in the general ration. The difficulty lies, however, in collecting animal fat, while olive growers are by law allowed to retain 15 kgs. per person. Of the 2,300,000 pigs which, it is estimated, will be killed this year, some 2,000,000 will be slaughtered on individual farms and smaller establishments, where no practicable means exist of securing the by-products for general distribution. Only 300,000 pigs will be processed in industrial establishments where fats *can* be recovered. So far as olive oil is concerned, the only possible emergency measure for increasing output—and one that can only be applied to a severely limited extent—would be to secure more intensive extraction.

Meat

With regard to meat, it is to be emphasised that not only is there no official ration, but it is Government policy to stop the slaughter of livestock, in order to make good the severe losses incurred during—and after—the war. Under Ministry of Agriculture Order, it is an offence to slaughter cattle, except where animals are sick or too old for work.

The German Army policy of living off the land was responsible for large-scale slaughter, and as the Germans retreated from Southern Italy they drove large herds along with them. The inclusion of Indian troops among the British Forces fighting in Italy necessitated the slaughter of large quantities of sheep, in order to meet the special food requirements prescribed by Indian religion and custom.

The British Army authorities have replaced most of the meat they took in the form of live sheep with equivalent supplies of preserved meat; but, while such an exchange satisfies immediate food requirements, it does nothing to restock depleted flocks. Not the least of the causes of a reduction in livestock was last year's severe drought, which involved heavy enforced slaughter of sheep and goats, particularly in Southern Italy and Sardinia.

In the very limited program of meat importation envisaged in 1946 it is proposed tentatively to import a total of some 52,000 tons of meat, of which UNRRA's share will be 24,600 tons in the form of canned meat to facilitate distribution. It is also hoped to import a total of some 7,000 tons of frozen meat (of which UNRRA's quota wil be 2,330 tons) to serve the double purpose of reviving the preserved meat industry and at the same time providing a means of utilising meat scrap which would otherwise be wasted.

Declassified E.O. 12356 Section 3.3/NND No. 785021

Movements of Ships

(PERIOD FEBRUARY 1-14 INCLUSIVE)

CARGOES OTHER THAN COAL

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO
John W. Davis	Venice	4 Feb.	It. Govt., FEA	Steel, Food and General
George Baker	Messina Reggio	6 Feb.	UNRRA	Wheat, Bulk
Benj Grierson	Castellamare	10 Feb.	FEA	" "
Joel Palmer	Palermo	11 Feb.	It. Govt.	" "
Julia Shaw	Genoa	6 Feb.	FEA	" "
Cleveland Forbes	Naples	11 Feb.	FEA	" "
Billy Mitchell	Bari Ancona	3 Feb.	FEA	" "
Wm. Fargo	Genoa	2 Feb.	It. Govt.	Cotton, Copper
John McMillan	Naples Savona	8 Feb.	It. Govt.	" "
Adoniram Judson	Venice	2 Feb.	It. Govt.	" "
Cetus	Catania Bari	2 Feb.	UNRRA	Seed Potatoes
Rutenjell	Leghorn	7 Feb.	UNRRA	" "
Mitchell Palmer	Savona	4 Feb.	It. Govt.	Manganese
Jas. Wilder	Naples Catania	7 Feb.	It. Govt.	Sodium Nitrate
Wm. Dobson	Naples	4 Feb.	It. Govt., FEA	Food, Steel, General
Sidney Edgerton	Genoa Naples	8 Feb.	It. Govt.	Rails
Purdue Victory	Genoa	7 Feb.	It. Govt.	Food and General
St. John Victory	Civitavecchia	10 Feb.	UNRRA	" " "
Rufus Peckham	Venice	9 Feb.	It. Govt., FEA	" " "
Becket Bend	Naples	2 Feb.	UNRRA	Codfish
Joyce Kilmer	Bari Ancona	2 Feb.	FEA	Wheat, Bulk

CONT.

SHIP	PORT OF ARRIVAL	ESTIMATED DATE OF ARRIVAL	SHIP	PORT OF ARRIVAL	ESTIMATED DATE OF ARRIVAL
Wilfred R. Bellevue	Civitavecchia	1 Feb.	Robert S. Bean	Genoa Savona	7 Feb.
John Marshall	Leghorn		Carter B. Axton	Genoa Savona	
Samuel Blatchford	Genoa Savona		Glamorgan Seam	Genoa Savona	
Redstone Seam	Genoa Savona	2 Feb.	Robert Y. Hayne	Bagnoli	8 Feb.
John Ross	Venice		Zarembo	Piombino	
Norman E. Mack	Genoa Savona	3 Feb.	Henry M. Rice	Bari	
Atlanta City	Venice		Fort Seneville	Bari	
Gaeta	Genoa Savona		Samgalleon	Ancona	
Wm. Bryan	Venice	4 Feb.	Edera	Genoa Savona	9 Feb.
Henry Waterson	Civitavecchia		Teresa Schiaffino	Genoa Savona	
Edwins Nettleton	Genoa Savona		Eugene Field	Venice	
Ocean Waylairer	Venice		Edwin W. Scripps	Reggio	
Wm. Bradford	Venice		Chilton Seam	Genoa Savona	10 Feb.
Banner Seam	Genoa Savona		John B. McQuigg	Genoa Savona	
John Chandler	Genoa Savona	5 Feb.	Benj. H. Bristow	Civitavecchia	

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Declassified E.O. 12356 Section 3.3/NND No. 795021

Benj Grierson	Castellamare	10 Feb.	FEA	" "
Joel Palmer	Palermo	11 Feb.	It. Govt.	" "
Julia Shaw	Genoa	6 Feb.	FEA	" "
Cleveland Forbes	Naples	11 Feb.	FEA	" "
Billy Mitchell	Bari Ancona	3 Feb.	FEA	" "
Wm. Fargo	Genoa	2 Feb.	It. Govt.	Cotton, Copper
John McMillan	Naples Savona	8 Feb.	It. Govt.	" "
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Becket Bend	Naples	2 Feb.	UNRRA	Codfish
Joyce Kilmer	Bari Ancona	2 Feb.	FEA	Wheat, Bulk

COAL

SHIP	PORT OF ARRIVAL	ESTIMATED DATE OF ARRIVAL	SHIP	PORT OF ARRIVAL	ESTIMATED DATE OF ARRIVAL
Wilfred R. Bellevue	Civitavecchia	1 Feb.	Robert S. Bean	Genoa Savona	7 Feb.
John Marshall	Leghorn		Carter B. Axton	Genoa Savona	
Samuel Blatchford	Genoa Savona		Glamorgan Seam	Genoa Savona	
Redstone Seam	Genoa Savona	2 Feb.	Robert Y. Hayne	Bagnoli	8 Feb.
John Ross	Venice		Zarembo	Piombino	
Norman E. Mack	Genoa Savona	3 Feb.	Henry M. Rice	Bari	
Atlanta City	Venice		Fort Seneville	Bari	
Gaeta	Genoa Savona		Sangalleon	Ancona	
Wm. Bryan	Venice	4 Feb.	Edera	Genoa Savona	9 Feb.
Henry Waterson	Civitavecchia		Teresa Schiaffino	Genoa Savona	
Edwins Nettleton	Genoa Savona		Eugene Field	Venice	
Ocean Wayfairer	Venice		Edwin W. Scripps	Reggio	
Wm. Bradford	Venice		Chilton Seam	Genoa Savona	10 Feb.
Banner Seam	Genoa Savona		John R. McQuigg	Genoa Savona	
John Chandler	Genoa Savona	5 Feb.	Benj. H. Bristow	Civitavecchia	11 Feb.
Ocean Verity	Venice		Mitchell J. Stone	Leghorn	
Woodrow Wilson	Bagnoli		James McHenry	Bari	
Thomas Condon	Ancona	6 Feb.	Andrew Carnegie	Palermo	
Colabee	Reggio				

Declassified E.O. 12356 Section 3.3/NND No. 785021

February 9, 1946

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UNRRA 158/Tm 1

ECONOMIC NOTES

PUBLISHED BY UNRRA ITALIAN MISSION, VIA DI SAN NICOLA DA TOLENTINO 78, ROME, ITALY

CONTENTS

1. Coal Position.
2. Grain Future.
3. Cotton Outlook.

COAL POSITION

As even every *scugnizzo* must know by now, Italy's economic recovery rests on coal. The country's limited natural resources of low-quality, high-cost coal and lignite compelled Italy in pre-war years to import 85 per cent. of her requirements or approximately 12,000,000 tons a year. This was a heavy drain on foreign exchange which in turn necessitated a heavier industrial production for export (to obtain foreign exchange), which stepped-up production always needed more coal. Virtually all of the imported coal came from Europe, eliminating ocean freight charges, which, incidentally, must now be paid for U. S. coal. Germany supplied 58.5 per cent. of the coal imported in 1938, for example, with the United Kingdom, Poland, Czechoslovakia, Belgium and Luxemburg being the other chief suppliers, in the order named.

Most of the coal was used for essential industries and only 5.7 per cent. (in 1938) for household purposes. In fact, per capita consumption of coal in Italy for the home has always been one of the lowest in the world. The largest users were first, coke plants; second, railroads; third, gas works; fourth, metallurgical and mechanical industries; fifth, construction material plants (cement, glass, bricks). Others included thermo-electric plants, food industries and bakeries, chemicals and textiles. Domestic production was a poor drop in the coal bucket—about [illegible] month, including 75,000 tons of

came to Italy. Domestic production was at a standstill and efforts were made to resume production, key mining supplies being imported on a priority basis. The vital importance of importing coal for Italy was stressed on the highest levels. Enormous difficulties have been faced in obtaining the amounts of coal imported, not only because of competing demands from all of the liberated countries of Europe and of world-wide shipping difficulties but also because of depleted European sources of coal, namely the Ruhr, which was devastated in the war, and further because of the war damage to Italian ports, whose port reception capacity was drastically reduced, causing long delays in discharging coal cargoes.

Allied Sources.

The story of the supply of coal to Italy from Allied sources since July, 1943, covers three phases. The first, that of Allied military responsibility, saw, according to accounts thus far tabulated, 1,017,988 tons of coal imported into Italy by the military for exclusively essential civilian use, not counting coal used for hauling civilian freight, a substantial additional amount. About half of this coal came from the United States and the rest from the United Kingdom, South Africa and India. Until the spring of 1945, the amount of coal allotted each month to Italy was comparatively small, in the neighborhood of 50,000 tons. But with the liberation of the industrial North, the rate of coal imports was

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

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Most of the coal was used for essential industries and only 5.7 per cent. (in 1938) for household purposes. In fact, per capita consumption of coal in Italy for the home has always been one of the lowest in the world. The largest users were first, coke plants; second, railroads; third, gas works; fourth, metallurgical and mechanical industries; fifth, construction material plants (cement, glass, bricks). Others included thermo-electric plants, food industries and bakeries, chemicals and textiles. Domestic production was a poor drop in the coal bucket—about 262,000 tons a month, including 75,000 tons of Sardinian coal, 8,000 tons of Val d'Aosta anthracite, 85,000 tons of somewhat better grade coal from the Arsa mines on the Istrian peninsula and 90,000 tons of lignite.

The Allied Commission took immediate cognizance of this situation when the Allied Armies came to Italy. Domestic production was at a standstill and efforts were made to resume production, key mining supplies being imported on a priority basis. The vital importance of importing coal for Italy was stressed on the highest levels. Enormous difficulties have been faced in obtaining the amounts of coal imported, not only because of competing demands from all of the liberated countries of Europe and of world-wide shipping difficulties but also because of depleted European sources of coal, namely the Ruhr, which was devastated in the war, and further because of the war damage to Italian ports, whose port reception capacity was drastically reduced, causing long delays in discharging coal cargoes.

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Coal next began to arrive in Italy under the FEA program in October, when 435,688 tons

Declassified E.O. 12356 Section 3.3/NND No. 759031

(from 42 ships loaded in September) were received. Strikes in the United States resulted in fewer shipments—only 15 ships sailing in October—and in November only 131,433 tons were received, although it had been planned to send 420,000 tons. The next month plans were set up to receive 450,000 tons (since 50 ships sailed in November), but actually only 391,831 tons came into Italy in December. The January program was also set up to receive 450,000 tons but further difficulties, particularly in obtaining crews for ships—13 ships from Hampton Roads, Virginia, alone, for example, could not sail until early January— allowed the dispatching of only 335,000 tons of coal in December. Arriving here finally were 323,000 tons in January, carried in 40 ships. Consequently, coal allocations last month had to be concentrated among railroads, gas and electricity works, hospitals and bakeries, while industrial demands were temporarily subordinated.

For February, the coal picture looks better. Fifty ships sailed from the United States in January loaded with 400,000 tons of coal while another 28,000 tons were coming from South Africa, which makes a prospective total of 428,000 tons for February. Ironically enough, the steel strike in the United States has had a beneficial effect on coal shipments to Italy since it released coal otherwise taken by the steel mills. When the total FEA coal program is completed shortly, it is estimated that approximately 1,687,000 tons of coal will have been imported, at a cost figured roughly of $40,000,000. The European Coal Organization, which recommends coal allocations, has been given full details of Italy's position, and adjustments have already been made to increase shipments in order to make up for the previous allocations which failed to arrive. Speaking of the ECO, the Italian Government, through the medium of the Allied Commission, has been invited to become an associate member of the Organization, an invitation extended under the joint sponsorship of the United States and British Governments. The acceptance of the invitation is now being awaited.

UNRRA Coal.

With the end of the FEA program, the largest 1946 supply of imported coal for Italy is being arranged under the UNRRA supply program. Preliminary studies of coal requirements made year and ending before the end of the year. This contemplated amount covers about half of what were estimated to be Italy's requirements of 11,692,000 tons, of which 8,692,000 were for industry and the rest for the railroads. Of the coal required for industry, 5,132,000 tons should be general use coal, 1,700,000 tons coking coal, 1,000,000 tons gas coal and 860,000 tons anthracite and slack coal. The table below gives an indication of the suggested allocation of total coal requirements by users in 1946, including allocation of the estimated production of domestic coal and cokes:

Consumers	Tonnage Allocation
Metallurgy	1,337,000
Pig-iron smelters	140,000
Non-ferrous metals	310,000
Mechanical engineering	393,000
Electrical engineering	74,000
Building materials	1,510,000
Pottery and glass	422,000
Chemicals	945,000
Textiles	621,000
Food	550,000
Paper	175,000
Rubber	130,000
Leather and tannic extracts	40,000
Chemical and metallurgic coke plants	1,700,000
Gas works	1,150,000
Thermo-electric plants	625,000
Domestic uses	890,000
Bakers	240,000
Hospitals	360,000
Agriculture	80,000
Total requirements	11,692,000
Domestic production (including cokes)	3,000,000
Import requirements	8,692,000

The 11,692,000-ton figure of coal requirements, incidentally, does not include coal needed for the manufacture of goods for export. This same figure in some calculations has been trimmed down to 10,000,000, considered as strictly essential. Where the rest of the needed coal over and beyond the prospective 5,250,000 tons of UNRRA coal (an estimate, by the way, not yet definitely fixed in certain details), will come from is another question. It depends on restora-

Declassified E.O. 12356 Sec. 3.3/NND No. 763021

receive 450,000 tons (since 50 ships sailed in November), but actually only 391,831 tons came into Italy in December. The January program was also set up to receive 450,000 tons but further difficulties, particularly in obtaining crews for ships—13 ships from Hampton Roads, Virginia, alone, for example, could not sail until early January— allowed the dispatching of only 335,000 tons of coal in December. Arriving here finally were 323,000 tons in January, carried in 40 ships. Consequently, coal allocations last month had to be concentrated among railroads, gas and electricity works, hospitals and bakeries, while industrial demands were temporarily subordinated.

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Consumers	Tonnage Allocation
Metallurgy	1,337,000
Pig-iron smelters	140,000
Non-ferrous metals	310,000
Mechanical engineering	393,000
Electrical engineering	74,000
Building materials	1,510,000
Pottery and glass	122,000
Chemicals	945,000
Textiles	621,000
Food	550,000
Paper	175,000
Rubber	130,000
Leather and tannic extracts	40,000
Chemical and metallurgic coke plants	1,700,000
Gas works	1,150,000
Thermo-electric plants	625,000
Domestic uses	890,000
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Declassified E.O. 12356 Section 3.3/NND No. 759021

the importation of 720,000 tons of Polish coal in exchange for Italian products. Conversations are also being held with Czechoslovakia for the same purposes.

An increased rate of coal imports also depends heavily on port restoration, including repairs and installation of adequate equipment and facilities not only for unloading cargoes but doing so with dispatch, since present port capacity for coal discharge is, at best, capable of receiving only 600,000 tons a month. Steps have been taken further to increase Italian coal production itself, but transportation difficulties hamper distribution of the mined coal. The average monthly production in Sardinia is now 60,000 tons while shipping difficulties caused a stockpile of approximately 70,000 tons to accumulate. This problem has now been temporarily solved by putting more ships on the Sardinia run. Lignite production is now about 110,000 tons a month, which is, in some respects, better than the pre-war figure and which could be increased considerably more if many of the mines, including the large Valdarno group, were connected by rail to main lines (which at present they are not) to avoid the high costs and mechanical difficulties of road transportation.

GRAIN FUTURE

As the press has reported, a decision has been reached by the Italian Government to restore a general pasta ration at the reduced scale of 500 grams a person a month throughout Italy as of February 1. This is the best indication of improvement in the situation which developed during December and January, when, first, as the result of local action in many provinces and later by general order of the Italian Government, the use of pasta in the *generi di minestra* ration was suspended, in order to ensure the maintenance of the 200-gram bread ration. Only in the regions of Marche and Umbria and the six provinces of Grosseto, Matera, Rieti, Siena, Teramo and Viterbo, where sufficient indigenous stocks of Italian grain existed for local maintenance until the next harvest, was it possible to allow the continuance of the regular pasta ration.

According to the latest information, it is certain that no immediate prospect exists of restoring the ration of *generi di minestra* generally

Local action in suspending the pasta ration (which saved an estimated 62,000 tons of grain a month) was responsible for a slight improvement in the overall figure of actual stocks of cereal held on January 1. Reserve stocks estimated to be 208,000 metric tons, were found to be 232,000 tons. This latter figure represents sufficient grain for no more than 21 days normal rations (inclusive of pasta) for the 35,000,000 non-producers that have to be fed, and is still too low. Further, these stocks are not evenly distributed over the country, but are largely made up of the indigenous grain concentrated in four lucky regions of the Marche, Umbria, Emilia and Toscana.

Rice Issue.

For the present, that proportion of the *generi di minestra* ration which was given in December in the form of rice is still being issued as such in North Italy. This is considered an equitable adjustment, since during last June, July and August, when Southern Italy was receiving a full pasta ration, many provinces in Northern Italy were without either pasta or rice. By establishing a nation-wide 500-gram ration, the existing disparity in the *generi di minestra* ration in the North and the South will now disappear.

Whether rations in the South (apart from the Marche, Umbria and the six provinces) will be made up entirely of rice to be brought from the North, or partly of pasta is still to be decided. Some such arrangement will have to be made to insure as fair a distribution as possible of all available cereals. Difficulties are, however, likely to be experienced both as to transportation and as to local reluctance on the part of rice-producing provinces to reduce rations in order to export to other parts of Italy.

So far as bread is concerned stocks in hand, or in ships scheduled to arrive, give assurance to all regions of Italy that rations will be maintained for a longer period than was assured a few weeks ago. Happily, also, the question of diverting ships to meet emergency needs has recently not been so acute.

New Totals.

Thanks to reduced consumption during January following the suspension of the pasta ration and recent increases in the rate of arrival of imported grain, reserve stocks in hand at the end of January are estimated to have totaled

Declassified E.O. 12356 Section 3.3/NND No. 785021

heavily on port restoration, including repairs and installation of adequate equipment and facilities not only for unloading cargoes but doing so with dispatch, since present port capacity for coal discharge is, at best, capable of receiving only 600,000 tons a month. Steps have been taken further to increase Italian coal production itself, but transportation difficulties hamper distribution of the mined coal. The average monthly production in Sardinia is now 60,000 tons while shipping difficulties caused a stockpile of approximately 70,000 tons to accumulate. This problem has now been temporarily solved by putting more ships on the Sardinia run. Lignite production is now about 110,000 tons a month, which is, in some respects, better than the pre-war figure and which could be increased considerably more if many of the mines, including the large Valdarno group, were connected by rail to main lines (which at present they are not) to avoid the high costs and mechanical difficulties of road transportation.

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According to the latest information, it is certain that no immediate prospect exists of restoring the ration of *generi di minestra* generally throughout Italy to the figure at which it stood in December, namely 2,000 grams a person a month, nor can anyone tell at this time when such a full restoration will be possible.

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New Totals.

Thanks to reduced consumption during January following the suspension of the pasta ration and recent increases in the rate of arrival of imported grain, reserve stocks in hand at the end of January are estimated to have totaled just under 236,000 tons. The January import figure totaled some 192,000 tons, while the estimated amassing during the month was 20,000 tons.

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

Import figures for February, provided ships arrive on time, should reach a total of approximately 228,000 tons. This, together with an estimated amassing of 20, 00 tons should result in a further slight improvement in the reserve stock situation by the end of February, during which month 240,000 tons of cereals (including rice) will have been consumed. By the end of March, the reserve stock figure, it is hoped, will have improved to 255,000 tons. These estimates pre-suppose not merely the maintenance of shipping schedules, but also the re-adjustment of the *generi di minestra* ration, of course. All this is projected on the basis of close and constant coordination of effort on the part of the food authorities.

The Future.

At this stage it is not yet possible to discuss shipments of grain later in the year. UNRRA now tentatively plans to import for Italy a total of 1,620,000 tons of grain, but the UNRRA cereal program ends with June loadings. UNRRA grain will begin to arrive in February. All this, however, must be regarded as a wished-for plan rather than as a certain program. Its actual realization will be dependent upon world availability of grain—and present indications point to so great a demand from all wheat-importing countries that some scaling down will undoubtedly be necessary. With the action taken here in Italy to conserve stocks and the action taken in Washington to accelerate loadings, the stock situation will continue steadily to improve, it is hoped. But in view of the acute world demand, the extent of improvement is inevitably limited.

Some slight easing of the position in Italy would result if, and when, the 100,000 tons of grain offered as a gift by Argentina could, in fact, be shipped to this country. The grain is there and the ships to move it are available, but the problem which has yet to be solved is how the grain is to be moved to the ports in Argentina. Argentina's internal transportation system, too, is run down and needs, notably, 50,000 motor tires.

So great are world demands for wheat, that Italy's cereal imports will henceforth include 55,000 tons a month of wheat flour substitutes, in the form of oats, barley, corn and—up to a maximum of three-and-a-half per cent.— low

Italy's local grain prospects are at the moment better than might have been expected. Autumn-sown wheat is looking well, and, given good weather, there are prospects of a satisfactory harvest. Since spring sowing has yet to be completed, no estimate is possible of the total acreage, though it will be a long while before domestic production again reaches the peak of 8,000,000 tons of the pre-war years. Last year, owing to war and drought, production fell to 4,000,000 tons.

COTTON OUTLOOK

Perhaps the most interesting fact about the textile market in Italy is the existence of large stocks of finished textiles, particularly in North Italy, which are still in warehouses. The stocks amount to an estimated 75,000 to 100,000 tons, adequate to supply the domestic requirements of the country for about one year under normal conditions. These stocks include everything from high-grade cotton goods to autarchic goods of inferior quality produced during the Fascist regime. In spite of heavy domestic needs, these goods are not moving to consumers due to excessively high prices which have been established in the retail market in an effort to realize large profits under existing conditions. In this field some businessmen are apparently about to relearn the lesson that it does not pay to hold large inventories in a falling market, especially since it is one of the objectives of the 1946 Italian program to move textile goods into the home market at prices which the average customer can afford to pay.

The cotton industry, largest of the textiles group in Italy, has been well established as part of the Italian economy since the middle of the last century when cotton plants were started in the North. Today the industry is still concentrated in Piemonte and Lombardia, with other centers in Liguria, Veneto, Tuscany and Naples. Although dependent almost entirely on foreign imported materials (cotton, for example, from the United States, Egypt and India), the industry provides a major source of Italian national income and forms part of the largest single employment group (textiles) in Italy.

Pre-war importation of cotton before the Fascists began their uneconomic attempts at

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which month 240,000 tons of cereals (including rice) will have been consumed. By the end of March, the reserve stock figure, it is hoped, will have improved to 255,000 tons. These estimates pre-suppose not merely the maintenance of shipping schedules, but also the re-adjustment of the *generi di minestra* ration, of course. All this is projected on the basis of close and constant coordination of effort on the part of the food authorities.

The Future.

At this stage it is not yet possible to discuss shipments of grain later in the year. UNRRA now tentatively plans to import for Italy a total of 1,620,000 tons of grain, but the UNRRA cereal program ends with June loadings. UNRRA grain will begin to arrive in February. All this, however, must be regarded as a wished-for plan rather than as a certain program. Its actual realization will be dependent upon world availability of grain—and present indications point to so great a demand from all wheat-importing countries that some scaling down will undoubtedly be necessary. With the action taken here in Italy to conserve stocks and the action taken in Washington to accelerate loadings, the stock situation will continue steadily to improve, it is hoped. But in view of the acute world demand, the extent of improvement is inevitably limited.

Some slight easing of the position in Italy would result if, and when, the 160,000 tons of grain offered as a gift by Argentina could, in fact, be shipped to this country. The grain is there and the ships to move it are available, but the problem which has yet to be solved is how the grain is to be moved to the ports in Argentina. Argentina's internal transportation system, too, is run down and needs, notably, 50,000 motor tires.

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Pre-war importation of cotton before the Fascists began their uneconomic attempts at self-sufficiency (with terrific costs in imported coal and cellulose), amounted to an average 209,714 tons a year. Italy itself produced an average piddling 550 tons a year, though the current crop will be an estimated 2,000 tons.

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The cotton was worked by some 1,400 firms, as well as by thousands of tiny family handicraft units. Six hundred companies comprise the bulk of the industry, but only 35 employ more than 1,000 workers each. Three firms, for instance, produce practically all the cotton prints.

Consumption.

Internal consumption used to amount to about 86,000 tons a year, although the clothing needs of the nation are now among the most urgent the population faces. In any event, the problem remaining after domestic needs are met is that of maintaining full employment for the 220,000 persons employed in the industry, which means export markets must again be found before this goal is realized.

In order to procure the necessary cotton for substantial employment in the industry there were ordered, under the troop pay and FEA import programs, 45,000 tons of cotton, which had been originally slated to arrive last year but has only just begun to come in. To date, 29,928 tons have arrived and 13,725 tons are en route. Distribution to the small firms of the North was begun only within the last six weeks.

The Italian Government proposed that UNRRA import 18,000 tons, of cotton all of which was requested to arrive in the early part of the current year. This small amount at least would get the cotton machinery spinning, even though these imports would use only about 10 per cent. of Italy's productive capacity and fill only about 20 per cent. of the year's needs for internal consumption. Not counting the accumulated (and enormous) demands for clothing but figuring normal yearly consumption of cotton articles at about 2.2 kilos a person, the UNRRA imports should give some cotton products to approximately 8,000,000 persons.

Considering existing stocks on hand plus the imports under the troop pay, FEA and UNRRA programs, the domestic demand for 1946 should be satisfied. Prices should drop as a result of increased production at low costs. Some export business is anticipated for the textile industry in 1946 which will further increase employment in the industry. Payment for finished goods will generally be made in cotton to be converted to textiles for sale on the domestic market on the *lavorazioni per conto* system, for example, possible use of UNRRA cotton for manufacture here of fishnet twine for Greece, Jugoslavia and China.

Declassified E.O. 12356 Section 3.3/NND No. 780021

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UNRRA

ECONOMIC NOTES

PUBLISHED BY UNRRA ITALIAN MISSION, VIA DI SAN NICOLA DA TOLENTINO 78, ROME, ITALY

CONTENTS

1. Coal Position.
2. Grain Future.
3. Cotton Outlook.

COAL POSITION

As even every *scugnizzo* must know by now, Italy's economic recovery rests on coal. The country's limited natural resources of low-quality, high-cost coal and lignite compelled Italy in pre-war years to import 85 per cent. of her requirements or approximately 12,000,000 tons a year. This was a heavy drain on foreign exchange which in turn necessitated a heavier industrial production for export (to obtain foreign exchange), which stepped-up production always needed more coal. Virtually all of the imported coal came from Europe, eliminating ocean freight charges, which, incidentally, must now be paid for U. S. coal. Germany supplied 58.5 per cent. of the coal imported in 1938, for example, with the United Kingdom, Poland, Czechoslovakia, Belgium and Luxemburg being the other chief suppliers, in the order named.

Most of the coal was used for essential industries and only 5.7 per cent. (in 1938) for household purposes. In fact, per capita consumption of coal in Italy for the home has always been one of the lowest in the world. The largest users were first, coke plants; second, railroads; third, gas works; fourth, metallurgical and mechanical industries; fifth, construction material plants (cement, glass, bricks). Others included thermo-electric plants, food industries and bakeries, chemicals and textiles. Domestic production was a poor drop in the coal bucket—about 262,000 tons a month, including 75,000 tons of Sardinian coal, 8,000 tons of Val d'Aosta anthra-

came to Italy. Domestic production was at a standstill and efforts were made to resume production, key mining supplies being imported on a priority basis. The vital importance of importing coal for Italy was stressed on the highest levels. Enormous difficulties have been faced in obtaining the amounts of coal imported, not only because of competing demands from all of the liberated countries of Europe and of world-wide shipping difficulties but also because of depleted European sources of coal, namely the Ruhr, which was devastated in the war, and further because of the war damage to Italian ports, whose port reception capacity was drastically reduced, causing long delays in discharging coal cargoes.

Allied Sources.

The story of the supply of coal to Italy from Allied sources since July, 1943, covers three phases. The first, that of Allied military responsibility, saw, according to accounts thus far tabulated, 1,017,988 tons of coal imported into Italy by the military for exclusively essential civilian use, not counting coal used for hauling civilian freight, a substantial additional amount. About half of this coal came from the United States and the rest from the United Kingdom, South Africa and India. Until the spring of 1945, the amount of coal allotted each month to Italy was comparatively small, in the neighborhood of 50,000 tons. But with the liberation of the industrial North, the rate of coal imports was increased. In July, 1945, 98,200 tons were imported; in August, 203,000 tons; in September,

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Declassified E.O. 12356 Section 3.3/NND No. 785031

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The Allied Commission took immediate cognizance of this situation when the Allied Armies came to Italy. Domestic production was at a standstill and efforts were made to resume production, key mining supplies being imported on a priority basis. The vital importance of importing coal for Italy was stressed on the highest levels. Enormous difficulties have been faced in obtaining the amounts of coal imported, not only because of competing demands from all of the liberated countries of Europe and of world-wide shipping difficulties but also because of depleted European sources of coal, namely the Ruhr, which was devastated in the war, and further because of the war damage to Italian ports, whose port reception capacity was drastically reduced, causing long delays in discharging coal cargoes.

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Coal next began to arrive in Italy under the FEA program in October, when 358,588 tons

Declassified E.O. 12356 Section 3.3/NND No. 785021

(from 42 ships loaded in September) were received. Strikes in the United States resulted in fewer shipments—only 15 ships sailing in October—and in November only 131,433 tons were received, although it had been planned to send 420,000 tons. The next month plans were set up to receive 450,000 tons (since 50 ships sailed in November), but actually only 391,831 tons came into Italy in December. The January program was also set up to receive 450,000 tons but further difficulties, particularly in obtaining crews for ships—13 ships from Hampton Roads, Virginia, alone, for example, could not sail until early January—allowed the dispatching of only 335,000 tons of coal in December. Arriving here finally were 323,000 tons in January, carried in 40 ships. Consequently, coal allocations last month had to be concentrated among railroads, gas and electricity works, hospitals and bakeries, while industrial demands were temporarily subordinated.

For February, the coal picture looks better. Fifty ships sailed from the United States in January loaded with 400,000 tons of coal while another 28,000 tons were coming from South Africa, which makes a prospective total of 428,000 tons for February. Ironically enough, the steel strike in the United States has had a beneficial effect on coal shipments to Italy since it released coal otherwise taken by the steel mills. When the total FEA coal program is completed shortly, it is estimated that approximately 1,687,000 tons of coal will have been imported, at a cost figured roughly of $40,000,000. The European Coal Organization, which recommends coal allocations, has been given full details of Italy's position, and adjustments have already been made to increase shipments in order to make up for the previous allocations which failed to arrive. Speaking of the ECO, the Italian Government, through the medium of the Allied Commission, has been invited to become an associate member of the Organization, an invitation extended under the joint sponsorship of the United States and British Governments. The acceptance of the invitation is now being awaited.

UNRRA Coal.

With the end of the FEA program, the largest 1946 supply of imported coal for Italy is being arranged under the UNRRA supply program. Preliminary studies of coal requirements made by the Allied Commission recommended that year and ending before the end of the year. This contemplated amount covers about half of what were estimated to be Italy's requirements of 11,692,000 tons, of which 8,692,000 were for industry and the rest for the railroads. Of the coal required for industry, 5,132,000 tons should be general use coal, 1,700,000 tons coking coal, 1,000,000 tons gas coal and 860,000 tons anthracite and slack coal. The table below gives an indication of the suggested allocation of total coal requirements by users in 1946, including allocation of the estimated production of domestic coal and cokes:

Consumers	Tonnage Allocation
Metallurgy	1,337,000
Pig-iron smelters	140,000
Non-ferrous metals	340,000
Mechanical engineering	393,000
Electrical engineering	74,000
Building materials	1,510,000
Pottery and glass	122,000
Chemicals	945,000
Textiles	621,000
Food	550,000
Paper	175,000
Rubber	130,000
Leather and tannic extracts	40,000
Chemical and metallurgic coke plants	1,700,000
Gas works	1,150,000
Thermo-electric plants	625,000
Domestic uses	890,000
Bakers	210,000
Hospitals	360,000
Agriculture	80,000
Total requirements	11,692,000
Domestic production (including cokes)	3,000,000
Import requirements	8,692,000

The 11,692,000-ton figure of coal requirements, incidentally, does not include coal needed for the manufacture of goods for export. This same figure in some calculations has been trimmed down to 10,000,000, considered as strictly essential. Where the rest of the needed coal over and beyond the prospective 5,250,000 tons of UNRRA coal (an estimate, by the way, not yet definitely fixed in certain details), will come from is another question. It depends on restoration of Italian foreign trade and obtaining of

Declassified E.O. 12356 Section 3.3/NND No. 785021

tons. The next month plans were set up to receive 450,000 tons (since 50 ships sailed in November), but actually only 391,831 tons came into Italy in December. The January program was also set up to receive 450,000 tons but further difficulties, particularly in obtaining crews for ships—13 ships from Hampton Roads, Virginia, alone, for example, could not sail until early January— allowed the dispatching of only 335,000 tons of coal in December. Arriving here finally were 323,000 tons in January, carried in 40 ships. Consequently, coal allocations last month had to be concentrated among railroads, gas and electricity works, hospitals and bakeries, while industrial demands were temporarily subordinated.

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Consumers	Tonnage Allocation
Metallurgy	1,337,000
Pig-iron smelters	140,000
Non-ferrous metals	310,000
Mechanical engineering	393,000
Electrical engineering	74,000
Building materials	1,510,000
Pottery and glass	422,000
Chemicals	945,000
Textiles	621,000
Food	550,000
Paper	175,000
Rubber	130,000
Leather and tannic extracts	40,000
Chemical and metallurgic coke plants	1,700,000
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Declassified E.O. 12356 Section 3.3/NND No. 785021

the importation of 720,000 tons of Polish coal in exchange for Italian products. Conversations are also being held with Czechoslovakia for the same purposes.

An increased rate of coal imports also depends heavily on port restoration, including repairs and installation of adequate equipment and facilities not only for unloading cargoes but doing so with dispatch, since present port capacity for coal discharge is, at best, capable of receiving only 600,000 tons a month. Steps have been taken further to increase Italian coal production itself, but transportation difficulties hamper distribution of the mined coal. The average monthly production in Sardinia is now 60,000 tons while shipping difficulties caused a stockpile of approximately 70,000 tons to accumulate. This problem has now been temporarily solved by putting more ships on the Sardinia run. Lignite production is now about 110,000 tons a month, which is, in some respects, better than the pre-war figure and which could be increased considerably more if many of the mines, including the large Valdarno group, were connected by rail to main lines (which at present they are not) to avoid the high costs and mechanical difficulties of road transportation.

GRAIN FUTURE

As the press has reported, a decision has been reached by the Italian Government to restore a general pasta ration at the reduced scale of 500 grams a person a month throughout Italy as of February 1. This is the best indication of improvement in the situation which developed during December and January, when, first, as the result of local action in many provinces and later by general order of the Italian Government, the use of pasta in the *generi di minestra* ration was suspended, in order to ensure the maintenance of the 200-gram bread ration. Only in the regions of Marche and Umbria and the six provinces of Grosseto, Matera, Rieti, Siena, Teramo and Viterbo, where sufficient indigenous stocks of Italian grain existed for local maintenance until the next harvest, was it possible to allow the continuance of the regular pasta ration.

According to the latest information, it is certain that no immediate prospect exists of restoring the ration of *generi di minestra* generally throughout Italy to the figure at which it stood [illegible] namely 2,000 grams a person a

Local action in suspending the pasta ration (which saved an estimated 62,000 tons of grain a month) was responsible for a slight improvement in the overall figure of actual stocks of cereal held on January 1. Reserve stocks estimated to be 208,000 metric tons, were found to be 232,000 tons. This latter figure represents sufficient grain for no more than 21 days normal rations (inclusive of pasta) for the 35,000,000 non-producers that have to be fed, and is still too low. Further, these stocks are not evenly distributed over the country, but are largely made up of the indigenous grain concentrated in four lucky regions of the Marche, Umbria, Emilia and Toscana.

Rice Issue.

For the present, that proportion of the *generi di minestra* ration which was given in December in the form of rice is still being issued as such in North Italy. This is considered an equitable adjustment, since during last June, July and August, when Southern Italy was receiving a full pasta ration, many provinces in Northern Italy were without either pasta or rice. By establishing a nation-wide 500-gram ration, the existing disparity in the *generi di minestra* ration in the North and the South will now disappear.

Whether rations in the South (apart from the Marche, Umbria and the six provinces) will be made up entirely of rice to be brought from the North, or partly of pasta is still to be decided. Some such arrangement will have to be made to insure as fair a distribution as possible of all available cereals. Difficulties are, however, likely to be experienced both as to transportation and as to local reluctance on the part of rice-producing provinces to reduce rations in order to export to other parts of Italy.

So far as bread is concerned stocks in hand, or in ships scheduled to arrive, give assurance to all regions of Italy that rations will be maintained for a longer period than was assured a few weeks ago. Happily, also, the question of diverting ships to meet emergency needs has recently not been so acute.

New Totals.

Thanks to reduced consumption during January following the suspension of the pasta ration and recent increases in the rate of arrival of imported grain, reserve stocks in hand at the end of January are estimated to have totaled just under 236,000 tons. The January import

Declassified E.O. 12356 Section 3.3/NND No. 740871

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According to the latest information, it is certain that no immediate prospect exists of restoring the ration of *generi di minestra* generally throughout Italy to the figure at which it stood in December, namely 2,000 grams a person a month, nor can anyone tell at this time when such a full restoration will be possible.

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Thanks to reduced consumption during January following the suspension of the pasta ration and recent increases in the rate of arrival of imported grain, reserve stocks in hand at the end of January are estimated to have totaled just under 236,000 tons. The January import figure totaled some 192,000 tons, while the estimated amassing during the month was 20,000 tons.

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Import figures for February, provided ships arrive on time, should reach a total of approximately 228,000 tons. This, together with an estimated amassing of 20, 00 tons should result in a further slight improvement in the reserve stock situation by the end of February, during which month 240,000 tons of cereals (including rice) will have been consumed. By the end of March, the reserve stock figure, it is hoped, will have improved to 255,000 tons. These estimates pre-suppose not merely the maintenance of shipping schedules, but also the re-adjustment of the *generi di minestra* ration, of course. All this is projected on the basis of close and constant coordination of effort on the part of the food authorities.

The Future.

At this stage it is not yet possible to discuss shipments of grain later in the year. UNRRA now tentatively plans to import for Italy a total of 1,620,000 tons of grain, but the UNRRA cereal program ends with June loadings. UNRRA grain will begin to arrive in February. All this, however, must be regarded as a wished-for plan rather than as a certain program. Its actual realization will be dependent upon world availability of grain—and present indications point to so great a demand from all wheat-importing countries that some scaling down will undoubtedly be necessary. With the action taken here in Italy to conserve stocks and the action taken in Washington to accelerate loadings, the stock situation will continue steadily to improve, it is hoped. But in view of the acute world demand, the extent of improvement is inevitably limited.

Some slight easing of the position in Italy would result if, and when, the 100,000 tons of grain offered as a gift by Argentina could, in fact, be shipped to this country. The grain is there and the ships to move it are available, but the problem which has yet to be solved is how the grain is to be moved to the ports in Argentina. Argentina's internal transportation system, too, is run down and needs, notably, 50,000 motor tires.

So great are world demands for wheat, that Italy's cereal imports will henceforth include 55,000 tons a month of wheat flour substitutes, in the form of oats, barley, corn and—up to a maximum of three-and-a-half per cent.— low

Italy's local grain prospects are at the moment better than might have been expected. Autumn-sown wheat is looking well, and, given good weather, there are prospects of a satisfactory harvest. Since spring sowing has yet to be completed, no estimate is possible of the total acreage, though it will be a long while before domestic production again reaches the peak of 8,000,000 tons of the pre-war years. Last year, owing to war and drought, production fell to 4,000,000 tons.

COTTON OUTLOOK

Perhaps the most interesting fact about the textile market in Italy is the existence of large stocks of finished textiles, particularly in North Italy, which are still in warehouses. The stocks amount to an estimated 75,000 to 100,000 tons, adequate to supply the domestic requirements of the country for about one year under normal conditions. These stocks include everything from high-grade cotton goods to autarchic goods of inferior quality produced during the Fascist regime. In spite of heavy domestic needs, these goods are not moving to consumers due to excessively high prices which have been established in the retail market in an effort to realize large profits under existing conditions. In this field some businessmen are apparently about to relearn the lesson that it does not pay to hold large inventories in a falling market, especially since it is one of the objectives of the 1946 Italian program to move textile goods into the home market at prices which the average customer can afford to pay.

The cotton industry, largest of the textiles group in Italy, has been well established as part of the Italian economy since the middle of the last century when cotton plants were started in the North. Today the industry is still concentrated in Piemonte and Lombardia, with other centers in Liguria, Veneto, Tuscany and Naples. Although dependent almost entirely on foreign imported materials (cotton, for example, from the United States, Egypt and India), the industry provides a major source of Italian national income and forms part of the largest single employment group (textiles) in Italy.

Pre-war importation of cotton before the Fascists began their uneconomic attempts at

Declassified E.O. 12356 Section 3.3/NND No. 785021

in a further slight improvement in the reserve stock situation by the end of February, during which month 240,000 tons of cereals (including rice) will have been consumed. By the end of March, the reserve stock figure, it is hoped, will have improved to 255,000 tons. These estimates pre-suppose not merely the maintenance of shipping schedules, but also the re-adjustment of the *generi di minestra* ration, of course. All this is projected on the basis of close and constant coordination of effort on the part of the food authorities.

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Pre-war importation of cotton before the Fascists began their uneconomic attempts at self-sufficiency (with terrific costs in imported coal and cellulose), amounted to an average 209,714 tons a year. Italy itself produced an average piddling 550 tons a year, though the current crop will be an estimated 2,000 tons.

Declassified E.O. 12356 Section 3.3/NND No. 765091

The cotton was worked by some 1,400 firms, as well as by thousands of tiny family handicraft units. Six hundred companies comprise the bulk of the industry, but only 35 employ more than 1,000 workers each. Three firms, for instance, produce practically all the cotton prints.

Consumption.

Internal consumption used to amount to about 86,000 tons a year, although the clothing needs of the nation are now among the most urgent the population faces. In any event, the problem remaining after domestic needs are met is that of maintaining full employment for the 220,000 persons employed in the industry, which means export markets must again be found before this goal is realized.

In order to procure the necessary cotton for substantial employment in the industry there were ordered, under the troop pay and FEA import programs, 45,000 tons of cotton, which had been originally slated to arrive last year but has only just begun to come in. To date, 29,928 tons have arrived and 13,725 tons are en route. Distribution to the small firms of the North was begun only within the last six weeks.

The Italian Government proposed that UNRRA import 18,000 tons, of cotton all of which was requested to arrive in the early part of the current year. This small amount at least would get the cotton machinery spinning, even though these imports would use only about 10 per cent. of Italy's productive capacity and fill only about 20 per cent. of the year's needs for internal consumption. Not counting the accumulated (and enormous) demands for clothing but figuring normal yearly consumption of cotton articles at about 2.2 kilos a person, the UNRRA imports should give some cotton producers to approximately 8,000,000 persons.

Considering existing stocks on hand plus the imports under the troop pay, FEA and UNRRA programs, the domestic demand for 1946 should be satisfied. Prices should drop as a result of increased production at low costs. Some export business is anticipated for the textile industry in 1946 which will further increase employment in the industry. Payment for finished goods will generally be made in cotton to be converted to textiles for sale on the domestic market on the *lavorazioni per conto* system, for example, possible use of UNRRA cotton for manufacture here of fishnet twine for Greece, Jugoslavia and China.

Declassified E.O. 12356 Section 3.3/NND No. 745021

January 19, 1946 Vol. I, No. 2

ALLIED COMMISSION UNRRA

ECONOMIC NOTES

CONTENTS

1. Pilferage.
2. Import Summary:
   (*a*) Under Military Responsibility.
   (*b*) Under Transitional Program.
   (*c*) Under FEA Program.

PILFERAGE

The losses signified by this mild official word—pilferage—has been the topic of several meetings in recent days among interested parties in the Italian Government, UNRRA, the War Shipping Administration (WSA) and the Allied Commission, who are interested in putting a stop to the disappearance, whether by robbery or plain theft, of the imported supplies which are coming into Italy. The matter is one of responsibility: Allied Commission policy has been that the supplies, once beyond ship's tackle (or moved away from the ocean vessel's side), become the responsibility of the Italian agency assuming physical charge of the goods. UNRRA will probably follow the same policy.

At any rate, studies resulting from the recent meetings analyze losses as occurring in four categories: on the ship and during unloading (as one ship captain put it, "During the bustle of unloading, a lot of characters seem to get aboard and stuff disappears, even from the vessel's equipment, though we haven't missed an anchor yet."); on the way from the ship to the warehouses; in the warehouses, and on the way from the central warehouses to provincial distribution centers.

As to the first category (while the goods are still under Allied control), the loss proportion is small and steps are being taken to tighten controls.

For the last three categories, figures on losses of some imported supplies have been compiled by the *Federazione Consorzi Agrari*, which is [illegible] for the receiving, storage

Statistics of FCA from September 1, 1944 to September 30, 1945 follow:

Of 10,047,400 quintals of wheat received from the Allies, 100,474 qtl. or one per cent, got lost or stolen; of 1,418,300 qtl. of flour, 7,090 qtl. or .5 per cent, was missing; of 626,800 qtl. of sugar, 16,300 qtl. or 2.6 per cent, was missing; of 464,690 qtl. of dried vegetables, 7,440 qtl. or 1.6 per cent, was missing; of 143,450 qtl. of canned meat, 2,510 qtl. or 1.75 per cent, was missing, and of 503,600 qtl. of canned milk, 12,590 qtl. or 2.5 per cent, was missing.

The answer, the Italian officials asserted at these meetings, was more guards and effective arms to protect the warehouses themselves and to escort supplies during internal distribution to the provinces. For the stationary guards, 1,200 men are needed while escort duty would take another 600 men a day and since delivery trips usually involve five-day tours, this would mean 3,000 extra men. Furthermore, it was said, the bandits encountered often seem armed with tommy guns, and automatic armament, they believe, should also be carried by the guards.

The problem is of course in the hands of the Italian Government, with the Allied Commission and UNRRA standing by to give counsel if so requested.

IMPORT SUMMARY

Following are three tables, with explanations, of the imports which have actually arrived in Italy under the various Allied programs of aid to the Italian people. The tables are only partial

Declassified E.O. 12356 Section 3.3/NND No. 785031

CONTENTS

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For the last three categories, figures on losses of some imported supplies have been compiled by the *Federazione Consorzi Agrari*, which is operationally responsible for the receiving, storage and physical distribution of imported foodstuffs throughout Italy. According to the *Federazione*'s figures, the greatest losses occur during the transit from central to provincial warehouses, with milk and sugar suffering the greatest leakages. Statistics of FCA from September 1, 1944 to September 30, 1945 follow:

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IMPORT SUMMARY

Following are three tables, with explanations, of the imports which have actually arrived in Italy under the various Allied programs of aid to the Italian people. The tables are only partial at this time. The programs summarized are three: (*a*). Supplies imported under Allied military responsibility and expected to amount, after all records are in, to approximately $450,000,000; (*b*). Supplies imported under the $140,000,000

Declassified E.O. 12356 Section 3.3/NND No. 785021

"troop pay" account for the Transitional program which succeeded the Joint Program; (c). Supplies imported under the $100,000,000 FEA appropriation (which has, in addition, a $40,000,000 fund for freight charges).

(a) Under Military Responsibility.

Civilian supplies imported under Allied military responsibility for the benefit of the Italian population and in order to prevent disease and unrest in an operational area started flowing into Italy on D-Day, July 10, 1943, and continued to flow until August 31, 1945, although odds and ends of goods arrived for several months thereafter.

Accountants of the Finance Sub-Commission of the Allied Commission have completed their tabulations up to June 30, 1945 and expect to finish the complete accounts within the next couple of months and cover all the late shipments which continued down to November, 1945. In the table of arrivals that follows, there are still omissions, particularly on the cost of some items, basic figures for which are unobtainable at the moment. The costs cited are estimated landed costs in Italy.

Several of the listings might bear amplification. Under other foods were such items as biscuits, fruit juices, jam and chili con carne. Mining equipment consisted mostly of special explosives and fuses. Agricultural supplies comprised fertilizers, tractors and plows. Under the miscellaneous imports were medical supplies (to the value of $8,507,000), road graders, batteries, shoes, cables, belting and sailmakers' needles. The table of petroleum imports speaks for itself.

Commodity	Tonnage	Value in Dollars
Wheat	1,171,200	114,808,000
Flour	454,400	59,072,000
Soup	51,100	25,015,000
Canned Milk	42,100	16,908,000
Lard	7,000	3,436,000
Dry Vegetables	52,000	61,895,000
Sugar	63,000	10,699,000
Canned Meat	1,000	1,368,000
Dates	5,000	556,000
Dried Eggs	2,100	7,175,000
Fish	6,100	2,233,000
Other Foods	70,000	—
Coal	388,100	9,556,000
Newsprint	10,800	1,298,000
Mining Equipment	2,000	—
Agricultural Supplies	153,000	—
Clothing	1,800	—
	69,200	—

PETROLEUM LUBRICANTS

Gasoline	776,618	barrels	5,140,000
Fuel Oils	1,172,998	"	6,282,000
Kerosene	370,651	"	2,278,000
Other lubricants	84,629	"	1,867,000
Greases	1,655,200	lbs.	203,000
Paraffin	4,647,502	"	493,000
Total	2,404,896	barrels	16,263,000
	6,302,702	lbs.	

(b) Under Transitional Program.

As everybody knows, the United States Government granted Italy a "troop pay" account in the U. S. Treasury amounting to $140,000,000 and representing the amount of lire paid to U. S. troops in Italy exclusive of that which was spent in army post exchanges or sent home in remittances. These funds had been set aside up to now exclusively for purchases under the Transitional Program. The Allied Commission has just been informed that the U. S. Government will cease its official procurement of Transitional Program supplies for Italy under this account as of February 1 and will turn the funds remaining in the "troop pay" account over to the Italian Government which may then use it to purchase current civilian supplies in the United States. In other words, the American action gives the Italian Government the opportunity to buy directly in the U. S. market.

Purchasing of supplies for the Transitional Program started early last year but it was not until last October that substantial quantities of the supplies began to arrive in Italy. As will be noticed, most of the items are strictly for industrial use. The total tonnage (in *long* tons, be it noted) of 11,629 ½ tons in the partial table of arrivals below (covering up to date) does not list petroleum products valued in millions or various minor items such as 555 pounds of horse shoe nails priced in the United States at $83; 25 tons of groundwood, 12 tons of tin plate, 697 tons of truck chassis, 17 tons of insulating compounds, 43 tons of motors, for all of which items price records are not yet available; 47 pounds of resistance wire at $1.97, and two reels of steel wire rope at $500.

The cost of $21,767,935, as recorded in the table, represents only the U. S. contract price paid by the procurement agency and does not [illegible] charges for which, roughly, 25

Declassified E.O. 12356 Section 3.3/NND No. 787001

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Lard	7,000	3,436,000
Dry Vegetables	52,000	61,895,000
Sugar	63,000	10,699,000
Canned Meat	1,000	1,368,000
Dates	5,000	556,000
Dried Eggs	2,100	7,175,000
Fish	6,100	2,233,000
Other Foods	70,000	—
Coal	388,100	9,556,000
Newsprint	10,800	1,298,000
Mining Equipment	2,000	—
Agricultural Supplies	153,000	—
Clothing	4,800	—
Miscellaneous Imports	62,300	—
Total	2,546,000	344,019,000

Greases	1,035,200	lbs.	203,000
Paraffin	1,647,502	"	193,000
Total	2,101,836 barrels 6,302,702 lbs.		16,263,000

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The cost of $21,767,935, as recorded in the table, represents only the U. S. contract price paid by the procurement agency and does not include shipping charges, for which, roughly, 25 per cent. should be added. Shipping costs, however, have become lower with the end of the

Declassified E.O. 12356 Section 3.3/NND No. 785021

war, so that this charge will be less as the program continues. Total expenditures for supplies arrived in Italy under this program and including freight charges thus far recorded, therefore amount to approximately $27,000,000 of the $140,000,000 credit, most of which, incidentally, has already been spent in Washington on supplies which will arrive in the next few months.

Commodity	Tonnage	Value in dollars
Arcolat Sodium	19	7,664
Air compressor parts	7	336
Ammonium Nitrate	2,664	324,752
Bakelite paper sheet	22	1,478
Calcined Carbonate of Potash	9	1,209
Cotton	9,631	7,603,207
Blankets	22	133,334
Ferrotungsten	60	178,080
Graphite Electrodes	370	112,969
Gum Arabic	54	20,653
Leather Belting	2	6,024
Pig Iron	2,529	79,309
Manganese Ore	6,493	261,797
Mexican Gum	270	56,691
Naphtalene	61	12,570
Linseed oils	2	672
Sodium Carbonate	50	15,230
Sodium Potassium	56	3,136
Sodium Silicate	5	280
Molibdenum Wire	1	62,182
Steel Beams	1,515	84,840
Steel Billets	166	41,753
Steel Rails	4,039	226,184
Steel Splice Bars	78	6,988
Synthetic Rubber	886	714,170
Tires and Tubes	95	90,461
Trucks	280	219,033
Tungsten Wire	½	13,170
Varnish	84	22,579
Welding Electrodes	6	2,571
Wheat	7,904	882,902
Copper wire	3,936	10,579,968
Yellow Prussiate Potash	4	1,523
Total	41,620 ½	21,767,935

(c) Under FEA Program.

According to the latest verified information of the Requisition Branch of the Allied Commission's Economic Section, the following imports of bulk commodities, purchased under the FEA $100,000,000 interim program, have actually arrived to date in Italy:

Commodity	Tons	Value in dollars
Wheat	362,088	40,191,768
Flour	13,553	1,100,000
Coal	995,520	25,883,520
Cotton	9,120	7,779,360
Total	1,380,281	74,954,648

Also arrived are 27,061 tons of other foods—canned peas and milk, sugar and oleomargarine, for which no costs are available.

In addition, the following imports are now reported on the high seas and will shortly arrive in Italy:

Commodity	Tons	Value in dollars
Wheat	61,463	6,822,393
Coal	147,961	3,846,986
Total	209,424	10,669,379

All costs published are estimated landed costs. The FEA program includes a $40,000,000 fund for freight charges, over and above the basic $100,000,000 purchasing fund. Supplies not shipped by 31 December 1945, when the program officially ended, will of course be sent to Italy during the course of the current period. Full tabulations will be published later.

Declassified E.O. 12356 Sec. 3.3/NND No. 785021

January 30, 1946 Vol. I, No. 3

UNRRA

ECONOMIC NOTES

CONTENTS

1. UNRRA in Italy.
2. UNRRA Agreement.
3. UNRRA Supply Program.

UNRRA IN ITALY

The story of UNRRA in Italy starts out in July, 1944 when Mr. S. M. Keeny, 52-year-old social welfare executive and veteran of relief work in Russia after World War I with former U. S. President Herbert Hoover, arrived in Italy to investigate possible relief needs. Mr. Keeny is now Chief of the UNRRA Mission to Italy. In September, 1944, the UNRRA Council, meeting at Montreal, Canada, through Resolution 58, authorized a limited program of assistance to Italy, to cost up to $50,000,000 in foreign currency and covering provision of medical aid and sanitary supplies (for which approximately $9,000,000 was later budgeted); aid in the care, and return to their homes, of displaced persons (for which $5,000,000 was set aside), and care of, and welfare services to (including provision of extra food) children and nursing and expectant mothers (for which $36,000,000 was earmarked). This was the proposed program for 1945.

For 1946, incidentally, outside of the general import program, up to $10,000,000 is marked for expenses of the displaced persons program while another $15,000,000 will be spent for continuation of the 1945 relief program, expenditure of which funds will then exhaust the original $50,000,000 allotted to the first UNRRA program in Italy.

Each dollar of UNRRA expenditure in 1945 was matched by 100 lire of Italian Government money which went into a special fund that paid all UNRRA operating expenses and for complementary welfare and medical programs established by the Italian Government. Each 100 lire and second, for welfare activities. Among the projects aided by this fund in 1945 were repair of more than 6,000,000 pounds of used clothing sent from the United States, construction of shelters for homeless families, anti-tuberculosis measures and a special 300,000,000-lire campaign to eliminate malaria in Sardinia, in which the Rockefeller Foundation was also assisting.

Beginnings.

The program got started after the First Agreement was signed between the Italian Government and UNRRA on March 8, 1945 and after the Allied Commission had loaned a month's supplies to UNRRA to enable it to commence operations. Shipping difficulties faced in the early months of 1945, when the war was still on, gradually disappeared with the surrender of Germany and Japan and by the end of 1945, three fourths of the supplies intended for Italy under the limited program had arrived.

A total of 116,000 tons of supplies was imported by UNRRA in 1945, of which more than 101,000 tons had been transferred to the Italian Government by the end of the year. The Italian Government administered the services made possible by these UNRRA supplies. Practically all of the supplies were for use of Italians, only 1,778 tons or about one per cent. having been for the use of non-Italian displaced persons. Speaking of displaced persons, UNRRA in 1945 helped return 90,000 Italians to their homes, a job being taken over from the Allied Commission.

Of the total supplies, 1,100 tons were medical, of which 890 tons have been transferred to the

Declassified E.O. 12356 Section 3.3/NND No. 758021

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UNRRA IN ITALY

The story of UNRRA in Italy starts out in July, 1944 when Mr. S. M. Keeny, 52-year-old social welfare executive and veteran of relief work in Russia after World War I with former U. S. President Herbert Hoover, arrived in Italy to investigate possible relief needs. Mr. Keeny is now Chief of the UNRRA Mission to Italy. In September, 1944, the UNRRA Council, meeting at Montreal, Canada, through Resolution 58, authorized a limited program of assistance to Italy, to cost up to $50,000,000 in foreign currency and covering provision of medical aid and sanitary supplies (for which approximately $9,000,000 was later budgeted); aid in the care, and return to their homes, of displaced persons (for which $5,000,000 was set aside), and care of, and welfare services to (including provision of extra food) children and nursing and expectant mothers (for which $36,000,000 was earmarked). This was the proposed program for 1945.

For 1946, incidentally, outside of the general import program, up to $10,000,000 is marked for expenses of the displaced persons program while another $15,000,000 will be spent for continuation of the 1945 relief program, expenditure of which funds will then exhaust the original $50,000,000 allotted to the first UNRRA program in Italy.

Each dollar of UNRRA expenditure in 1945 was matched by 100 lire of Italian Government money which went into a special fund that paid all UNRRA operating expenses and for complementary welfare and medical programs established by the Italian Government. Each 100 lire of this Italian Government fund was roughly spent as follows: two per cent. for administrative expenses of UNRRA; 13 per cent. for care of non-Italian displaced persons, and 85 per cent. for, first, labor, warehousing and transportation costs, and second, for welfare activities. Among the projects aided by this fund in 1945 were repair of more than 6,000,000 pounds of used clothing sent from the United States, construction of shelters for homeless families, anti-tuberculosis measures and a special 300,000,000-lire campaign to eliminate malaria in Sardinia, in which the Rockefeller Foundation was also assisting.

Beginnings.

The program got started after the First Agreement was signed between the Italian Government and UNRRA on March 8, 1945 and after the Allied Commission had loaned a month's supplies to UNRRA to enable it to commence operations. Shipping difficulties faced in the early months of 1945, when the war was still on, gradually disappeared with the surrender of Germany and Japan and by the end of 1945, three-fourths of the supplies intended for Italy under the limited program had arrived.

A total of 116,000 tons of supplies was imported by UNRRA in 1945, of which more than 101,000 tons had been transferred to the Italian Government by the end of the year. The Italian Government administered the services made possible by these UNRRA supplies. Practically all of the supplies were for use of Italians, only 1,778 tons or about one per cent. having been for the use of non-Italian displaced persons. Speaking of displaced persons, UNRRA in 1945 helped return 90,000 Italians to their homes, a job being taken over from the Allied Commission.

Of the total supplies, 1,100 tons were medical, of which 890 tons have been transferred to the control of the Italian Government. Most of the medical suplies were finished products for immediate use, which went primarily to hospitals and institutions taking care of nursing and expectant mothers and children. Since June,

Declassified E.O. 12356 Section 3.3/NND No. 785021

a monthly issue of penicillin has been made, 15,042 life-saving vials having been released up to the end of December.

Food.

The most important part of the UNRRA relief program was the provision of supplementary food to the most needy nursing and expectant mothers and to children up to 15 years of age. About 97,000 tons of the imports were food, sufficient to feed an estimated 1,200,000 persons a supplementary meal of about 750 calories a day for one year. UNRRA food was distributed only in territories under the jurisdiction of the Italian Government, which meant that all the feeding in 1945 was south of the Rimini line.

Various difficulties in distribution, particularly in transport, made it impossible at first to reach all the people eligible to receive UNRRA supplies. The number fed was gradually increased from 250,000 in June and 850,000 in September to the present figure of 1,100,000 mothers and children estimated to be receiving UNRRA supplies at the close of 1945 in Central and Southern Italy. Food was also in warehouses ready to be issued to 450,000 persons in Northern Italy as the year ended.

As said, the program was not operated directly by UNRRA; operating responsibilities rested with the Italian Government and was administered by the Government's Delegation for Relations with UNRRA, which, in turn, established, in all Italian provinces, provincial committees for UNRRA assistance. The Delegation Office in Rome decided on the allocation of food for each province, and the provincial committees divided it among the communal agencies and individuals eligible to receive UNRRA supplies.

UNRRA AGREEMENT

No clearer understanding of what UNRRA proposes to do in Italy can be had than by a careful analysis of the Agreement signed on January 19, 1946 between the President of the Italian Council of Ministers, Signor Alcide De Gasperi, and the Chief of the UNRRA Mission to Italy, Mr. S. M. Keeny. The Agreement makes explicit what UNRRA proposes to provide for Italy in the way of supplies and services and, equally important, lays down the conditions (accepted by the Italian Government in signing and as essential as those of the supplier, that is, UNRRA.

Technically, this last Agreement is known as a Supplementary Agreement, following the original or First Agreement of March 8, 1945, under which UNRRA agreed to supply Italy with supplies and services costing up to $50,000,000 in foreign exchange for help to nursing and expectant mothers, children and displaced persons and for medical supplies. Throughout both agreements but particularly in the Supplementary or most recent one, there will be noticed references to Resolutions passed by the Council of UNRRA in its three meetings at Atlantic City, New Jersey, in the United States; at Montreal, Canada and at London. These resolutions are the written authority for the policies and rules under which UNRRA has to operate and must be taken into consideration in understanding the provisions of any individual agreement between a single nation and UNRRA as the representative of an organization containing 47 member nations.

Exposition.

An exposition of the chief points of the Supplementary Agreement follows. Article I says that in addition to the program already provided for under the First Agreement, "UNRRA will furnish Italy with relief and rehabilitation supplies and services to meet the urgent needs of the Italian population." The Italian Government agrees to cooperate with UNRRA for this purpose. Supplies and services will be furnished in accordance with UNRRA Council policies.

Article II relates that UNRRA relief and rehabilitation services will be administered in accordance with plans agreed upon between UNRRA and the Italian Government and in conformity with UNRRA Council Resolutions 2 and 7 to 13. Wherever necessary, the Government will take measures to insure that such policies are followed throughout the country. The Government will administer the services but UNRRA will assist when asked to, particularly as regards relief services and Italian displaced persons outside Italy. Relief services for non-Italian nationals in Italy will be handled by UNRRA but the Government may also be asked to assist.

It may perhaps be interesting to elaborate on the interpretation given to some of the UNRRA phraseology. The Preamble of the original

Declassified E.O. 12356 Section 3.3/NND No. 785001

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It may perhaps be interesting to elaborate on the interpretation given to some of the UNRRA phraseology. The Preamble of the original agreement, signed by all the member nations that established UNRRA, emphasized that the task of the new organization was to provide relief for the war-suffering people of invaded na-

Declassified E.O. 12356 Section 3.3/NND No. 785021

tions and to give such rehabilitation as may make that people capable of providing their own further relief supplies or making such supplies for other liberated countries. The stress was consistently on the urgency of the immediate need. Economic reconstruction of a nation is not properly deemed an UNRRA aim.

Distribution.

Article III declares that supplies will be transferred to the Government, which, having the responsibility for the distribution within Italy of these supplies, will take appropriate measures to ensure that distribution will be governed by the policies of the UNRRA Council. The Government will ensure that UNRRA supplies will be adequately guarded in ports, warehouses, centers of distribution and during their movement within Italy.

The Government will sell the supplies in such a manner as to insure that distribution is so conducted that all classes of the population, irrespective of their purchasing power, shall receive their equitable shares. The Government will also discuss and agree with UNRRA on its policies and plans for the distribution of UNRRA supplies covering the following subjects:

Agencies and channels of distribution.

Allocation of supplies by regions and main groups of consumers.

Price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically.

Rationing and price controls by commodity, by region, and by classes of consumers for each of commodities supplied by UNRRA.

Facilities and methods for handling, moving and storing the supplies.

Further, the Government will afford representatives of UNRRA opportunities to observe the distribution of supplies furnished by UNRRA at each stage, to consult with the appropriate governmental authorities with respect to such distribution, and generally to satisfy themselves that the system is operating in accordance with UNRRA policy.

The paraphrased text of this key Article III is self-explanatory. The Resolution 2 referred to states that distribution must be fair and without discrimination because of race, creed or political belief while Resolution 7 goes into greater detail on distribution policies. This latter resolution [illegible] that distribution of (that is, governmental, commercial and cooperative) and that private channels used for distribution must not make undue profits."

The most important part of this resolution urges that distribution "should take place under effective rationing and price control. The suppression of black markets should not be left to general pronouncements and decrees but should be the subject of active measures of enforcement applied vigorously and unremittingly."

The remaining articles of the Agreement—there are seven all told—deal with housekeeping and other details of the UNRRA program. Article IV, for example, states that the supplies are given to Italy free of charge but Article V points out that the Italian Government will set up a lira fund made up of the proceeds of sales of UNRRA supplies, which fund will be used for further rehabilitation measures in Italy, and for general expenses.

UNRRA SUPPLY PROGRAM

The proposed UNRRA supply program for Italy in 1946 is popularly known as the $375,000,000 program, though, to be accurate, the figure that will finally be alloted to Italy by the UNRRA Council is not yet officially fixed. It is likely to be around $375,000,000, supply cost, plus freight charges, which would bring the total amount to something more than $450,000,000. (Out of the $375,000,000 must also be paid the cost of finishing the 1945 welfare program—around $15,000,000—and the care of non-Italian displaced persons—around $10,000,000.)

The table which accompanies this article shows in parallel columns the total 1946 Italian requirements, as estimated by the Allied Commission, and the recommended UNRRA program for 1946, as developed by the Italian Government in agreement with the Economic Section of the Allied Commission. The relative percentages of the various commodity categories in the total and UNRRA programs are also shown.

The final estimate of the UNRRA program for Italy is now being developed in Washington, based on what amounts of each commodity are actually available for shipment to this country during 1946.

Essentials.

There are two essential matters to keep in mind in order to appreciate fully the importance

Declassified E.O. 12356 Section 3.3/NND No. 785021

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Essentials.

There are two essential matters to keep in mind in order to appreciate fully the importance of the UNRRA supply program. The first is this: the UNRRA supplies definitely are coming to Italy. In other words, the supplies are certain

0822
Declassified E.O. 12356 Sec. 3.3/NND No. 785021

and economic plans can be made with this assured knowledge. The second matter is based, in part, on this certainty. UNRRA supplies will serve as the initial force to spin the wheels of the Italian economic machine. In brief, the fact that UNRRA supplies can be banked on will be used to give the impetus for production to industry and agriculture that, in turn, may then increase production from supplies later arranged from other sources, that is, from foreign commerce and from credits and loans from other governments.

This can readily be seen in any analysis of the distribution of the proposed UNRRA allocation among various commodities. Food (unfortunately because of the disastrous harvest) comprises 55.6 per cent. of the entire proposed amount to be spent by UNRRA for imports. This expenditure will cover 70 per cent. of the total estimated food requirements made by the Allied Commission for 1946. Fuels were proposed to be allotted 13.8 per cent. of the UNRRA funds but 43.5 per cent. of total fuel requirements, including 52.5 per cent. of coal needs and 30 per cent of petroleum requirements were recommended to be met in the UNRRA plan. One hundred per cent. of medical supply needs have been included, while total agricultural supplies would be 42.2 per cent. filled by the recommended UNRRA program.

Industrial materials are earmarked for only 25.2 per cent. of the entire UNRRA allocation, will fill only 22.1 per cent. of total industrial needs. While the bulk of the UNRRA supply program deals with the import of maintenance supplies, that is, food, medicine and fuels, the order of these imports' shipment will be arranged so that industrial supplies will arrive early in 1946 and thus start the chain of reactivation in industry, in what the atom bomb experts call a chain reaction, or more simply, an accelerated rate of continued expansion.

ITALIAN IMPORT REQUIREMENTS 1946

A.C. / Italian Government Recommendation for 1946 UNRRA Program, Compared with A.C. Estimate of Total Italian Import Requirements for 1946

COMMODITY	Total 1946 Requirements Estimated by A.C. (In dollars)	Proposed 1946 UNRRA Import Program (Agreed by A.C. and Italian Government) (In dollars)	Percentage of Commodity Value in proposed UNRRA Program	Percentage of Commodity Value in Total Program
Foodstuffs	293,640,000	204,477,000	55.6	70.0
Coal	70,000,000	36,750,000	10.0	52.5
Petroleum products	46,688,000	14,072,000	3.8	30.0
Fats and oils	24,856,000	12,760,000	3.7	51.5
Textile materials	123,570,000	33,880,000	9.2	27.5
Hide and related products	28,300,000	13,700,000	3.7	48.5
Rubber and allied products	20,858,000	8,262,000	2.2	39.5
Paper industry materials	4,875,000	1,312,500	0.4	26.8
Lumber	69,000,000	4,500,000	1.2	6.5
Building industry materials	8,320,000	1,950,000	0.5	23.6
Steel industry materials	42,280,000	6,900,000	1.8	16.3
Non-ferrous metals	29,480,000	4,320,000	1.2	14.6
Agricultural supplies	23,567,000	9,967,000	2.7	42.2
Chemical products	3,000,000	—	—	—
Miscellaneous industrial supplies	3,200,000	—	—	—
Medical and health supplies	10,000,000	10,000,000	2.7	100
Industrial and utilities equipment	60,000,000	5,000,000	1.3	8.3
TOTAL	861,404,000	367,550,500	100	100
Reserve fund	100,000,000	7,449,500		

0825
Declassified E.O. 12356 Sec. 3.3/NND No. 785021

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Industrial and utilities equipment	50,000,000	5,000,000	1.3	8.3
TOTAL	861,604,000	367,550,500	100	100
Reserve fund	100,000,000	7,449,500		
TOTAL (excluding freight)	961,604,000	375,000,000		

Declassified E.O. 12356 Section 3.3/NND No. 785001

January 19, 1946 Vol. I, No. 2

ALLIED COMMISSION UNRRA

ECONOMIC NOTES

CONTENTS

1. Pilferage.
2. Import Summary:
   (*a*) Under Military Responsibility.
   (*b*) Under Transitional Program.
   (*c*) Under FEA Program.

PILFERAGE

The losses signified by this mild official word—pilferage—has been the topic of several meetings in recent days among interested parties in the Italian Government, UNRRA, the War Shipping Administration (WSA) and the Allied Commission, who are interested in putting a stop to the disappearance, whether by robbery or plain theft, of the imported supplies which are coming into Italy. The matter is one of responsibility: Allied Commission policy has been that the supplies, once beyond ship's tackle (or moved away from the ocean vessel's side), become the responsibility of the Italian agency assuming physical charge of the goods. UNRRA will probably follow the same policy.

At any rate, studies resulting from the recent meetings analyze losses as occurring in four categories: on the ship and during unloading (as one ship captain put it, "During the bustle of unloading, a lot of characters seem to get aboard and stuff disappears, even from the vessel's equipment, though we haven't missed an anchor yet."); on the way from the ship to the warehouses; in the warehouses, and on the way from the central warehouses to provincial distribution centers.

As to the first category (while the goods are still under Allied control), the loss proportion is small and steps are being taken to tighten controls.

For the last three categories, figures on losses of some imported supplies have been compiled by the *Federazione Consorzi Agraci*, which is operationally responsible for the receiving, storage, Statistics of FCA from September 1, 1944 to September 30, 1945 follow:

Of 10,047,400 quintals of wheat received from the Allies, 100,474 qtl. or one per cent, got lost or stolen; of 1,418,300 qtl. of flour, 7,090 qtl. or .5 per cent, was missing; of 626,800 qtl. of sugar, 16,300 qtl. or 2.6 per cent, was missing; of 161,690 qtl. of dried vegetables, 7,440 qtl. or 1.6 per cent, was missing; of 143,450 qtl. of canned meat, 2,510 qtl. or 1.75 per cent, was missing, and of 503,600 qtl. of canned milk, 12,590 qtl. or 2.5 per cent, was missing.

The answer, the Italian officials asserted at these meetings, was more guards and effective arms to protect the warehouses themselves and to escort supplies during internal distribution to the provinces. For the stationary guards, 1,200 men are needed while escort duty would take another 600 men a day and since delivery trips usually involve five-day tours, this would mean 3,000 extra men. Furthermore, it was said, the bandits encountered often seem armed with tommy guns, and automatic armament, they believe, should also be carried by the guards.

The problem is of course in the hands of the Italian Government, with the Allied Commission and UNRRA standing by to give counsel if so requested.

IMPORT SUMMARY

Following are three tables, with explanations, of the imports which have actually arrived in Italy, under the various Allied programs of aid to the Italian people. The tables are only partial

Declassified E.O. 12356 Section 3.3/NND No. 785021

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For the last three categories, figures on losses of some imported supplies have been compiled by the *Federazione Consorzi Agrari*, which is operationally responsible for the receiving, storage and physical distribution of imported foodstuffs throughout Italy. According to the *Federazione*'s figures, the greatest losses occur during the transit from central to provincial warehouses, with milk and sugar suffering the greatest leakages. Statistics of FCA from September 1, 1944 to September 30, 1945 follow:

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Declassified E.O. 12356 Section 3.3/NND No. 785021

"troop pay" account for the Transitional program which succeeded the Joint Program; (c). Supplies imported under the $100,000,000 FEA appropriation (which has, in addition, a $10,000,000 fund for freight charges).

(a) Under Military Responsibility.

Civilian supplies imported under Allied military responsibility for the benefit of the Italian population and in order to prevent disease and unrest in an operational area started flowing into Italy on D-Day, July 10, 1943, and continued to flow until August 31, 1945, although odds and ends of goods arrived for several months thereafter.

Accountants of the Finance Sub-Commission of the Allied Commission have completed their tabulations up to June 30, 1945 and expect to finish the complete accounts within the next couple of months and cover all the late shipments which continued down to November, 1945. In the table of arrivals that follows, there are still omissions, particularly on the cost of some items, basic figures for which are unobtainable at the moment. The costs cited are estimated landed costs in Italy.

Several of the listings might bear amplification. Under other foods were such items as biscuits, fruit juices, jam and chili con carne. Mining equipment consisted mostly of special explosives and fuses. Agricultural supplies comprised fertilizers, tractors and plows. Under the miscellaneous imports were medical supplies (to the value of $8,507,000), road graders, batteries, shoes, cables, belting and sailmakers' needles. The table of petroleum imports speaks for itself.

Commodity	Tonnage	Value in Dollars
Wheat	1,171,200	114,808,000
Flour	454,100	59,072,000
Soup	51,400	25,015,000
Canned Milk	42,100	16,908,000
Lard	7,000	3,436,000
Dry Vegetables	52,000	61,895,000
Sugar	63,000	10,699,000
Canned Meat	1,000	1,368,000
Dates	5,000	556,000
Dried Eggs	2,100	7,175,000
Fish	6,100	2,233,000
Other Foods	70,000	—
Coal	388,100	9,556,000
Newsprint	10,800	1,298,000
Mining Equipment	2,000	—
Agricultural Supplies	153,000	—
Clothing	1,800	—
Miscellaneous Imports	62,300	—

PETROLEUM LUBRICANTS

Gasoline	776,618	barrels	5,140,000
Fuel Oils	1,472,998	"	6,282,000
Kerosene	370,651	"	2,278,000
Other lubricants	84,629	"	1,867,000
Greases	1,655,200	lbs.	203,000
Paraffin	4,647,502	"	193,000
Total	2,404,896	barrels	16,263,000
	6,302,702	lbs.	

(b) Under Transitional Program.

As everybody knows, the United States Government granted Italy a "troop pay" account in the U. S. Treasury amounting to $110,000,000 and representing the amount of lire paid to U. S. troops in Italy exclusive of that which was spent in army post exchanges or sent home in remittances. These funds had been set aside up to now exclusively for purchases under the Transitional Program. The Allied Commission has just been informed that the U. S. Government will cease its official procurement of Transitional Program supplies for Italy under this account as of February 1 and will turn the funds remaining in the "troop pay" account over to the Italian Government which may then use it to purchase current civilian supplies in the United States. In other words, the American action gives the Italian Government the opportunity to buy directly in the U. S. market.

Purchasing of supplies for the Transitional Program started early last year but it was not until last October that substantial quantities of the supplies began to arrive in Italy. As will be noticed, most of the items are strictly for industrial use. The total tonnage (in *long* tons, be it noted) of 11,620 ½ tons in the partial table of arrivals below (covering up to date) does not list petroleum products valued in millions or various minor items such as 555 pounds of horse shoe nails priced in the United States at $83; 25 tons of groundwood, 12 tons of tin plate, 697 tons of truck chassis, 17 tons of insulating compounds, 13 tons of motors, for all of which items price records are not yet available; 17 pounds of resistance wire at $1.97, and two reels of steel wire rope at $500.

The cost of $21,767,935, as recorded in the table, represents only the U. S. contract price paid by the procurement agency and does not include shipping charges, for which, roughly, 25

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Declassified E.O. 12356 Section 3.3/NND No. 785021

(a) Under Military Responsibility.

Civilian supplies imported under Allied military responsibility for the benefit of the Italian population and in order to prevent disease and unrest in an operational area started flowing into Italy on D-Day, July 10, 1943, and continued to flow until August 31, 1945, although odds and ends of goods arrived for several months thereafter.

Accountants of the Finance Sub-Commission of the Allied Commission have completed their tabulations up to June 30, 1945 and expect to finish the complete accounts within the next couple of months and cover all the late shipments which continued down to November, 1945. In the table of arrivals that follows, there are still omissions, particularly on the cost of some items, basic figures for which are unobtainable at the moment. The costs cited are estimated landed costs in Italy.

Several of the listings might bear amplification. Under other foods were such items as biscuits, fruit juices, jam and chili con carne. Mining equipment consisted mostly of special explosives and fuses. Agricultural supplies comprised fertilizers, tractors and plows. Under the miscellaneous imports were medical supplies (to the value of $8,507,000), road graders, batteries, shoes, cables, belting and sailmakers' needles. The table of petroleum imports speaks for itself.

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Canned Meat	1,900	1,368,000
Dates	5,000	556,000
Dried Eggs	2,100	7,175,000
Fish	6,100	2,233,000
Other Foods	70,000	—
Coal	388,100	9,556,000
Newsprint	10,800	1,298,000
Mining Equipment	2,000	—
Agricultural Supplies	153,000	—
Clothing	4,800	—
Miscellaneous Imports	62,300	—
Total	2,546,000	314,019,000

Other lubricants	84,629		1,867,000
Greases	1,655,200	lbs.	203,000
Paraffin	1,647,502	"	193,000
Total	2,404,896 barrels		16,263,000
	6,302,702 lbs.		

(b) Under Transitional Program.

As everybody knows, the United States Government granted Italy a "troop pay" account in the U. S. Treasury amounting to $140,000,000 and representing the amount of lire paid to U. S. troops in Italy exclusive of that which was spent in army post exchanges or sent home in remittances. These funds had been set aside up to now exclusively for purchases under the Transitional Program. The Allied Commission has just been informed that the U. S. Government will cease its official procurement of Transitional Program supplies for Italy under this account as of February 1 and will turn the funds remaining in the "troop pay" account over to the Italian Government which may then use it to purchase current civilian supplies in the United States. In other words, the American action gives the Italian Government the opportunity to buy directly in the U. S. market.

Purchasing of supplies for the Transitional Program started early last year but it was not until last October that substantial quantities of the supplies began to arrive in Italy. As will be noticed, most of the items are strictly for industrial use. The total tonnage (in *long* tons, be it noted) of 11,620 ½ tons in the partial table of arrivals below (covering up to date) does not list petroleum products valued in millions or various minor items such as 555 pounds of horse shoe nails priced in the United States at $83; 25 tons of groundwood, 12 tons of tin plate, 697 tons of truck chassis, 17 tons of insulating compounds, 43 tons of motors, for all of which items price records are not yet available; 17 pounds of resistance wire at $1.97, and two reels of steel wire rope at $500.

The rest of $21,767,935, as recorded in the table, represents only the U. S. contract price paid by the procurement agency and does not include shipping charges, for which, roughly, 25 per cent. should be added. Shipping costs, however, have become lower with the end of the

0828
Declassified E.O. 12356 Section 3.3/NND No. 780021

war, so that this charge will be less as the program continues. Total expenditures for supplies arrived in Italy under this program and including freight charges thus far recorded, therefore amount to approximately $27,000,000 of the $140,000,000 credit, most of which, incidentally, has already been spent in Washington on supplies which will arrive in the next few months.

Commodity	Tonnage	Value in dollars
Areoflat Sodium	19	7,664
Air compressor parts	7	336
Ammonium Nitrate	2,664	324,752
Bakelite paper sheet	22	1,178
Calcined Carbonate of Potash	9	1,209
Cotton	9,634	7,603,207
Blankets	22	133,334
Ferrotungsten	60	178,080
Graphite Electrodes	370	112,969
Gum Arabic	54	20,653
Leather Belting	2	6,024
Pig Iron	2,529	79,309
Manganese Ore	6,493	261,797
Mexican Gum	270	56,691
Naphtalene	61	12,570
Linseed oils	2	672
Sodium Carbonate	50	15,230
Sodium Potassium	56	3,136
Sodium Silicate	5	280
Molibdenum Wire	1	62,182
Steel Beams	1,515	84,840
Steel Billets	466	41,753
Steel Rails	4,039	226,184
Steel Splice Bars	78	6,988
Synthetic Rubber	886	714,470
Tires and Tubes	95	90,461
Trucks	280	219,033
Tungsten Wire	½	13,170
Varnish	84	22,579
Welding Electrodes	6	2,571
Wheat	7,901	882,902
Copper wire	3,936	10,579,968
Yellow Prussiate Potash	4	1,523
Total	41,629 ½	21,767,935

(c) Under FEA Program.

According to the latest verified information of the Requisition Branch of the Allied Commission's Economic Section, the following imports of bulk commodities, purchased under the FEA $100,000,000 interim program, have actually arrived to date in Italy:

Commodity	Tons	Value in dollars
Wheat	362,088	40,191,768
Flour	13,553	1,100,000
Coal	995,520	25,883,520
Cotton	9,120	7,779,360
Total	1,380,281	74,954,648

Also arrived are 27,061 tons of other foods—canned peas and milk, sugar and oleomargarine, for which no costs are available.

In addition, the following imports are now reported on the high seas and will shortly arrive in Italy:

Commodity	Tons	Value in dollars
Wheat	61,463	6,822,393
Coal	147,961	3,846,986
Total	209,424	10,669,379

All costs published are estimated landed costs. The FEA program includes a $40,000,000 fund for freight charges, over and above the basic $100,000,000 purchasing fund. Supplies not shipped by 31 December 1945, when the program officially ended, will of course be sent to Italy during the course of the current period. Full tabulations will be published later.

Declassified E.O. 12356 Section 3.3/NND No. 763021

0830