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(1 of 2 folders) MAY 1945 - Dec 1946

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VOL. II

1946

Judicial Chiefs

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MONTHLY REPORT

ALLIED MILITARY GOVERNMENT

UDINE PROVINCE

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MONTHLY REPORT

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MONTHLY REPORT

UDINE PROVINCE

ALLIED MILITARY GOVERNMENT

NOVEMBER

1945

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Ref: PG/Gen/No:

NOVEMBER, 1946

Headquarters
Allied Military Government
VENEZIA PROVINCE

Subject: Report No:10 - Month of November, 1946.

To : Headquarters,
ALLIED COMMISSION,
Rome.

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1. POLITICAL ACTIVITY & POPULAR OPINION.

The Communal administrative elections were completed on the 10th November, 1946, and were everywhere conducted quietly and in good order. Final results were as follows:-

Democ-Christians	Communal Councillors	"	elected	826
Socialists	"	"	"	219
Communists	"	"	"	5
Left Concentration	"	"	"	432
Independent	"	"	"	159
Uomo Qualunque	"	"	"	3
Other parties' total	"	"	"	5

There has been little variation in political activity. The immediate excitement caused by the visit of TOGLIATTI to TITO rapidly died down and has left no lasting impression.

There has been a noticeable increase in the activity of the Associazione per l'Autonomia Friulana, a movement which appears to be supported by all the political parties, and may in part be due to local resentment at the continued appointment of Italians of southern origin to local government offices.

There has recently been a slight recrudescence of fascist sentiment, manifested by the display of home-made flags and emblems at one or two places in the province, but it is not considered of any importance.

Pro-Slav activity continues at much the same tempo as in recent months.

Whilst there have been a certain number of strikes of minor importance during the month, there is a noticeable relaxation of tension amongst the population, the source of which appears to be indicated by increased industrial activity, and financial assistance

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Pro-Slav activity continues at much the same tempo as in recent months.

Whilst there have been a certain number of strikes of minor importance during the month, there is a noticeable relaxation of tension amongst the population, the source of which appears to be indicated by increased industrial activity, and financial assistance rendered to their families by some thousands of emigrated workmen.

On the whole, it may be said that there is an overall improvement from the standpoint of law and order and general tranquillity.

2. POLICE AFFAIRS.

Strength of police agencies is as follows:-

	Officers	Oths
CARABINIERI	8	534
QUESTURA		
Agenti di P.S.	-	284
Polizia Ausiliaria	9	352
Polizia del Traffico	1	76
Polizia Ferroviaria	3	89
GUARDIA DI FINANZA	8	179
GUARDIA DI P.S.	19	710
[illegible]	1	440

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PUBLIC SAFETY (Cont'd)

There has been a further decrease in the ranks of the carabinieri, which has not yet been corrected by replacements. On the whole, the work of the police is normal, and calls for no special comment.

There has recently been an epidemic of burglaries in the premises occupied by the families of Allied personnel, and in consequence, a special squad of police has been placed at the disposal of S.I.S. as a result of which activity in this direction has decreased.

The frequent road accidents, involving military vehicles, have long been a sore point with the population, and special combined patrols of Allied military police and personnel of the Polizia Stradale, have been formed, and operate on the main military roads from 0730 hrs until midnight. Special attention has also been paid by the Polizia Stradale to unlighted civilian vehicles, particularly horse-drawn carts and cycles, and the scale of fines for traffic offences of this nature has been sharply increased by the issue of Provincial Order No: 20.

A sharp watch has been kept on illegal traffic in foodstuffs, and the following sequestrations have been effected during the month:

	Kg
Grain and other cereals	5585
Farina	250
Pasta	208
Sugar	140
Potatoes	4750

There is a noticeable increase in the prison population, but no escapes or disorders of any kind are reported.

12 cases of armed robbery have been reported during the month, and this figure is appreciably lower than in the past few months.

It is felt police are working harmoniously, and in close contact, with the Allied military police bodies.

3. AGRICULTURE.

The food position causes some anxiety. Fortunately, the Province received an allocation of 2,630 tons, part of a cargo intended for 88th Division, U.S.A., which was surplus to their requirements.

Firewood is in good supply, and it is hoped to relax the export ban in the near future.

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A sharp watch has been kept on illegal traffic in foodstuffs, and the following sequestrations have been effected during the month:

	Kg.
Grano and other cereals	5585
Farina	290
Pasta	205
Sugar	140
Potatoes	4750

There is a noticeable increase in the prison population, but no escapes or disorders of any kind are reported.

12 cases of armed robbery have been reported during the month, and this figure/appreciably lower than in the past few months.

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Italian police are working harmoniously, and in close contact, with the Allied military police bodies.

5. Miscellaneous.

The coal position causes some anxiety. Fortunately, the Province received an allocation of 2,650 tons, part of a cargo intended for 56th Division, U.S.A., which was surplus to their requirements.

Firewood is in good supply, and it is hoped to raise the export ban in the near future.

As a result of the coal shortage, cement is still blocked provincially. The hoped-for import of 2,700 tons from Czechoslovakia has not yet materialised.

Free issues and sales of blankets during the month amount to 103,163, the total of free issue blankets being approximately 21,000.

Food items distributed during the month are as follows:

Bread	-	Regular distribution of 235 grms per consumer daily.			
Pasta	-	2,000 grms per consumer.			
Lard	-	200	"	"	"
Sugar	-	300	"	"	" plus
		1.0	"	"	" as balance against the October ration.

Butter, oil, sugar and pasta have been issued to sick people at home and in the hospitals as prescribed by medical certificates. All supplementary and Special Class rations have been issued in addition to the above.

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During the month, 50 tons of wheat were received from Venezia, the balance due to this Province from allocations ex the s.s."EMORY VICTORY" and s.s."JAMES MONROE".

Delivery of corn to the "ammasso" is unsatisfactory, but efforts are being made to counteract the farmers' reluctance to deliver.

On the basis of 250 grams of bread daily, and 2,000 grams of pasta monthly, wheat on hand is sufficient for requirements until the beginning of January, 1947.

During the month, 400 head of livestock have been exported from this Province to other Regions and 900 quintals of slaughtered meat have been exported to Venezia Giulia.

Fruit and vegetables can be found in abundance, but prices are still on the high side.

During the month, 1060 quintals of locally produced wine and 2007 quintals of potatoes were exported from the province, and of these amounts, Venezia Giulia received 1876 quintals of potatoes and 907 quintals of wine.

The usual allocations of surplus foodstuffs have been made to statal and other cooperatives and various institutions.

4. AGRICULTURE.

The harvesting figures to date are as follows:

Wheat - 277,491 quintals Maize - 39,875 quintals.
Rye - 4,629 " Barley- 910 "

Contributions of grain to the "ammasso" are unsatisfactory, and are variously explained by the high humidity percentage in the kernels, and the difference between "ammasso" and black market prices.

Commissario Ippario has been authorised to export 20,000 quintals of seed grain to provinces which have furnished seed wheat to the province of Udine.

Efforts are being made to speed up the work in connection with the reclamation of the substantial area of flooded land in San Daniele-the reclamation of which would provide work for some 2,000 unemployed.

Fruit conditions during the month are reported as follows:

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this Province to other Regions and 900 quintals of slaughtered animals have been exported to Venezia Giulia.

Fruit and vegetables can be found in abundance, but prices are still on the high side.

During the month, 1060 quintals of locally produced wine and 2007 quintals of potatoes were exported from the province, and of these amounts, Venezia Giulia received 1636 quintals of potatoes and 907 quintals of wine.

The usual allocations of surplus foodstuffs have been made to statal and other cooperatives and various institutions.

4. AGRICULTURE.

The harvesting figures to date are as follows:

Wheat - 877,000 quintals Maize - 37,873 quintals.
Rye - 4,029 " Barley - 910 "

Contributions of grain to the "ammasso" are unsatisfactory, and are variously explained by the high humidity percentage in the kernels, and the difference between "ammasso" and black market prices.

Consorzio Agrario has been authorised to export 20,000 quintals of wood maize to provinces which have furnished seed wheat to the province of Udine.

Efforts are being made to speed up the work in connection with the reclamation of substantial area of flooded land in San Daniele-the reclamation of which would provide work for some 2,000 unemployed. Requirements are 6% which would provide work for some 2,000 unemployed.

Infectious disease during the month are reported as follows:

Foot and mouth disease - 37 stalls; red fever - 10; swine plague - 12.

The issue of Fruli Stallion horses is nearly completed. Up to the 27th November, 3652 horses have been paid for and the purchase price, 106,040,000 lire, deposited in the bank.

Steps are being taken to increase the production of sugar beets, sunflower and seed potatoes.

5. FINANCE.

	1946	
Cash position of the Bank of Italy as of	24 Oct	L.2,741,377,250
" " " " " " " "	23 Nov	L.2,057,870,800
	difference..	L. 683,506,450

591 million lire covering 31 statal bodies were authorised during November.

Old regular budgets, totalling 96 million lire, were approved, and supplementary budgets are being audited.

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363 million lire, affecting 146 Public Works projects, were authorised during the months of October and November,1940.

5. PUBLIC WORKS & UTILITIES.

The total of Public works projects approved during the month amounts to 156,233,193 lire, bringing the total to date to 1,710,610,393 lire. The falling off as compared with figures for the last two months is due to the exhaustion of funds so far available, and also to the fact that in order to place the housing programme well forward, a large proportion of work had been previously initiated than was consistent with the even flow of the programme. Work actually in hand amounts to 833,549,379 lire, and the Genio Civile have some 2 billion lire's work of further projects well forward for consideration when fresh funds become available.

In addition to the above, 21,842,000 lire worth of military projects have been initiated during the month.

7. [illegible].

During the month, 1,020 Italians and 58 non-Italians, passed through the Displaced Persons Centre.

8. WELFARE.

About 17 million lire, together with considerable supplies of clothing, were distributed by Ente Nazionale.

The "Mobile and Sanitation Unit" is running most satisfactorily, running on average at 800 - 1,000 miles a day.

29,200,000 lire were contributed to reconstruction of buildings damaged by Axis and Fascist reprisals.

1,500,000 lire were contributed towards completion of repairs to Mongini Institute plants at Villanova Chisdino Montecaporta Di Sollio Perbruzzo Tedgeon Montes, Lero and Spitrachis.

Health conditions throughout the province are on the whole satisfactory.

The [illegible] vaccination against small-pox and diphtheria is completed.

Infectious diseases reported during the month are as follows:

Measles - 120; scarlet fever - 90; typhoid fever - 56;

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In addition to the above, 21,842,000 lire worth of military projects have been initiated during the month.

7. Internal Exodus.

During the month, 1,020 Italians and 58 non-Italians, passed through the Displaced Persons Centre.

8. Welfare.

About 17 million lire, together with considerable supplies of clothing, were distributed by Post Bellico.

The "Modest and Particular Meals" is running most satisfactorily, reaching an average of 800 - 1,000 meals a day.

29,140,000 lire were contributed to reconstruction of buildings damaged by Nazi and Fascist reprisals.

1,500,000 lire were contributed towards completion of repairs to damaged electric plants at Villanova Chisone Montagorta Di Bollio Perrero Torgnon Bonbonnel lore and Pragelato.

Health conditions throughout the province are on the whole satisfactory.

The anti-typhus vaccination against small-pox and diphtheria is completed.

Infectious diseases reported during the month are as follows:

Measles - 126; scarlet fever - 20; typhoid fever - 38;
Diphtheria - 105.

9. Miscellaneous.

A [illegible] of the Ufficio Trasporti was established in Cividale at the beginning of the month, and has proved extremely useful.

Stock of vehicles is as follows:

(a) Vehicles registered with Ufficio Trasporti (over 10 quintals) 1342
of which:
working solely on behalf of owners 779
working solely on hire for third parties 197
(b) Daily average of vehicles on the road 576
Daily average of vehicles not on the road 336

Total [illegible] hire contracts signed up to date

An increase in [illegible] of trucks over 10 quintals since last month.

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Eastern District (cont'd)

Since ..ugust, 6g vehicles over 10 quintals were registered. This office considers that there is a large number of trucks which may be classified as surplus to transportation requirements of Ulna province.

The ADC Station I. is ill ventilated, uncomfortable, and the sick observation ward is dirty.

Fines were collected as follows:-

a) Quality control violations	723,205,00
b) Petrol, and 1 quintals of goods carried	322,401,30

It proved to record total quintals transported as follows:

Commodity class.	Imports.	Exports.	Provinces.
Administration	21,007,00	3,094,00	21,001,00
Agriculture	11,220,00	3,472,00	9,067,00
In entry	21,000,00	40,090,00	104,367,50
Medical	41,00	19,440,00	21,367,00
Various	4,[illegible],0	4,767,00	11,420,00
Total quin:	77,268,00	75,470,00	231,350,50

[illegible] of the months, public services have to be considerably reduced during the month.

10. Courts.

The number of cases tried by Military Courts was 11, six of which resulted in convictions.

The work of the civilian courts proceeds satisfactorily.

One of the most important breaches of traffic regulations during the past fortnight was in view of the fact that the fines imposed for these offences prove to be derisory in relation to the nature of violations, it is proposed to notify the courts of this, and, [illegible] to bring to their notice the fact that fines [illegible] Ordinance No:20.

[illegible] Court, [illegible] Customs Collector, prosecuted [illegible] Customs Ordinance, which contravene upon the orders of Director [illegible] Customs, and was fined by the civilian Courts.

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Figures below record total quintals transported by road:

Commodity class.	Imports.	Exports.	Provinces.
Alimentation	23,327,00	9,094,00	21,661,00
Agriculture	11,890,00	3,295,00	2,627,00
Industry	21,954,00	40,096,00	122,372,50
Cement	225,00	19,440,00	61,317,00
Various	4,621,00	4,747,00	10,[illegible],00
Total quin.	62,017,00	75,470,00	251,294,50

As a result of POL shortage, all bus services had to be considerably reduced during the month.

10. Justice.

The number of cases tried by Allied Military Courts was 11, all of which resulted in convictions.

The work of the Italian Courts proceeds satisfactorily.

Due to the marked increase in traffic violations during the past few months, and in view of the fact that the fines imposed for these offences proved an effective in diminishing the number of violations, it was felt necessary to vary the scale of fines. Accordingly, in consultation with the Italian judicial authorities, these fines were increased as set forth by Provincial Order No:20.

Last month, owing to the critical housing situation, Provincial Order No:19 was published, which conferred upon the Prefect an increased discretion to post-pone possession orders made by the Italian Courts. In consequence of the passing of Decreto Legislative del Capo Provvisorio dello Stato No:290 of 12 October, 1946, which transfers the functions of the Prefect, in this respect, to the Prefect of the Province, it became necessary to publish Provincial Order No:21, abrogating Provincial Order No:19, and making modifications of the above-mentioned Decree suitable to the conditions in this province.

Ian Bright

H. M. BRIGHT, Lt. Col.,
Provincial Commissioner.

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HEADQUARTERS ALLIED COMMISSION
APO 794

MONTHLY REPORT

OCTOBER 1946

Ref.: 821/2C

13 December 1946

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HEADQUARTERS ALLIED COMMISSION
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OCTOBER 1946

Ref.: 820/30

13 December 1946

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HEADQUARTERS ALLIED COMMISSION
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MONTHLY REPORT

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POLITICAL SUMMARY

1. The most significant points of interest in Italian internal affairs during the month were the resumption of the post of Foreign Minister by Pietro NENNI and the signing of a pact of unity between the Communists and the Socialist

2. Signor NENNI took over his post on 19 October. Up until that time the Ministry of Foreign Affairs had been headed by Signor DE GASPERI in addition to his other duties as President of the Council of Ministers and Minister of the Interior. NENNI's appointment was no surprise inasmuch as it had been agreed at the time of the formation of the Cabinet in July, 1946. His assumption of office, however, was greeted with much speculation by the press. The Foreign Ministry had been subjected to considerable criticism in regard to its personnel and it was generally anticipated that sweeping changes would be made. The prospect of these expected changes, particularly changes in the various ambassadorial posts, was not viewed unanimously in a favorable light. Right wing adherents were concerned at the prospects of wholesale changes in the Ministry lest they constitute the transformation of the diplomatic service from being representative of the whole country to being representative of a political trend.

3. The pact of unity of action between the Communists and the Socialists was published on 27 October. This document was represented as a definite bid for power on the part of the working classes. In itself, it was not new; there had existed a loosely adhered-to pact since August, 1934. However, this agreement had been drawn up when the Allied Armies were fighting in and liberating and consequently mainly implemented measures for the defeat of Fascism; social and economic measures were only lightly touched upon. One significant feature of the new pact was the adoption of any call to the Christian Democrat Party for collaboration. This was interpreted in political circles as an outright challenge. An appeal for collaboration had been included in the pact of 1934.

4. The terms of the current pact were considered more in the nature of a programme offered to the Government than as an instrument regulating the relations between the two parties. The agreement frankly stated that it tended towards the acquisition of the majority of votes. In other words it was a definite bid for political power. The agreement pointed out that each party might have its own list of elections but that all appearance of rivalry between the two must be avoided.

5. Labour conditions during the month continued to be unstable. The strike of the gas workers which began on 30 September ended on 3 October. Prime Minister DE GASPERI stated on 2 October that strikes in the public services could not be tolerated. He declared that if management and labour could not settle their differences within 24 hours the Council of Ministers would intervene. The strike actually began and on 3 October, the workers returning to their jobs with wage differences. The Confederation of Labour and the Confederation

[illegible] permanent and it was generally anticipated that sweeping changes would be made. The prospect of these expected changes, particularly changes in the various ambassadorial posts, was not viewed unanimously in a favourable light. Right wing adherents were concerned at the prospects of wholesale changes in the Ministry lest they constitute the transformation of the diplomatic service from being representative of the whole country to being representative of a political trend.

3. The pact of unity of action between the Communists and the Socialists was published on 27 October. This document was represented as a definite bid for power on the part of the working classes. In itself, it was not new; there had existed a loosely adhered-to pact since August, 1944. However, that agreement had been drawn up when the Allied Armies were fighting in and liberating Italy and consequently widely represented measures for the defeat of Fascism; social and economic measures were only lightly touched upon. One significant feature of the new pact was the omission of any call to the Christian Democrat Party for collaboration. This was interpreted in political circles as an outright challenge. An appeal for collaboration had been included in the pact of 1944.

4. The terms of the current pact were considered more in the nature of a programme offered to the Government than an instrument regulating the relations between the two parties. The agreement frankly stated that it tended towards the acquisition of the majority of votes. In other words it was a definite bid for political power. The agreement pointed out that each party might have its own list of elections but that all appearance of rivalry between the two must be avoided.

5. Labour conditions during the month continued to be unstable. The strike of the gas workers which began on 30 September ended on 3 October. Prime Minister DE GASPERI stated on 2 October that strikes in the public services could not be tolerated. He declared that if management and labour could not settle their differences within 24 hours the Council of Ministers would intervene. The strike came to an end on 3 October, the workers returning to their jobs with wage adjustments. The Confederation of Labour and the Confederation of Industry finally came to an agreement after long and protracted negotiations. The agreement provided for a wage truce of six months; 35% increase in the minimum wage paid to industrial workers; 50% increase in the allotment paid for dependent children; increase in holidays from six to twelve days; a Christmas gratuity; and pay for the 13th month. These benefits were to be granted to clerical workers after necessary readjustments.

6. The most serious riot since the end of the war took place in ROME on 9 October when a crowd which grew to 20,000 stormed the Viminal Palace, seat of the Government, in protest against their dismissal from the public works projects. (See page 7 Public Safety report for a fuller account.)

7. The proposed Peace Treaty continued to cause gloom and despondency. The general opinion was that the peace was unjust although it was realized that the PARIS Conference approval of the treaty was only a recommendation.

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On 16 October, Signor DE GASPERI addressing the Christian Democrat Parliamentary Group, declared that it would be unlikely at that point to take up the question of signature by ITALY but that ITALY had been granted another appeal in NEW YORK on 23 October. However, the same group passed a resolution which expressed the opinion that neither the Parliamentary Group nor the Party as a whole could accept responsibility for proposing the acceptance of the peace conditions as they stood. There the matter rested at the month's end.

AMG VENEZIA GIULIA

1. During the month a complete regrouping and policy reorientation of the major political parties of both pro-Slav and Italian Groups took place. This was caused by the confirmation of the French Line by the Peace Conference and the approval of the French Draft Statute for the Free Territory of TRIESTE. Neither side acquiesced in the proposed settlement. The pro-Italians welcomed the retention of GORIZIA and MONFALCONE but could not reconcile themselves to loss of POLA and S.W. ISTRIA nor to the separation of TRIESTE from the mother country. The Pro-Slavs appeared to be resigned to the idea of a Free Territory of TRIESTE but were rigidly opposed to its proposed boundaries which they hoped might yet be modified as a result of the meeting of the Big Four in NEW YORK. Their territorial demands were for a shift of the Free Territory westward to include MONFALCONE but exclude N.W. ISTRIA. Except for an attempted pro-Slav demonstration in MONFALCONE on October 1, demanding the union of MONFALCONE with JUGOSLAVIA there were few large-scale protests. The publication of the French Draft Statute provoked a storm of criticism, but both sides, while bitterly hostile to the proposed frontiers and statute and not unhopeful of last minute modifications of them, appeared resigned to the idea of a Free Territory of TRIESTE. In consequence they were busily re-grouping on the "bloc system" and evolving long term policies with the common objective of securing a majority in the Popular Assembly. Pro-Jugoslavs were much further advanced in this respect than their opponents. Their hitherto aggressively nationalistic policy was dropped and its place taken by an allegedly ideological class struggle on a wider basis. Democracy, not JUGOSLAVIA, was their trademark, the enemy being "Imperialism". Their policy was to lead to "the alignment of the whole population of the Julian region on a unified front". This "Unified Front" is to be known as the FRONTE UNITARIO D'AZIONE DEMOCRATICA, or FUAD. Pro-Italian elements were in a state of disorganization and were unable to evolve any constructive future policy.

2. There was an increase in crime during the month. 519 crimes were reported and 123 suspects arrested. There were 3 murders, two of which were believed to be political, and two cases of abduction or attempted abduction. On 33 occasions during the month explosives in various forms were used in and against buildings. During a search 530 shells and [illegible] 42 kilograms each [illegible] connection with this discovery.

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1. During the month a complete regrouping and policy realignment of the major political parties of both pro-Slav and Italian Groups took place. This was caused by the confirmation of the French line by the Peace Conference and the approval of the French Draft Statute for the Free Territory of TRIESTE. Neither side acquiesced in the proposed settlement. The pro-Italians welcomed the retention of GORIZIA and MONFALCONE but could not reconcile themselves to loss of POLA and S.S. ISTRIA nor to the separation of TRIESTE from the mother country. The Pro-Slavs appeared to be resigned to the idea of a Free Territory of TRIESTE but were rigidly opposed to its proposed boundaries which they hoped might yet be modified as a result of the meeting of the Big Four in NEW YORK. Their territorial demands were for a shift of the Free Territory westward to include MONFALCONE but exclude P.M.ISTRIA. Except for an attempted pro-Slav demonstration in MONFALCONE on October 1, demanding the union of MONFALCONE with JUGOSLAVIA there were few large-scale protests. The publication of the French Draft Statute provoked a storm of criticism, but both sides, while bitterly hostile to the proposed frontiers and statute and not unhopeful of last minute modifications of them, appeared resigned to the idea of a Free Territory of TRIESTE. In consequence they were busily re-grouping on the "bloc system" and evolving long term policies with the common objective of securing a majority in the Popular Assembly. Pro-Jugoslavs were much further advanced in this respect than their opponents. Their hitherto aggressively nationalistic policy was dropped and its place taken by an allegedly ideological class struggle on a wider basis. Democracy, not JUGOSLAVIA was their trademark, the enemy being "Imperialism". Their policy was to lead to "the alignment of the whole population of the Julian region on a unified front". This "Unified Front" is to be known as the FRONTE D'AZIONE DEMOCRATICA, or FAD. Pro-Italian elements were in a state of disorganization and were unable to evolve any constructive future policy.

2. There was an increase in crime during the month. 519 crimes were reported and 125 suspects arrested. There were 3 murders, two of which were believed to be political, and two cases of abduction or attempted abduction. On 33 occasions during the month explosives in various forms were used in and against buildings. During a search 536 shells weighing 42 kilograms each were found; three persons were arrested in connection with this discovery. Incidents involving the throwing of hand grenades continued. Efforts were continued to improve the efficiency and welfare of the VENEZIA GIULIA Police and the morale of its members was excellent. In general the conduct of Allied Service personnel was very good. The prison population showed a slight decrease over the previous month.

3. There was a substantial increase in both Summary and Superior Court trials during the month. No General Courts were convened. A thorough investigation of the entire judicial system and personnel was in progress.
(See Legal Division page 6)

4. During the month there was an overall increase of excise duties with the exception of sugar. Difficulty continued to be experienced in the collection of taxes from the Slovene Communes. The normal customs administration and control in the Port of TRIESTE was re-established in its entirety. The outflow of capital appeared to have ceased and a moderate inflow was noticeable.

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5. General economic conditions during the month were reasonably good. Commercial activities showed a slight increase. Employment figures remained almost unchanged. There was no particular shortage of foods and the population was supplied with normal rations except pasta which was not completely distributed; the remainder will be distributed in November. Heavy rains during the month aided the late corn crop for forage. There was no great lack of machinery for preparing the ground for planting but there was a shortage of work animals. Another difficulty was to effect a proper distribution of fertilizers which were available in ample quantities. Crops generally were better than the previous year but the livestock situation was not as favourable due to shortage of native fodder and the high cost of imported hay and feed concentrates. Early frost in the latter part of the month finished off what little pasturage was left in the fields. There was, however, a general increase of cattle in the plains where reclamation work has been done. There was a large store of hay left aside for these and there was no need or danger of indiscriminate butchering. The programme of pasture improvement was well under way. Foot and mouth disease which had threatened the lives of the cattle in the territory in the previous month was checked with the loss of only 12 animals. The transportation problem of many farmers were solved by a more liberal distribution of automobile, truck and bicycle tyres. Rains brought on and to disastrous forest fires, and the planting of trees in the various forestry projects was under way. Radio programmes each Sunday continued to furnish farm listeners with useful advice and information.

6. Industrial activities during the month showed encouraging progress. There were no serious labour difficulties and industrial workers appeared less easily influenced by political agitators. The shipbuilding industry was assured of a full programme for 1947. The CANTIERI RIUNITI DELL'ADRIATICO had orders for ships which will occupy all of the shipyards at MONFALCONE and three of the four slips at S.MARCO (TRIESTE). A 12,000 ton motor tanker was launched from S.MARCO yard on 23 October for S.I.P....N.M.A. of VENICE and at the launching ceremony the owners ordered a further 10,000 ton cargo vessel. Reactivation of the ILVA Steel Plant was successfully started, the month's production of steel ingots being about 2,00 tons. Other industries showed a small but steady upward trend. The electricity shortage throughout N. ITALY due to lack of water caused concern. Reconstruction in the Port of TRIESTE was hampered by bad weather but otherwise progressed satisfactorily. The coal situation remained acute. Bad weather impeded the activity of heavy trucks and gasoil consumption was lower during the month.

7. Work on 42 more public buildings was approved during the month. 270 public buildings and 10,948 housing units had been repaired and reconstructed in VENEZIA GIULIA at 31 October. Contracts totalling 247,045,680 lire were approved during the month. Highway and bridge maintenance and reconstruction surpassed all other months in numbers employed and volume of work accomplished. The average number of workers employed per day in

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8. Representatives of Sindacati Unici and Camera del Lavoro agreed to adopt a policy of closer cooperation.

9. Public health in the Territory was satisfactory during the month. The position of infectious diseases improved except for scarlet fever and diphtheria whose incidence continued to rise steadily. A campaign was proposed to increase the diphtheria - immunised children, particularly in the urban population.

10. Movement of Displaced Persons through the TRIESTE Refugee Centre showed a slight decrease. 1349 persons arrived and 1359 persons were moved on. Welfare agencies functioned well.

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11. All schools opened during the month. The Italian schools were free of political interference but in the Slav schools the IVBO continued to exert pressure. At the completion of elementary school enrolment - on 7, 8 and 9 October - the IVBO Trieste Council supported by excited women and children began to agitate indiscriminately against the teachers appointed by AMG. In connection with the incidents the teachers were confronted with an "ultimatum" stating that no one not approved by [redacted] and [redacted] or not of their political views might be accepted as teachers; no books prepared by AMG but only those selected by "the people" would be used; the schools would function under "the people's" direction; pictures of TITO and other Slav partisan heroes will remain in the classrooms; political teachings of from 2 to 3 hours weekly will be required. Each case was being dealt with separately by AMG and the basic education policy was being upheld.

AMG VENEZIA GIULIA.

1. Administrative Elections were held in 9% Communes during the month. Compared with the results in 66 Communes in March and April of the year there was little change in the position of the parties except that the Christian Democrats lost a few seats to the Independents. Apart from these elections political activity was normal. Slav activity continued and two arrests were made by agents of the Questore. There were a number of orderly demonstrations chiefly by unemployed but the various strikes reported previously were satisfactorily settled. There was a slight improvement in the unemployment situation. A new Democratic Youth Movement was formed during the month in the Province which was open to young men of all political parties.

2. There was a notable reduction in the strength of Carabinieri chiefly due to release on termination of the military service period. There were no replacements. In general public order was good throughout the month. Political activity continued particularly on the part of the Communists. Slav infiltration continued although every effort was made to reduce this to a minimum. Careful arrangements were made for the polling of the Communes during the elections and they passed off quietly. Incidents between Allied Military personnel and civilians were fewer. Considerable success was gained in recovering property of Allied origin, chiefly food, clothing, tyres, in the unlawful possession of civilians and in tracing the military persons responsible for their disposal. The condition of the prisons remained satisfactory. There were no escapes or disorders during the month.

3. Normal rations were distributed during the month, and all Supplementary and Special class rations were also issued. 3,731 tons of wheat were received from VENICE and 1,600 tons of flour from AMG VENEZIA GIULIA in re-

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Each case was being dealt with separately by AMG and the basic education policy was being upheld.

AMG MEDING PROVINCE.

1. Administrative Elections were held in 95 Communes during the month. Compared with the results in 66 Communes in March and April of the year there was little change in the position of the parties except that the Christian Democrats lost a few seats to the Independents. Apart from these elections political activity was normal. Slav activity continued and two arrests were made by agents of the Questore. There were a number of orderly demonstrations chiefly by unemployed but the various strikes reported previously were satisfactorily settled. There was a slight improvement in the unemployment situation. A new Democratic Youth Movement was formed during the month in the Province which was open to young men of all political parties.

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3. Normal rations were distributed during the month, and all Supplementary and Special class rations were also issued. 3,731 tons of wheat were received from VENICE and 1,600 tons of flour from AMG VENEZIA GIULIA in repayment of a loan of 2,000 tons of wheat lent to them in September. 469 tons of flour were also received from VENICE during the month. An allocation of 400 tons of rice was received from the Italian Government to cover the period October-December 1946. 900 quintals of slaughtered meat was exported during the month to VENEZIA GIULIA, and 400 head of livestock for breeding were exported to other regions. Fruits and vegetables remained abundant although prices continued to be high. Coal shortages created difficulties in Provincial industries, but deliveries later in the month largely rectified the position. As a result of the shortage the export of cement came to a standstill.

4. The cumulative figures for wheat reached 27,366 tons during the month. Arrangements were being made for the exchange of a considerable quantity of maize for seed wheat. Winter ploughing and sowing began. Stabilised prices for Fertilizers were established throughout the Province.

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5. A total of 576,406,148 lire for public works projects was initiated during the month bringing the total to date to 1,524,375,000 lire. The former figure was rather higher than the proper ration for one month if funds are to be expended evenly over the period, but this was accounted for by the fact that 330,900,000 lire was for housing which was urgently required, regardless of its effect on unemployment. 17 million lire was issued during the month to cover the requirements of hospitals, welfare institutions etc. throughout the province.

6. Public health conditions were generally good and there was a noticeable decrease in infectious diseases. Every effort was being made to maintain assistance to needy cases during the winter in the way of clothing and food.

7. The POL and tyre situation remained unsatisfactory. The shortage of POL necessitated a reduced allocation to firms operating public services in the province. As a result there was a considerable dislocation of the services, causing great inconvenience.

8. Fourteen cases were tried in AMG Courts during the month, all of which resulted in convictions. The work of the Italian Courts proceeded satisfactorily although there was a heavy list of cases for trial and there were considerable arrears due chiefly to lack of judicial personnel. War damage, military requisitions and the presence of refugees, have caused an acute shortage of living accommodation in UDINE, and where orders for possession or eviction were made by the Italian Courts, many persons, liable to be dispossessed, were faced with the immediate prospect of being rendered homeless, no alternative accommodation of any kind being available. The Italian Courts in certain cases have power to grant a short postponement, and thereafter have no discretion to prevent the order being put into execution. After consideration and at the request of the Italian Judicial Authorities a Provincial Order was published modifying the Italian law.

LIAISON OFFICER 86 AREA (VENEZIE)

1. The political atmosphere was calm during the month except in areas where agitators caused unrest among employees. Administrative elections held in the Region during the month took place in an orderly manner and no untoward incidents occurred. The Centre and Left Parties appeared to have lost considerable numbers of supporters. The ordinary man in the street seemed to be more concerned with economic difficulties than politics. Press comments on the forthcoming taxation scheme and currency conversion were followed with eager interest and there appeared to prevail a general confidence in the Government's action directed to meet budget requirements and avert inflation. The issue of the Reconstruction Loan to this end appeared to be considered with sympathy. No political strikes were reported during the month. Some minor labour unrest occurred in the building industry and with the yeast makers in PADUA Province.

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2. Public order was reasonably good during the month. The "black market", especially in Allied property - cigarettes, sugar, petrol scap, etc. continued. There was a lack of efficiency among the Italian Police agencies. Numerous minor incidents were reported between Allied Personnel and civilians; Allied Military Police arrested or took action as regards military personnel for their part in many of these incidents.

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3. Cost of living continued to be a crucial problem. Severe penalties were implemented against black marketeering, speculation and failure to comply with the cessation decree, but these illegal activities continued. Harvesting of wheat was completed and that of maize was in progress. There was some reluctance on the part of farmers to harvest full stocks; the claim was that the price of 1,600 lire per quintal was too little, for the outlay involved. The Growers' Associations approached the authorities concerned with a view to obtaining a higher price for this cereal which is the main food commodity in the region. The wine crop was plentiful and of good quality. There was little marketing in cattle, and prices for calves and pigs tended to rise. There were plentiful stocks of fodder available but prices maintained their high level.

4. The International Sample Fair held at TRIESTE from 2 October to 28 October was a success. Important sales were reported in all sectors of the wide range of commodities. Large numbers of visitors from all parts of Italy led to notable business transactions and appeared to demonstrate sound efforts towards reconstruction. Acute shortages of raw materials and coal caused general concern. Coal will not be made available this winter for private heating. Institutions, schools etc. will be allotted a quantity after industrial requirements have been met. Electric power was also in short supply and severe economy was being exerted. Requisitioning of property was carried out in so far as possible and in conjunction with military requirements.

5. Local strikes among various classes of workers occurred throughout the month but most problems were settled through conciliation, the strikers in most cases gaining their points. There was a further seasonal rise in unemployment figures but the various Provincial authorities were doing their utmost to counteract this by public works schemes. In the Province of VENEZIA 33 projects were approved totalling 127,2[illegible],940 Lire. In addition 17 projects of ordinary maintenance were financed totalling 29,046,000 lire.

LEGAL DIVISION

1. Allied Military Courts were in session during the month in VENEZIA GIULIA and UDINE PROVINCE. Both Superior and Summary Courts were convened in the former of these areas, and Summary Courts in the latter. In VENEZIA GIULIA 131 accused persons were tried, (as compared with 42 in the previous month) on 144 charges, (as compared with 61 in September) by Superior Courts. 205 accused were tried on 180 charges by Summary Courts, (as compared with 134 and 148 respectively in the previous month). Among those cases tried before Superior Courts there were 5 charges only of prejudice to good order, but a number of them involved possession of arms and abduction. Three defendants in the latter cases received sentences respectively of 6, 7 and 8 years. Of the total of 144 charges dealt with in these courts 80 resulted

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LEGAL DIVISION

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2. Fourteen cases were tried in the Province of UDINE, all of which resulted in convictions by Summary Courts.

3. In general the Italian Courts continued to perform satisfactorily. Owing to an existing block-log of cases in these Courts in VENEZIA GIULIA which involve confinement in excess of 6 months before trial, it was planned to transfer all such cases remaining undisposed of by the end of November to AMG Courts for trial. Originally these cases numbered about 80 and included offences ranging from larceny to murder. It is intended shortly to inquire into the whole judicial system in the VENEZIA GIULIA area with the object of seeking the removal of incompetent personnel.

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4. The work of the Italian Section continued; it included preparation of legal opinions regarding elements required under Italian law to establish charges of theft and attempt to commit this offence; validity of judgments of courts established during German occupation of VENEZIA GIULIA; the bonding of International Law upon possible trial in TRIESTE (Zone "A") of persons charged with offences in Zone "B"; the right of Italian Police to go aboard merchant ships to make arrests, and the liability of British and American seamen to obey Italian Customs Laws; and many other problems of a like nature.

5. The Special Court of Assize in VENEZIA GIULIA has been continued in operation for a further period of three months from 8 November 1946. This Court disposed of 24 cases by trial during the month. In the Province of ISTRIA the Special Court of Assize tried 12 cases during the month. On the 25 October this court had 25 cases pending for trial as compared with 51 at the end of September.

6. A number of persons confined in Italian gaols under Allied authority are not serving sentences of Allied Military Government Courts. They are being held for security reasons. To ensure that persons other than those undergoing sentences for AMG Courts, or held for security reasons, are not being held under pretended authority, an organized check was being made of the status of all persons in Italian prisons not so confined under sentences of Italian Courts.

PUBLIC SAFETY DIVISION

1. The high cost of living and the threat of further unemployment in ITALY continued to give rise to demonstrations etc. The most serious demonstration during the month took place in ROME on the 9 October. The trouble commenced as a result of a decision by the Ministry of Public Works to dismiss, on account of lack of work, 24,000 employees. A deputation from the workers was seen by an Under Secretary of the Ministry of Public Works on 8 October, but on the 9 October dismissal notices were posted up with the result that about 1,000 employees marched to the Ministry of Public Works and from there to the Ministry of the Interior. The number of demonstrators had by this time grown to more than 20,000. Excitement was running high and eventually a number of people effected an entry into the building of the Ministry damaging the furniture in some of the offices. The demonstrators were armed with various weapons including guns, firearms, iron bars, sticks etc. Stones were thrown at the building and at the police on duty there and shots were fired by the demonstrators and the Police. Mounted Police on duty were ineffective against the demonstrators, many being unseated, disarmed and injured by the crowd. Police reinforcements were brought up and order was eventually restored. Three civilians were killed and 57 injured (14 by gunshot wounds). 58 Public Safety Agents were injured and 8 Carabinieri (3 by gunshot wounds). During the disturbance 17 people were arrested. Some of these were believed to be professional agitators. As a result of this disturbance the Questure of ROME was replaced. In other parts of Italian Government Territory there were minor

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2. In the Province of UDINE public order was reasonably good and no special incidents were reported. In VENEZIA GIULIA there were a number of incidents but in no case did the situation get out of hand. There were a large number of cases of hand grenade throwing and special efforts were being made to eliminate this. Generally they were believed to be politically inspired and not confined to any one political faction. Common crime increased somewhat. There were 519 crimes reported during the month and 125 arrests were effected. Of this number 3 were for murder. Two of these were political.

3. Small numbers of Jews continued to endeavour to enter ITALY illegally with the ultimate object of reaching PALESTINE. The frontier area is generally

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no mountainous that it is almost impossible to prevent stragglers getting across. Illegal travel to TRIPOLITANIA showed a marked decrease due undoubtedly to increased police measures.

4. Arms dumps continued to be uncovered from time to time.

5. It was reported during the month that there were 20,000 terrorists in NORTH; the majority are assumed to be engaged in irregular activities.

DISPLACED PERSONS DIVISION.

1. During the month it was confirmed that SAT (British) would provide meat, cheese, tea, powdered milk and luncheon meat on the Displaced Persons ration scale subject to repayment by the Italian Government in sterling. There was no surplus of the above mentioned items of subsistence from American sources in the theatre. A written communication was received from the Italian Ministry of Foreign Affairs during the month stating that no Armistice Clause compelled the Italian Government to provide the necessary funds for the upkeep of camps of Displaced persons organised by the Allies, and further, the Italian Government had no responsibility for the presence in Italy of such Displaced Persons. The communication concluded by stating that the ration "per capita" was higher than the ration allotted to Italian civilians, and that which effect from 15 November the Italian Government would be compelled to cease financial assistance and the distribution of foodstuffs to Displaced Persons Camps organised by the Allies.

2. During the last three months numerous major moves of refugees in Allied Civilian Camps took place with a view to locating active dissidents where they would be the least troublesome. 1,700 Jugoslav and Russian men, women and children were moved from their camps and redistributed. Of these, 1,000 were detained for re-screening as heads of families, as suspected Ustachi or reputable Soviet citizens. Some 1,500 Displaced Persons were redistributed in small groups where it was hoped they would be less liable to anti-repatriation influence. In addition, steady progress was made in the sorting between Camps of small groups, either of active dissidents or of persons who would be likely to benefit from removal from anti-repatriation influence. Everything possible was being done to publicise the benefits of voluntary repatriation. So far the propaganda literature provided by the Soviet Mission has been scanty. During the past few weeks 2½% of the 31 weekly population of Allied Camps were voluntarily repatriated. The number of other Displaced Repatriations was negligible. Planning was in progress during the month to receive from 4 to 5,000 Displaced in Allied Camps of Refugee Camps from those at present employed outside NORTH SAR Centre.

COMMUNICATIONS DIVISION

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Ration Scale subject to repayment by the Italian Government in sterling. There was no surplus of the above mentioned items of subsistence from American sources in the theatre. A written communication was received from the Italian Ministry of Foreign Affairs during the month stating that in addition Clause 37 compelled the Italian Government to provide the necessary labour for the upkeep of camps of foreign Displaced Persons organized by the Allies, and further, the Italian Government had no responsibility for the presence in Italy of such Displaced Persons. The communication concluded by stating that the ration "per capita" was higher than the ration allotted to Italian civilians, and that with effect from 15 November the Italian Government would be compelled to cease financial assistance and the distribution of foodstuffs to Displaced Persons Camps organised by the Allies.

2. During the last three months the movement under escort of refugees in Allied Commission Camps took place with a view to locating native dissidents where they would be the least troublesome. 1,700 Jugoslav and Russian men and women and children were removed from their camps and redistributed. Of these, 1,000 were detained for re-screening on basis of families, as suspected Ustachi or reputable Soviet citizens. Some 1,500 Italian Displaced Persons were redistributed in small groups where it was hoped they would be less liable to anti-repatriation influence. In addition, steady progress was made in the shifting between Camps of small groups, either of native dissidents or of persons who would be likely to benefit from removal from anti-repatriation influence. Everything possible was being done to publicize the benefits of voluntary repatriation. So far the propaganda literature provided by the Naval Repatriation Unit has been scanty. During the past six weeks 2½ p.c of the Slovene population of Allied Camps were voluntarily repatriated. The number of other Yugoslav repatriations was negligible. Planning was in progress during the month to receive some 4 to 5,000 Chetniks in Allied Commission Refugee Camps from among those at present employed outside PWIB SEA Centre.

COMMUNICATIONS DIVISION

1. Arrangements were completed during the month for the re-introduction of "small packet" service within PWIB to commence on 1 November. Traffic for North Eastern European countries steadily increased. Five large type sorting carriages were also received during the month from military trains to civil postal services.

2. Several telephone circuits were released from use by Allied Military. Facilities of these inactive circuits were absorbed into larger civilian circuits established to supply civilian needs. These circuits will be available for use by military forces as required. The Italian military telegraph system which was under construction and under the operational control of Allied Military Forces was deoccupationed on 31 October and returned to Italian operation. The system will be leased to and operated by the Italian State Railways commencing 1 November. A six-channel telephone circuit was opened between Milan and Vienna during the month. These channels were being utilized for Press

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and FRANCE traffic. The opening of these channels relieved three channels previously used for VENICE traffic between TURIN and MILAN and six channels between FLORENCE and BOLOGNA, which now become available for ordinary traffic passing between these points. Theft of wire and cable, especially of overhead lines constructed by Allied Military Forces continued to present a problem. Theft has been prevalent since the construction of the first telephone lines in the theatre. The Ministry of Posts and Telecommunications was attempting to eliminate this but scarcity of guards makes the protection of the lines difficult.

3. One radio-telephone circuit between ROME and NEW YORK was eliminated from practical use by the American Telephone and Telegraph Company diverting its equipment from the circuit to a NEW YORK - CAIRO circuit between 1500 and 2100 hours daily. This diversion results in a direct cut in soldiers personal calls which are most frequently made between these hours.

4. Italian electrical manufacturing plants commenced production in considerable volume and requested frequency allocations for testing. Requests for test and experimental frequencies were under consideration. Because most of the frequencies desired are not already registered, action on such requests requires considerable time and experimental frequencies have been allocated in only a few cases. No frequencies were allocated during the month.

ECONOMIC DIVISION

LABOUR AND UTILITIES SUB-DIVISION

1. Further pressure was made during the month in demobilitioning industrial and public services. Strong representations were made by the Italian Government regarding the difficult housing situation at ANCONA.

2. In Northern ITALY the electricity situation was good during the month but due to the large post-war increase in consumption a rationing scheme had to be adopted. All customers were disconnected by shifts one day per week from 0730 hours to 1730 hours, on Sundays from 0830 to 1100 and from 1300 to 1530 hours. In a meeting held during the month the Advisory Committee on Electric Power recommended that measures be taken by the Government to assist the Power Companies in the construction of new plants. Following considerable heavy rains the electric power production in Central ITALY showed an increase during the last period of the month. Only a slight improvement was reported in Southern ITALY where the SILA reservoirs were gradually being emptied. Additional hydro-electric plants are to be reactivated during November. The estimated shortage of electricity for November was about 32%.

3. Arrivals of coal from all sources during the month were estimated to be 321,000 tons, of which approximately 170,000 tons came from the U.S.A. The UNITED STATES maritime strike which terminated on 27 October involved a shortfall of at least 300,000 tons of coal in shipments to ITALY during the

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4. In Italian electrical manufacturing plants commenced production in considerable volume and requested frequency allocations for testing. Requests for test and experimental frequencies were under consideration. Because most of the frequencies desired are not IFRB registered, action on such requests requires considerable time and experimental frequencies have been allocated in only a few cases. No frequencies were allocated during the month.

ECONOMIC DIVISION

HOUSING AND BUILDING SUB-DIVISION

1. Further progress was made during the month in dealing with existing industrial and public problems. Strong representations were made by the Italian Government regarding the difficult housing situation at NAPLES.

2. In Northern ITALY the electricity situation was good during the month but due to the heavy post-war increase in consumption a rationing scheme had to be adopted. All customers were disconnected by shifts one day per week from 0730 hours to 1730 hours, on Sundays from 0830 to 1100 and from 1500 to 1530 hours. In a meeting held during the month the Advisory Committee on Electric Power recommended that prompt action be taken by the Government to assist the Power Companies in the construction of new plants. Following considerable heavy rains the electric power production in Central ITALY showed an increase during the last period of the month. Only a slight improvement was reported in Southern ITALY where the SICILY rivers were gradually being exploited. Additional hydro-electric plants are to be reactivated during November. The estimated shortage of electricity for November was about 30%.

3. Arrivals of coal from all sources during the month were estimated to be 321,000 tons, of which approximately 170,000 tons came from the U.S.A. The UNITED STATES maritime strike which terminated on 27 October involved a shortfall of at least 300,000 tons of coal in shipments to ITALY during the month. On the 14 October the outlook was such that UNRRA considered it advisable to warn the Italian Ministry of Industry and Commerce that the amount of coal available for distribution through November would be seriously curtailed. Fortunately the State Railways at that date had 85 days stocks as a result of the conservation policy closely observed throughout August and September. Instead of 960,000 tons being available for public utilities, industries etc. for the two months of October and November, it was decided at the Emergency Meeting held on 16 and 18 October to reduce this to 779,000 tons. Owing to the termination of the strike it was not anticipated that further economies will be necessary but the set-back again retarded the rehabilitation of ITALY.

4. Sardinian Coal production for the month totalled 75,458 metric tons. A strike involving the price paid for "piece work" caused the production to fall 15,779 tons short of that attained in September. The strike started on 17 October and ended on 28 October. Production was not up to normal at the end of the month.

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5. The shipping strike in the U.S. held up shipments of F.O.L. and plans were made by UNRRA for the Italian Government to reduce the fuel allocations of gasoline and diesel oil, these being the critical products. Part shipments of crude oil from ARAMCO which were expected during the month failed to materialise. This fact caused a temporary shortage of refining in the MARINA and IROM areas due to the non-availability of the refined products expected from the crude oil. Loans from the Military alleviated the situation.

CONSUMER (NON-FOOD) GOODS SUB-DIVISION

1. Trade between Italy and the ex-colonies did not show any signs of development during the month. It is anticipated that some decision will be taken in the near future by the Italian Government to improve the situation. A request for the supply of cotton yarn from ITALY to ERITREA was received from the MILITARY and necessary steps taken to obtain an export license from the Ministry of Foreign Trade.

2. Dairy Products were taken off the List of General Commodities controlled by the International Emergency Food Council. This applied to butter, cheese, natural and processed; milk, evaporated, dried whole, sweetened condensed, skimmed and dairy skim.

3. During the month UNRRA sent in a number of requests for import licences for cereal transhipment to the Italian Government. The problem of the employment of Italian produced sugar in the industries in Venezia Giulia and UNRRA Province was also discussed. In agreement with AMG Venezia Giulia and UNRRA Province and the Italian Ministry of Industry two allocations were obtained and the Italian Ministry of Industry to make allocations to factory and to distribution will be the responsibility of the AMG.

FOOD AND AGRICULTURE SUB-DIVISION

1. Wheat stocks declined during the month and indications were that January 1st would find the stock pile depleted to one months supply. In 1946 there was a 4% increase in acreage sown to wheat over the previous year and but for adverse climatic conditions in the wheat crop; however, this is still approximately 15% below pre-war average and unless only about 67% of normal requirements. The allotment of wheat to ITALY from UNRRA import during the first quarter of 1946 totalled 750,000 tons; of this amount it was expected that only 120,000 tons would arrive before the end of the year. 50% of this was expected to be taken outside therefore the wheat equivalent will not exceed 100,000 tons. The balance of the allocation is expected to arrive during the first half of 1947. An additional allotment of 120,000 tons of flour has been made to ITALY for the last quarter of 1946, but there was no indication that this would arrive before early 1947.

2. Rains during the month improved soil conditions. Seeding of wheat

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from E.C. THERE and necessary steps taken to obtain import licence from the Ministry of Foreign Trade.

2. Dairy Products were taken off the List of Reserved Commodities and all by the International Emergency Food Council. This applied to butter; cheese, natural and processed; milk, evaporated, dried whole, sweetened condensed, roller skim and spray skim.

3. During the month AMG VENEZIA GIULIA sent in a number of requests for import licences for cereal transactions to the Italian Government. The problem of the requirement of Italian produced cereals to the industries in VENEZIA GIULIA and UDINE province was also discussed. In agreement with AMG VENEZIA and UDINE and the Italian Ministry of Industry diverse allocations were obtained. The matter of rail transport from surplus mills to factory and of distribution will be the responsibility of the AMG.

FOOD AND AGRICULTURE SUB-DIVISION

1. Wheat stocks declined during the month and indications were that January 1st would find the stock pile depleted to one months supply. In 1946 there was a 6% increase in acreage sown to wheat over the previous year and better normal conditions favored the wheat crop; however, there is still approximately 15% below pre-war acreage and ensure only about 67% of normal requirements. The allotment of wheat to ITALY from UNRRA sent during the last quarter of 1946 totalled 750,000 tons; of this amount it was expected that only 120,000 tons would arrive before the end of the year. 30% of this was expected to be flour currently therefore the wheat equivalent will not exceed 100,000 tons. The balance of the allocation is expected to arrive during the first half of 1947. An additional allotment of 120,000 tons of flour has been made to ITALY for the last quarter of 1946, but there was no indication that this would arrive before early 1947.

2. Rains during the month improved soil conditions. Seeding of wheat and rye was underway in almost all Northern ITALY, part of Central ITALY and in some provinces of Southern ITALY. In some areas grain fields were being planted with other crops. The shortage of fertilizers and assistance to the cereals policy has induced farmers to substitute more easily cultivated crops for cereals. Indigenous food products will exceed greatly the 1945 crop. Products of all kinds showed a large increase in quantities produced. Quantity of sugar beets produced will be about 400% of the previous year. An exception to the general increase was fruit which will fall slightly below the 1945 yield.

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TRANSPORTATION SUB-DIVISION

1. Passenger rail transport continued to be carried out under very bad conditions. Demonstrators at SONNA LOMBARDA near CALTANISETTA halted all traffic on the PORTOEMPEDOCLE line and further trouble is expected during the winter due to lack of heating and windows in the coaches. It was not possible to obtain any return of passenger stock held by the Allied Military Forces owing to military requirements. Delays on lines were frequent owing to failure of electricity. A land slip on the West coast caused ten days delay. Passengerservice was improved by the reopening of several new lines.

2. International freight traffic showed a slight decrease both imports and exports being considerably less than expected.

3. It was still not possible to introduce the international fuel coupons during the month but negotiations proceeded.

4. Coastwise shipping continued on a normal basis.

SERVICE SUB- COMMISSION

NAVY SUB-COMMISSION

1. During the month confirmation was received from the British Admiralty to the effect that the Italian government should supply the necessary funds, in Egyptian currency, to cover the expenses of the Italian battleships in the GREAT BITTER and Italian warships and auxiliaries visiting Egyptian ports and passing through the SUEZ CANAL. The Italian Ministry of Marine was informed accordingly and requested to make appropriate arrangements. In the meantime payments due to the battleships at the end of September and October were made from British sources, in exceptional cases on Admiralty approval, pending arrangements by the Ministry of Marine. In order to reduce the consumption of foreign exchange the battleships will be supplied to the fullest possible extent from ITALY and ships in transit will be provisioned to capacity.

2. On 3 October PANTELLERIA was visited by representatives of the Committee on Demilitarization of the Island. The process was being carried out satisfactorily. A total of 1500 tons of warlike stores mainly guns and ammunition have been removed to date. A quantity of captured enemy material of naval origin located in the PANTELLERIA area was turned over to the Ministry of Marine for the maintenance of the Italian Navy in accordance with directives in force.

3. Italian minesweepers from PORTICI began to clear an area inshore off PORTICI BEACH. The operation was being carried out to enable craft that have been built on the SEBETO estuary to reach the sea. Other Italian M/S Groups continued routine clearance operations.

4. The Italian Navy arranged for pilotage and tugs in the port of NAPLES

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3. It was still not possible to introduce the international fuel coupons during the month but negotiations proceeded.

4. Coastwise shipping continued on a normal basis.

SERVICE SUB- COMMISSIONS

NAVY SUB-COMMISSION

1. During the month confirmation was received from the British Admiralty to the effect that the Italian government should supply the necessary funds, in Egyptian currency, to cover the expenses of the Italian battleships in the Bitter Lakes and Italian warships and auxiliaries visiting Egyptian ports and passing through the SUEZ CANAL. The Italian Ministry of Marine was informed accordingly and requested to make appropriate arrangements. In the meantime payments due to the battleships at the end of September and October were made from British sources, in exceptional cases on Admiralty approval, pending arrangements by the Ministry of Marine. In order to reduce the consumption of foreign exchange the battleships will be supplied to the fullest possible extent from ITALY and ships in transit will be provisioned to capacity.

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3. Italian minesweepers from PORTO TORRES began to clear an area inshore off PORTO TORRES. The operation was being carried out to enable craft that have been built on the STURA estuary to reach the sea. Other Italian M/S Groups continued routine clearance operations.

4. The Italian Navy arranged for pilotage and tugs in the port of LEGHORN to be available to conduct merchant shipping from that port to LA SPEZIA through heavily mined areas. The Commander-in-Chief, Mediterranean Station, approved the transfer of an Italian tanker under construction at the ANSALDO SESTRI Yards to the NORWEGIAN Government in exchange for two dry cargo vessels. The dry cargo vessels are not to be over 20 years of age and must be from 7000 to 8000 tons deadweight.

5. The Italian cruisers ABRUZZI, MONTECUCCOLI, SCIESSIRE, AMERICAIO and ATTILIO REGOLO completed the lifting of Italian POW from EGYPT.

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LAND FORCES SUB-COMMISSION

1. The strength of the Italian Army as at 1 October 1946 was 204,679 including 63,654 Carabinieri, the latter force showing a decrease of nearly 400 over the previous month. There appeared to be very little hope of the Carabinieri being brought up to their full strength of 75,000 and it was felt that the number of recruits likely to be enlisted would be in the neighbourhood of 65,000, the former war establishment. Despite unemployment and poverty this service which offers free food and clothing continued to attract only the poor peasant class of Southern Italy where the standard of living is very low.

2. The training of Carabinieri personnel in W/T and installation continued to make good progress. Very little progress was reported in the extension of telephone facilities between stations or headquarters, the main difficulty being lack of funds.

3. Training at Bari by Carabinieri was approximately 80% efficient. The chief cause of inefficiency was lack of tyres and tubes. 1100 BERETTA pistols were assigned to Carabinieri by the War Ministry. A deficiency of 50,328 remained against entitlement. Ammunition generally was in short supply. The full quota of 9 x 56 SIPE has received in the proportion of one to every four men, excluding the mobile battalion which had one per man.

4. The application of the Pravda della Repubblica to the Carabinieri Corps caused considerable dissatisfaction and some bitterness amongst all ranks. Carabinieri received 1,500 lire only and this was scaled down in the case of single men. Civilian employees received 5,000 lire.

5. 8,922 Italian POW were repatriated from British hands during the month and 43 from other sources. The total number of IPOW in British hands at the beginning of the repatriation scheme was 197,340 and in other hands 827,300. Although parties in the Gulf of TARANTO were allowed to visited mid-day normally, authority was obtained for all ships carrying Italian PW to call-load at BARI.

AIR FORCES SUB-COMMISSION

1. The strength of the Italian Air Force as at the end of the month was 26,194. (3,101 officers and 23,093 other ranks.) Included in this figure was a total of 1,650 pilots. The transfer of the first intake of recruits at the JESI LICEO and ZARA centres were included and the record to present to all parts of ITALY. As from the beginning of the month increased rates of pay were introduced into the I.A.F. In effect the new rates were extremely generous since all ranks junior and up to the grade of Major were better off to the extent of between 30% to 90% depending on length of service. The introduction of the reduction in personnel had an adverse effect on morale, particularly among younger officers. There was a widespread feeling of insecurity even among those in established posts and many were looking towards civil employment in the hopes of better prospects.

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3. Transport held by Carbinieri was approximately 80% efficient. The chief cause of inefficiency was lack of tyres and tubes. 1100 [illegible] pistols were received by Carbinieri by the War Ministry. A deficiency of 50,226 remained against entitlement. Ammunition generally was in short supply. The full quota of 8 36 SMGs was received in the proportion of one to every four men, excluding the Mobile Battalion which has one per man.

4. The application of the Prefetto della Repubblica to the Carbinieri Corps caused considerable dissatisfaction and some bitterness amongst all ranks. Carbinieri received 1,500 lire only and this was scaled down in the case of single men. Civilian employees received 3,000 lire.

5. 8,922 Italian POW were repatriated from British hands during the month and 43 from other sources. The total number of IPOW in British hands at the beginning of the repatriation scheme was 397,340 and in other hands 547,300. Although ports in the Gulf of Taranto were closed to Allied shipping generally, authority was obtained for all ships carrying Italian PW to call-load at [illegible].

AIR MATTERS SUB-COMMISSION

1. The strength of the Italian Air Force as at the end of the month was 28,194. (3,101 officers and 25,093 other ranks.) Included in this figure was a total of 1,490 pilots. The training of the first intake of recruits at the M.T.I. [illegible] and T.S.M. centres was concluded and the records posted to all units of I.A.F. As from the beginning of the month increased rates of pay were introduced into the I...F. In effect the new rates made every serving airman materially better off than the permanent other ranks were better off to the extent of between 30% to 90% depending on length of service. The dependence of the reduction in personnel had an adverse effect on morale, particularly amongst officers. There was a widespread feeling of insecurity even those in established posts and many were looking towards civil [illegible] in the hopes of better prospects.

2. At a conference held in the Italian Air Ministry it was agreed that in cases where airfields are to be handed over from Italian military to Italian civil control it will be stipulated that I.A.F. flying control and signals will remain until such time as there are sufficient fully qualified civilian personnel to take over. The five aircraft safety centres continued to give good service in overdue action. Forty-eight overdue aircraft were found during the month, mostly weather-bound at diversion fields.

3. One new meteorological station was opened during the month at PONTE-DECIMO, bringing the total of reporting stations in the Italian network to 143. The opening of the important met. station on the Island of PANTELLERIA had to be postponed until the Naval authorities commence operating the light-house, and until authority is obtained to place Italian meteorological personnel there. Pilot Balloon ascensions throughout ITALY ceased operating during

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the month as the stocks of balloons run out. No further supplies from British sources will be forthcoming, and the Italian Nat. Service will have to be self sufficient in this respect. However, the PIRELLI Company undertook the manufacture of these balloons. Arrangements were made during the month to hand over the British Nat. constituents at MILAN to the Italian Nat. Service with effect from 25 October, 1946.

4. Approval was given for the establishment of a BRITISH Civil Airline between MILAN and ITALY, to operate weekly, subject to the obtaining of an agreement for the use of OLMPICO Airfield in ROME. The Italian and British Governments agreed on the inauguration of the projected airline, but no reciprocal Italian airline to MILAN will be established until an Allied decision has been made regarding the operation of Italian Civil Air Lines. By arrangement with the Italian Air Ministry, British and American civilian passengers with valid British or American passports will not have to pay the insurance rates when travelling on the Italian Military Air Transport Service, unless they wish to do so. If insurance is not paid an indemnity certificate will be signed in order not to implicate the Italian Government in any claims arising out of accidents.

5. The transfer of High Speed Launches from the RAF to the IAF was suspended on instructions from the British Air Ministry. Five launches and a certain amount of spares were already in the hands of the IAF. Allied Air Headquarters was endeavouring to obtain removal of the suspension and, to avoid protracted negotiations as to price, was proceeding transfer on "ultimate settlement" terms. On these terms the Italians would not specify any rigid requirements as to condition or performance on take-over.

Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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pay the insurance rate when travelling in the Italian Military Air Transport Service, unless they wish so to do. If insurance is not paid an indemnity certificate will be signed in order that the Italian Government may obtain refund out of royalties.

5. The transfer of High Speed Launches from the RAF to the LAF was suspended on instructions from the British Air Ministry. Five launches and a certain amount of spares were already in the hands of the LAF. Allied Air Hqtrs were endeavoring to obtain removal of the suspension and, to avoid protracted negotiations as to price, was proposing transfer on "ultimate settlement" terms. On these terms the Italians would not specify any rigid requirements as to condition or performance on take-over.

Ellery W. Stone

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Rear Admiral, USNR
Chief Commissioner

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Transportation Branch

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C.C.G.

(Combined Transportation Executive)
180 Allied Control Authority Building
BERLIN
APO 742 US BAOR

25 Oct. 45.

CCG/C.4/1445

SUBJECT : C.C.G. Report

TO : [illegible] Directorate

1. REPATRIATION

(a) Poles

Movement of Polish Displaced Persons from Western Zones Germany. The scheme to provide each individual with 50 days' [illegible] took effect on 1st October. Numbers repatriated from 1st September to 15th October are :-

		(Previous Month)
From U.S. Zone	24,318	(20,561)
" British Zone	3,309	(15,946)
" French Zone	900	(2,200)
" Trieste	500	(500)

(b) Operations and Difficulties

Repatriation from the British Zone is nearing completion. Shipping has been given / convoys to run under arrangements to handle an [illegible] of 2,000 per week from Denmark to Hamburg via British and U.S. Zones, Germany, and Dan. and Soviet Zones, Austria. The Allied Commission for Austria have approved a new Repatriation Commission to visit Europe for

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(a) Poles

movement of Polish Nationals continues from Western Zones Germany. The scheme to provide each individual with 60 days' rations came into effect on 1st October. Numbers repatriated from 16th September to 15th October are :-

		(Previous Month)
From U.S.Zone	26,518	(20,361)
" British Zone	14,300	(15,946)
" French Zone	900	(2,200)
" France	500	(500)

(b) Hungarians and Rumanians

Repatriation from the British Zone is nearing completion. Clearance has been given for movement by road under arrangements of Danish Red Cross of approx. 200 Hungarians from Denmark to Hungary via British and U.S.Zones, Germany, and U.S. and Soviet Zones, Austria. The allied authorities for Rumania have approved a new Rumanian Commission to visit Germany for the purpose of further screening of Rumanian nationals in those Zones desired by the respective Zone Commanders.

(c) Greeks

250 have been repatriated from U.S.Zone overland to GREECE, thence by sea to Greece.

(d) Austrians

Clearance has been given for movement by road under arrangements of Danish Red Cross of 350 Austrians from Denmark to Austria via British and U.S.Zones, Germany.

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(c) Italians and Yugoslavs

A small number of Italians and Yugoslavs have been repatriated from the U.S.Zone.

2. EX-WEHRMACHT AND DISPLACED GERMANS

(a) Movement of German ex-Wehrmacht from Italy to British, U.S. and French Zones continues.

(b) Movement from Italy to Soviet Zone Germany of 5,000 P.W. is scheduled for latter half of October.

(c) Movement of German ex-Wehrmacht discharged in Russia to the Western Zones Germany continues.

(d) Occasional shipments continue of German ex-Wehrmacht from Norway to Soviet Zone Germany via LUBECK.

3. REFUGEES

(a) Exchange continues slowly between the various Zones, including the Soviet-British exchange, which continues re-opened limitedly on a reciprocal basis.

(b) Statement of cumulative totals of German Refugees and ex-Wehrmacht exchange from 19th October, 1945 to 15th October, 1946 is given at Appendix 'A'.

EXPELLEES

Figures for the movement of Expellees have been reported to C.C.S. as follows:-

(a) To U.S.Zone

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(c) Movement from Italy to Soviet Zone Germany of 5,000 P.W. is scheduled for latter half of October.

(c) Movement of German ex-servicemen discharged in Russia to the Western Zones Germany continues.

(d) Occasional shipments containing of German ex-Wehrmacht from Norway to Soviet Zone Germany via LÜBECK.

3. REFUGEES

(a) Exchange continues slowly between the various Zones, including the Soviet-British exchange, which continues re-opened limitedly on a reciprocal basis.

(b) Statement of cumulative totals of German Refugees and ex-Wehrmacht exchange from 15th October, 1945 to 15th October, 1946 is given at Appendix 'A'.

EXPULSEES

Figures for the movement of Expellees have been reported to C.C.S. as follows:-

(a) To U.S.Zone

(i) From Czechoslovakia (direct) - 1,269,307.

Movement was at rate of four trains daily.

(ii) From Austria - 159,146.

Sudetens and Volksdeuts have been repatriated by organised movement to U.S.Zone. This is temporarily suspended.

(iii) From Hungary - 124,765.

Movement remains suspended. On 20 August agreement was reached between U.S. and Hungarian Authorities

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governing conditions under which the Schwabian evacuation movement would be resumed. Based on this agreement, 30 trains of 1,100 persons each were scheduled for September and October. The Hungarian Authorities cancelled these trains for technical reasons. U.S.Element of C.A.C. has been informed that Hungarian authorities will be able to resume movement of Schwabians during month of November.

(iv) Total number of Expellees received into U.S.Zone in authorised train movements -

(aa) Czech Volksdeutsche (Sudetens) - 1,384.69

(bb) Hungarian Volksdeutsche (Schwabians) - 164,00

(b) To French Zone

(i) From Austria - 3,343

(c) To Soviet Zone

(i) From Czechoslovakia - 795,514

Based on this figure, movement has been fulfilled in accordance with the plan of the Control Council.

(ii) From Poland - 1,000,322.

This figure has been certified by the Polish authorities. The Soviet Member reports that German Expellees already accepted by the Soviet Zone from Poland by additional Expellee routes and through Refugee channels, have passed and/or in the Soviet Zone, total [illegible]

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movement of Sprachkinne during month of November.

(iv) Total number of Expellees received in U.K.Zone in authorised train movements -

(aa) Czech Volksdeutsche (Sudeten) - 2,584 69

(bb) Hungarian Volksdeutsche (Schwabians) 164, 00

(b) To French Zone

(i) From Austria - 5,545

(c) To Soviet Zone

(i) From Czechoslovakia - 755,514

Based on this figure, movement has been fulfilled in accordance with the plan of the Control Council.

(ii) From Poland - 1,000,522.

This figure has been certified by the Polish authorities. The Soviet Sector reports that German Expellees already accepted by the British Zone from Poland by official Expellee routes and through Berlin Channels, have passed to it into the Soviet Zone, totalling 100,104 by these means between February and 15th July, 1946.

Copies of documents have been handed to U.S.C.C. C.C.C. has not yet been able to formulate a plan to the satisfaction of all members by which the figures for the

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under progress of the movement of Germans from Poland to Germany can be resumed. In these circumstances, failing opportunity to verify, the British Member is unable to agree to the above figures pertaining to expellees from territory administered by Poland into the Soviet Zone. He signs this Report as applying only to the remainder of the Report. Agreement is at the rate of 2 trains per day.

(d) To British Zone

(i) From Poland

Received by official expellee routes into the British Zone since February 1945 - 1,121,000.

Now used to be passed two trains per week. As the Directive stands, the Soviet Zone and British Zone had an agreement to exchange refugees on a load for load basis at certain crossing points. The British Zone states that 174,727 expellees were recorded as having passed into the British Zone from Poland through these channels.

E. A. D. POOLE,
Lieutenant Colonel,
British Member, C. A. C.

A. MASLENNIKOV,
Lieutenant Colonel,
Soviet Member, C.A.C.

R. VIAL,

I. I. KOZLOV,

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covers it is at the rate of 2 trains per day.

(b) To British Zone

(i) From Poland

Approved by official Repatriation routes into the British Zone since February 1946 - 1,321,776.

Movement is by means of two trains per week. As the Directorate is aware, the Soviet Zone and British Zone had an agreement to exchange refugees on a load for load basis at each Inter-Zonal point. The British Zone states that 152,717 Repatriates were recorded as having passed into the British Zone from Poland through these channels.

L. . . FORD,
Lieutenant Colonel,
British Member, C. . .

A. MASSLENNIKOV,
Lieutenant Colonel,
Soviet Member, C.R.R.

H. VIEL,
Capitaine,
French Member, C.R.R.

J.P. ARREDA,
Major,
U.S. Member, C.R.R.

RESTRICTED

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1st of 5 sheets

CONFIDENTIAL

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
VENEZIA GIULIA

Minutes of Economics Section Meeting held on 8 Nov.1946 at 1600 hours.

PRESENT:

GUESTS: Lt.Colonel SCINCEL
Lt.Colonel KIEGEL

Lieut. Colonel	J.	FODEN	Industry
	F.W.	RICE	Transportation
	C.A.W.	STEPHENS	Communications
Major	W.G.	BOARD	Finance
	K.	COOPER	Economics (CHAIRMAN)
	H.A.	HAYWARD	Telecommunications
	D.	MAHONEY	Price Control
	H.F.J.	MYATT	Food
	E.H.	RICHARDSON	Public Works
Captain	I.M.	CALVANESE	Supply
	T.H.	COKER	Trieste City Area
	J.F.	KEIM	Trieste Area Supply
	P.	Mc GHEE	Food
	L.H.	WEIL	Agriculture
	C.R.	WILKIE	Economics

---

1. Major COOPER, Economics (CHAIRMAN).

ECONOMIC ACTIVITIES. Action by:

The most interesting development that has taken place on the economic side since the last meeting has been in regard to the increase of commercial activities in the Port areas. At a Port Control Committee meeting held 8 Nov. the Port Commandant reported that he was experiencing trouble in finding storage space for supplies that were beginning to come into the port for further shipment by water. Timber is the most important item at this time,

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Lt.Colonel KIEFEL

Lieut. Colonel	J.	FODEN	Industry
	F.W.	RICE	Transportation
	C.A.W.	STEPHENS	Communications
Major	W.G.	BOARD	Finance
	K.	COOPER	Economics (CHAIRMAN)
	H.A.	HAYWARD	Telecommunications
	D.	MAHONEY	Price Control
	H.F.J.	MYATT	Food
	E.H.	RICHARDSON	Public Works
Captain	I.M.	CALVANESE	Supply
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	J.F.	KEIM	Trieste Area Supply
	P.	Mc GHEE	Food
	L.H.	WEIL	Agriculture
	C.R.	WILKIE	Economics

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1. Major COOPER, Economics (CHAIRMAN).

ACTIVITIES. Action by:

The most interesting development that has taken place on the economic side since the last meeting has been in regard to the increase of commercial activities in the Port areas. At a Port Control Committee meeting held 8 Nov. the Port Commandant reported that he was experiencing trouble in finding storage space for supplies that were beginning to come into the port for further shipment by water. Timber is the most important item at this time, though there are other items that are also being warehoused. A committee, under the chairmanship of Lt.Col. FODEN, has been appointed by the Port Control Committee to investigate and make recommendation to the latter Committee in regards to storage. It is a promising development.

It might be pointed out at this time that AFHQ has taken up with the Combined Chiefs of Staff the question of the shipping rights for TRIESTE. Under the present directives no Italian ships of any size are permitted to carry foreign cargo from Trieste to foreign ports. It is this present directive that AFHQ is seeking to have changed or amended.

CHANNELS OF COMMUNICATION.

The attention of all sections is called to the provisions of the Executive Officer's letter on channels of communication.

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Action by:

2. Lt.Col. FODEN, Industry.

COKE DISTRIBUTION.

A proposal has been received from CRDA to distribute coke to its employees, for heating during the winter. Col. FODEN said that from the industrial standpoint this request should not be approved. Commerce Division felt that if the request for the employees of CRDA was granted, then similar requests will have to be granted for the employees of any other firms that might make such a request. The Chairman ruled that no coke would be distributed by CRDA to its employees. Col. FODEN did remark, however, that at present there was a small surplus of coke which could be used for heating purposes if requested by legitimate users.

MOVEMENT OF MACHINERY.

Lt.Col. FODEN requested that the policy regarding the movement of machinery from POLA to TRIESTE be further discussed. It was alleged by the Jugoslav representatives at the last Industry and Commerce Sub-Committee of the Joint Economic Committee that many plants were being moved from POLA. The Chairman agreed to take the matter up with the Senior Civil Affairs Officer as soon as possible, and to acquaint him with the present allegations of the Jugoslavs.

3. Lt.Col. STEPHENS, Commerce.

FUEL.

Lt.Col. STEPHENS remarked that information had been received that a further supply of fuel might shortly be procured for use in this Territory. However, a release order from ROLE is being awaited. Ente Petroli Triestino has been asked to produce the figures for the amount needed. It was stressed by Lt.Col. STEPHENS that some of this was needed by the Hospital in POLA.

4. Lt.Col. RICE, Transportation.

RAILWAY WAGON BIDS.

Lt.Col. RICE reported that bids for 255 railway wagons to move firewood to TRIESTE had been received. These bids are for the next 30 days. The movement of this wood was from Zone "B" to TRIESTE.

The Chairman asked Lt.Col. STEPHENS to check with UTVOD to confirm that these wagons would be furnished by the authorities in Zone "B".

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The Chairman asked Lt.Col. STEPHENS to check with UNRRA to confirm that these wagons would be furnished by the authorities in Zone "B".

TRUCK POOL RATES.

At a previous meeting it was stated that truck pool rates were higher than civilian rates in GORIZIA. Col. RICE stated that the particular case reported was caused by the failure of the customer to make full use of the truck when it was rented. Since it was a failure to efficiently employ the truck, no further complaints could be registered above this particular case.

5. Major SCICLUNA, Labour.

MAGAZZINI GENERALI.

The tentative wage agreement for Magazzini Generali has been approved by the Port Control Committee. All increases are effective from 1 Oct. 1946.

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Action by:

STRIKES.

There were two strikes during the past week. One was caused by the employment of certain so-called "Istrian Refugees". This was organized by the Sindacati Unici in protest against the employment of these people. It must be pointed out that the persons in question were certified residents of this Territory and were legally entitled to retain their jobs. The Sindacati Unici urged a resolution to censure the management of Magazzini Generali for giving priority to Istrian Refugees, and AMG for showing partiality in allowing it.

The second strike was organized by the Comitato di Fabbrica at the MCNFALCO Shipyard. It was a suspension of work of a political nature, to protest against the arrests made in connection with the fatal injury of the Town Major's driver two days previously.

Likewise, it is to be pointed out that the janitors strike still continues. Little inconvenience, however, has been caused from this strike. Labour Division has suggested that one half of the wages fall on the lessees of the other two thirds on the owners, but no agreement on this has been reached.

Weekly Labour Report (see appendix "A" for weekly Unemployment Situation).

6. Major RICHARDSON, Public Works.

EMPLOYMENT FIGURES.

Employment figures on public works dropped about 225 during the period 25 Sept. to 25 Oct. The greatest number of this drop has been in the highway section.

LABOUR INFORMATION.

Since G.O.72 has been signed and approved, to become effective 1 Dec.; Labour Division was requested to submit a draft of the Labour clause for all contracts. LABOUR

TRANSPORTATION.

The Bomb Disposal Squad is still short of transportation. This was especially brought out when a bomb was found to have been laid on a railway track near TRIESTE. No transportation was possessed by the Bomb Disposal Squad to get to the scene.

VETTING OF CONTRACTORS.

A list of contractors for the territory has been compiled and the [illegible] classified according

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VETTING OF CONTRACTORS.

A list of contractors for the territory has been compiled and the various contractors are being vetted. They will be classified according to their capabilities. Major HAYWARD (Telecommunications) asked if communication contractors were included in this vetting. Major RICHARDSON replied that communication contractors were not vetted for their particular works but that their jobs had to conform to existing building regulations or specifications. Major HAYWARD further stated that licences for such contractors had to be issued by the Italian Government and that only certified engineers could do this work. After a brief discussion the Chairman suggested that Public Works, Communications and the Genio Civile should get together and work out any differences on this point.

7. Major HAYWARD, Telecommunications.

ELECTRICITY RATIONING.

The San Maurizio Exchange Batteries cannot operate on the Three Hour Rationing of electricity during the morning hours. There is, however, a power distributing box in the vicinity and ACEGAT has

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Action by:

agreed that this exchange might be cut off in the afternoon. Major HAYWARD agreed to a request from Col. MOREN that this be put in writing for a matter of record.

HEAT FOR COMMUNICATIONS BUILDING.

Major HAYWARD further added that the heat in the Communication Building was not satisfatory. Col. FOREN, Industry, will check further in regards to heating the building with coke. INDUSTRY

NOTICES REGARDING PAYMENT OF BONUS OF THE REPUBLIC.

The Sindacati Unici have posted notices in the Communications Building and on the door to the office, regarding the 3,000 lire to be given to the workers for the same purpose that the Bonus of the Republic was paid in Italy. These notices contained assurances that this money had been promised by Major SCICLUNA of the Labour Division. In reply to this Major SCICLUNA stated that there was no truth in this statement by the Sindacati Unici, and requested he be furnished a copy of one of these notices. Major HAYWARD agreed to furnish the notice.

8. Major BOARD, Finance.

REHABILITATION OF PIPELINES.

Regarding the future financing of the pipelines for some of the local Oil Refineries, it was remarked that no further action was necessary to be taken at this time. Col. STEPHENS pointed out that representatives from the Oil Company would be in in a few days to consult with Chief Finance Officer on this matter.

COTTON INSURANCE.

Captain CALVANESE requested that Finance renew the insurance on the cotton held by Cotonificio Triestino for an additional three months. FINANCE Major BOARD agreed to this request.

9. Captain KEIM, Trieste Area Supply.

COKE FOR SESANA SCHOOLS.

The schools in SESANA are in need of coke. So far none has been delivered to these schools. The Chairman suggested that Captain KEIM contact Captain SLOCUM to determine whether a formal request for this

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The schools in SESANA are in need of coke. So far none has been delivered to these schools. The Chairman suggested that Captain KEIM contact Captain SIMONI to determine whether a formal request for this coke had ever been submitted to the proper authorities. Col. FODEN added that the people in Venezia Giulia had been encouraged earlier this week to take their full winter supplies of coke and thus including the schools.

10. Captain WELL, Agriculture.

TRADE BARRIERS.

Difficulties are continuing to be experienced with the UDINE authorities regarding the traffic of goods. Specifically, certain agriculture products were sought to be moved from GRADO to TRIESTE. The movement, however, was stopped when the people attempted to move them across the small area of UDINE that one must cross in order to get back into Venezia Giulia. The Chairman agreed to take up this matter with the UDINE Provincial Commissioner.

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Action by:

11. Captain COMER, Trieste City Area.

FUEL CHARGES.

One item of 35,000 lire charged on the communal expenses for fuel importation appears to be erroneous. Commerce Division was asked to consider this particular charge and report whether it was a legitimate expense. COMMERCE

12. Captain CALVANESE, Supply.

SUPPLY PROGRAMME JAN - JUNE 1947.

Allied Commission has forwarded Venezia Giulia's Supply Programme for the first six months of 1947 to AFHQ. Copies of this programme have been sent to all Divisions. It is requested that each Division check that part of the programme pertaining to its supplies and report if any discrepancies are discovered. One item was added to the Public Works Programme and that was 5,000 tons of bitumen. It must be pointed out that these programmes still have to be approved by AFHQ before they are sent to Combined Chiefs of Staff. ALL DIVISIONS

BRICK STOCKS.

Major RICHARDSON stated that there was an insufficient stock of bricks to last over the winter months. Lt.Col. STEPHENS agreed to take this matter up with the Supply Officer, UDINE, for Public Works. COMMERCE
SUPPLY, Udine

For CHIEF OF ECONOMICS,

KENNETH COOPER,
MAJOR F.A.,
D/CHIEF, ECONOMICS.

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

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For CHIEF OF ECONOMICS,

KENNETH COOPER,
MAJOR F.A.,
D/CHIEF, ECONOMICS.

KC/vf/mv

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APPENDIX "A"

1. UNEMPLOYMENT SITUATION IN VENEZIA GIULIA AS OF 6 NOVEMBER 1946

	MEN	%	WOMEN	%	JUV.	%	TOTALS	%
TRIESTE AREA	17796	51.7	12985	27.7	3661	10.6	34442	78.8
GORIZIA AREA	3330	60.9	1737	31.8	397	7.3	5464	12.5
POLA AREA	1641	43	1999	52.3	179	4.7	3819	8.7
TOTAL V.G.	22767	52.1	16721	38.2	4237	9.7	43725	

2. UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS AS OF 25.10.46

	TOTALS	(i) %
TRIESTE	14017	28.9
GORIZIA	3060 (x)	35.9
POLA	1186 (x)	23.7
TOTAL	18263	29.5

3. IMPORTED LABOUR INCLUDED IN 2

TRIESTE	228
GORIZIA	411
POLA	7
TOTALS	646

(i) Percentage of combined Totals of 1 and 2

4. UNEMPLOYMENT SITUATION IN TRIESTE COMMUNE PERCENTAGES ON TOTALS FOR V.G. SHOWN IN 1.

MEN	%	[illegible]	%	JUV.	%	TOTALS	%
14738	64.7	10[illegible]4	65.2	[illegible]	58.3	28122	64.1

UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS TRIESTE COMMUNE

TOTALS	(ii) %
6365	18.5

6. HEADS OF FAMILIES UNEMPLOYED AND RELATIVE PERCENTAGES ON TOTALS FOR AREAS AS SHOWN IN 1 AND 4

(ii) Percentage of combined Totals of unemployment and unemployed

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14738	64.7	[illegible]	65.2	[illegible]	58.3	28122	64.1

UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS TRIESTE COMMUNE

TOTALS	(ii) %
6365	18.5

(ii) Percentage of combined Totals of unemployment and unemployed engaged on work relief projects

(x) As of 5.11.46

6. HEADS OF FAMILIES UNEMPLOYED AND RELATIVE PERCENTAGE ON TOTALS FOR AREAS AS SHOWN IN 1 AND 4

	TOTALS	%
TRIESTE AREA	10074	29.2
GORIZIA AREA	1269	23.2
POLA AREA	1001	26.2
TOTAL V.G.	12344	28.2
TRIESTE COMMUNE	7858	27.9

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APPENDIX "B"

WEEKLY FOOD REPORT

Tons	Bread				Pasta	
	Tons	Subsistence days till			Tons	Subsistence covering
1. Flour (white) Stock on hand	4.450	1850	17	24 Nov.	2600	Oct.(balance) November
Trieste 1040 Gorizia 600 Pola 210 1850						
2. Wheat Stock on hand	1.267	1267	10	4 Dec.		

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HEADQUARTERS
ALLIED MILITARY GOVERNMENT
VENEZIA GIULIA

Letter + Chipping

CONFIDENTIAL

Minutes of Economics Section meeting held on 1 Nov. 46 at 1600 hours .

PRESENT:

Lieut. Colonel	J.E.	FODEN	Industry
	F.W.	RICE	Transportation
	C.A.W.	STEPHENS	Commerce
Major	W.G.	BOARD	Finance
	K.	COOPER	Economics (CHAIRMAN)
	H.A.	HAYWARD	Telecommunications
	E.H.	RICHARDSON	Public works
Captain	I.M.	CALVANESE	Supply
	T.H.	COKER	Trieste City Area
	S.H.	CONDICT	Gorizia Area Supply
	N.A.	HOLSTEN	Labour
	J.F.	KERN	Trieste Area Supply
	L.H.	WEIL	Agriculture

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1. Lt. Col. STEPHENS, Commerce. Action by:

SUGAR.

A phone call, received today from G.Q.A.C., indicates that the Italian Government is allocating about 100 tons of sugar for various industries in Venezia Giulia. Industry Division will be notified further when more information is received.

GLASS.

It appears that this territory may be able to import window glass from Czechoslovakia. We understand the Italian Government is exporting glass, this is being checked with H.Q.A.C. and if correct all efforts will be made to import glass from Czechoslovakia through local firms.

Public Works Division are checking on the situation and will advise Commerce of their programme and quantities required in each area.

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Major	W.G.	BOARD	Finance
	K.	COOPER	Economics (CHAIRMAN)
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	E.H.	RICHARDSON	Public Works
Captain	I.M.	CALVANESE	Supply
	T.H.	COMER	Trieste City Area
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2. Lt. Col. RICE, Transportation.

In Venice last week it was learned that the bulk of the Polish Army is leaving Italy for England. It was learned that there is much transportation that is going to be left behind by the Polish Army. Somehow it is hoped that A.M.G. Venezia Giulia might be able to secure some of this transportation.

TRANSPORTATION

INCREASE IN TRUCK RATES.

The Truck Pool has proposed to increase its rates. These increases are caused by (a) increased cost of POL and supplies and (b) increase in wages. Consequently, Public Works, Industry, Telecommunications and Food may expect increases from the trucks they are using from the Truck Pool.

1.08

Action by:

The Chairman enquired if the proposed increases had been approved by the Price Control Division. When Lt. Col. RICE replied that they had not, it was ruled that before the new prices become effective, clearance would have to be obtained from Price Control. The latter Division was expected to clear with Commerce Division on the increases in cost of POL supplies and with Labour Division on the alleged increase in wages. As soon as a final report is made by the Price Control, the new prices may become effective if Price Control so approves. — TRANSPORTATION / PRICE CONTROL / COMMERCE / LABOUR

Finance representative, Major BOARD, enquired if the A.M.G. Truck Pool was self substaining. Lt. Col. RICE replied that it was self substaining and the small reserve existed only for the purchase of those necessary supplies and small operating expenses that could not be foreseen.

3. Captain WEIL, Agriculture.

POTATOES.

A report has been received that Udine Province has blocked the movement of all potatoes into Venezia Giulia. This is not the first instance of such action on the part of Udine Provincial officials.

The Chairman replied that this matter would be developed possibly by the SCAO and the Provincial Commissioner of Udine.

COTTON.

There is an urgent need of 30 Qtls of Egyptian cotton. This cotton is needed for making fish nets for the fishermen of Venezia Giulia. Unless this cotton can be obtained, the supply of fish [illegible] territory will be extremely hindered.

Finance representative was asked if foreign credit, mainly sterling or dollars, could be made available for the purchase of this in Egypt. Finance replied that the matter would have to be checked into. Captain WEIL reminded Finance that fish is one of the sources of meat supply for Venezia Giulia and as a food it should be given most serious consideration.

The Chairman further replied that the Italian Government might be approached towards furnishing the cotton. It was understood that some Egyptian cotton had already been imported by the Italian Government and maybe some of this could be obtained for the needs of Venezia Giulia. Agriculture and Supply Division were instructed to check into this matter and if necessary contact the Italian Government. The Commerce officer added that the quotation apparently had already been made in MILAN for Egyptian cotton and that in all probability the Agriculture officer might — AGRICULTURE / SUPPLY

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purchase of those necessary supplies and small operating expenses that could not be foreseen.

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There is an urgent need of 30 Qtls of Egyptian cotton. This cotton is needed for making fish nets for the fishermen of Venezia Giulia. Unless this cotton can be obtained, the supply of fish [illegible] territory will be extremely hindered.

Finance representative was asked if foreign credit, mainly sterling or dollars, could be made available for the purchase of this in EGYPT. Finance replied that the matter would have to be checked into. Captain WEIL reminded Finance that fish is one of the sources of meat supply for Venezia Giulia and as a food it should be given most serious consideration.

The Chairman further replied that the Italian Government might be approached towards furnishing the cotton. It was understood that some Egyptian cotton had already been imported by the Italian Government and maybe some of this could be obtained for the needs of Venezia Giulia. Agriculture and Supply Divisions were instructed to check into this matter and if necessary contact the Italian Government. The Commerce Officer added that the quotation apparently had already been made in MILAN for Egyptian cotton and that in all probability the Agriculture officer might find the cotton there.

AGRICULTURE
SUPPLY

4. Captain CONDICT, Gorizia Area Supply.

IMPORTS FROM UDINE.

It definitely appears that Udine Province, through the Prefetto, has issued orders prohibiting the export of potatoes, grains, oils, meats, cereals and wines. Copies of these Orders had been handed to the CHAIRMAN previous to the meeting.

The Chairman replied that the matter would be brought to the attention of the SCAO as soon as the Decree was translated. It is the policy of AFHQ that there should be no discrimination of trade between Udine Province and Venezia Giulia. It was pointed out that, at all meetings where representatives of the two areas

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Action by:

have been together, the understanding was natural that no economic barriers would be set up. Certainly the action from Udine Province is arbitrary and without sufficient justification. However, the matter as pointed out to the Agriculture Officer will be handled by the SCAO. Lt. Col. STEPHENS reminded the members that it had been agreed however between his Division and Captain HALL that all firewood in Udine would be blocked. This was to enable Venezia Giulia Zone "A" to obtain the much needed firewood especially for Trieste and Monfalcone. This however had been agreed too between Trieste, Udine and Gorizia and no inconveniences had been suffered in this matter.

WOOD SUPPLIES.

Snow is falling in the Norther Communes and the movement of wood is slowing down. This is especially true up round Plezzo.

5. Captain CALVANESE, Supply.

At the Joint Economic Section Meeting between Economics Section of this Headquarters and Allied Commission a request was made by the latter for a monthly report of all import received to be submitted by the 10th of each month. All divisions were requested to supply the information from time to time when called for. ALL DIVISIONS

The Italian Government has blocked the movement of all soda calcinata. It is understood that all the present stocks in Italy are in MILAN. Public Works needs this very badly and it might clear up where shallow water work is involved. The Chairman suggested that a signal be sent to ALCOM immediately for the release since only a small amount was necessary by Public Works Division. Signal had already been sent. SUPPLY

6. Captain HOLSTEN, Labour.

LABOUR NEGOTIATIONS.

At present joint negotiations for increases in wages in industry are continuing. There still has been no decision reached. It does not appear that any action here will be taken until a final settlement in North Italy is reached.

MAGAZZINI GENERALI DOCK STRIKE.

The Magazzini Generali strike in the docks by the workers of Magazzini Generali has been suspended. It was alleged by the representatives of the Sindacati Unici that the 30 people in question were Zone "B" residents and consequently not eligible for working in Zone "A". However these people possessed the necessary

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Major RICHARDSON (Public Works) stated that the CAOs of Monfalcone and Gradisca had stated to him several weeks ago that they had received complaints that certain contractors working in their respective areas were employing Istrian refugees on their projects. However, the employees possessed the normal employment cards and were presumed to be Zone "A" residents.

Lt. Col. FODEN (Industry) replied that the 30 employees in question from the Magazzini Generali did have documents that were in order and that on this point the Sindacati Unici were certainly out of order. The allegation had also been made that these men were engaged by AMG, since they are working for the Magazzini Generali and that organisation is under the direct control of the Port Control Committee. This point however is also out of order.

For Weekly Labour Report, see Appendix "A".

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7. Captain COKER, Trieste Area Supply.

FIREWOOD.

The flow of firewood into Trieste is very slow. In fact much slower than we would like. Transportation difficulties are still being experienced. Some difficulty has been experienced on the prices to be set. All the outlying communes of Trieste have completed thecontracts for wood.

It must be stated that the commune officials and the CAOs are opposed to any price fixing on wood. To this statement Major COOPER replied that the request had been received from Trieste Area to set the prices and that unless the Area Commissioner desires to change his decision, the prices will have to stand.

8. Lt. Col. FODEN, Industry.

A General Order has been drafted and proposed on the rationing of electricity and is now in the hands of Legal Division for final form. Also an Area Order for Trieste, as well as Orders for Gorizia and Pola have been drafted and submitted to the Area Commissioners concerned for final drafting and approval. The Area Orders are so drawn that there will be much more uniformity in the rationing of electricity this year than existed last year. In general the Orders are providing a cut off of current at the source every day of the week from 0830 to 1130 and certain other restrictions of use in the evenings which applies to all offices, shops, professionals and so forth. It is hoped that the rationing will become effective 6 November.

STATE AGENCY.

Under the present organization, certain agencies or monopolies are handling all supplies for Venezia Giulia. For instance EPT are handling all POL products. As a matter of policy a decision is desired as to future practices for firms or individuals who are able to make their own arrangements to secure those supplies that are presently handled by the state agencies. Major COOPER replied that a letter on this subject was being written and circulated to all Divisions concerned. It was felt, he stated, that any firm or individual able to secure their own supplies should be permitted the maximum amount of freedom; and that the normal peace-time commercial relations should be established as soon as possible. Under the present circumstances anything which does not interfere with the "Disease & Unrest" Programme should be permitted so long as it is put to the maximum use for rehabilitation.

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9. Major RICHARDSON, Public Works.

WATER SUPPLIES FOR TRIESTE.

Under the present conditions the water supply of Trieste is extremely poor and increasingly worse every day. This is due to the low voltage on the electric engines that are running the pumps. Possibly the rationing of electricity will help to improve the situation.

LABOUR EMPLOYMENT FIGURES.

The latest figures presented to me show that the employment figures on Public works have dropped about one thousand during the month of October. This is due to the lack of materials, increasing difficulties of obtaining products and the coming winter months where the outside employment always reaches a low level. It is not possible to give inside employment to many people set outside work. This is especially

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trus on road works where the cold definitely hampers work.

PU[illegible]E OF JEEPS.

A letter has been submitted to the SCAO asking for permission to purchase 25 jeeps for use in Public Works in Venezia Giulia. The vehicles will not be assigned to Public Works Division but will be assigned to the agency responsible for carrying out the public works.

10. Major HYATT, Food.

For Weekly Food Report, see Appendix "B".

FOR CHIEF OF ECONOMICS ,

KENNETH COOPER,
MAJOR F.A.,
DEPUTY CHIEF, ECONOMICS.

KC/VT/EV

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For CHIEF OF ECONOMICS ,

KENNETH COOPER,
MAJOR F.A.,
DEPUTY CHIEF, ECONOMICS.

KC/vf/mv

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APPENDIX "A"

1. UNEMPLOYMENT SITUATION IN VENEZIA GIULIA AS OF 30.10.1946

	MEN	%	WOMEN	%	JUV.	%	TOTALS	%
TRIESTE AREA	17524	52.5	12716	38.1	3118	9.4	33358	79
GORIZIA AREA	3147	61.8	1569	30.8	376	7.4	5092	12
POLA AREA	1628	42.9	1986	52.4	177	4.7	3791	9
Total V.G.	22299	52.8	16271	38.5	3671	8.7	42241	

2. UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS AS OF 30.10.46

	TOTALS	(i) %
TRIESTE	11549 (x)	30.4
GORIZIA	3090	37.7
POLA	1039	21.5
TOTAL	18678	30.7

3. IMPORTED LABOR INCLUDED IN 2.

TRIESTE	210
GORIZIA	410
POLA	7
TOTAL	627

(i) Percentage of combined Totals of 1 and 2.

4. UNEMPLOYMENT SITUATION IN TRIESTE COMMUNE PERCENTAGE ON TOTALS FOR C.G. SHOWN IN 1.

MEN	%	WOMEN	%	JUV.	%	TOTALS	%
14813	66.4	[illegible]	67.4	2376	67.4	28253	66.9

5. UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS TRIESTE COMMUNE (x)

TOTALS	(ii) %
6316	18.3

(ii) Percentage of combined Totals of unemployment and unempl-

6. HEADS OF FAMILIES UNEMPLOYED AND RELATIVE [illegible] FOR AREAS AS SHOWN IN

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Total V.G.	22299	52.8	16271	38.5	3671	8.7	42241	

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TOTAL	627

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MEN	%	WOMEN	%	JUV.	%	TOTALS	%
14813	66.4	[illegible]	67.4	2176	67.4	23253	66.9

5. UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS TRIESTE COMMUNE (x)

TOTALS	(ii) %
6316	18.3

(ii) Percentage of combined Totals of unemployment and unemployed engaged on work relief projects.

6. HEADS OF FAMILIES UNEMPLOYED AND RELATIVE PERCENTAGE ON TOTALS FOR AREAS AS SHOWN IN 1 AND 4

	TOTALS	%
TRIESTE AREA	9920	29.7
GORIZIA AREA	1195	23.5
POLA AREA	997	26.3
TOTAL V.G.	12112	28.7
TRIESTE COMMUNE	7917	28

(x) As of 15.10.46

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APPENDIX "B"

WEEKLY FOOD REPORT

1. Situation as of 31st October 1946.

	Tons	Broad			Pasta	
		Tons	subsistence days	till	Tons	subsistence covering
2. Flour (white) Stock on Hand Trieste: 1626 Gorizia: 850 Pola : 300 2770	5.770	2770	24	24 Nov.	3000	October & November
3. Wheat Stock on Hand	1.267	1267	10	4 Dec.	--	----

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			days	till		
2. Flour (white) Stock on Hand	5.770	2770	24	24 Nov.	3000	October & November
Trieste: 1620 Gorizia: 850 Pola : 300 2770						
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CONFIDENTIAL

Minutes of Economics Section Meeting held on 25 October 1946

at 1600 hrs.

PRESENT:

Lt. Col.	J.E.	FODEN	Industry
	F.W.	RICE	Transportation
	C.A.W.	STEPHENS	Commerce
Major	V.G.	BOARD	Finance
	K.	COOPER	Economics (CHAIRMAN)
	R.C.	COX	Price Control
	H.A.	HAYWARD	Telecommunications
	H.F.J.	MYATT	Food
	E.H.	RICHARDSON	Public Works
	E.J.	SCICLUNA	Labour
Captain	I.M.	CALVANESE	Supply
	T.H.	COKER	Trieste City Area
	S.H.	CONDICT	Gorizia Area Supply
	N.A.	HOLSTEN	Labour
	J.F.	KEIM	Trieste Area Supply
	L.W.	OAKLEY	Pola Area Supply
	L.H.	WEIL	Agriculture

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1. Lt. Col. FODEN, Industry.

ELECTRICITY RATIONING.

A meeting was held at G.H.Q. yesterday where the new Italian Commissary which controls electricity throughout North Italy made an appearance. Lt.Col. W.A.R.Smith of the Chief Engineers Branch at G.H.Q. was present. The general situation was outlined. Col. Smith made the recommendations that an immediate economy of 15% should be instituted in Venezia Giulia. Consequently a rationing system must be instituted in this Area immediately. Industry Division has worked on this problem over the weekend. The current consumption in Venezia Giulia is about 875,000 KW/hrs per day. During the rationing period last year Venezia Giulia daily consumption was approximately 785,000 KW/hrs. In the City [illegible] recently about 310,000 KW/hrs as against

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	C.A.W.	STEPHENS	Communications
Major	V.G.	BOARD	Finance
	K.	COOPER	Economics (CHAIRMAN)
	R.C.	COX	Price Control
	H.A.	HAYWARD	Telecommunications
	H.F.J.	MIATT	Food
	E.H.	RICHARDSON	Public Works
	E.J.	SCICLUNA	Labour
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C.R.D.A.

The Cantieri now have a ship for every slip in the Monfalcone Yard, and a ship for three out of the four slips in the San Marco Yards. If no more orders are received for work in San Rocco Yards, they are going to start construction of 4 one-thousand tons ships to keep the Yards going. On the rubble removal project in the San Marco Yards, where was intended to use 40% of the workers on the project from the shipyards payroll, the figure has been reduced to 10%. It definitely appears that CRDA has improved very much in its labour employment.

It must be emphasized that even though a ship for every slip in the Monfalcone and San Marco Yards is on order it may be as much as three months before the ships are laid down. This is due to the necessary preparatory work.

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2. Lt.Col. RICE, Transportation.

CENTRAL BUS STATION.

Transportation Division has instituted proceedings toward the clearing of the Central Bus Station of the present occupants. The British Post Office could, and would, move into the Refugee Centre across the street; the Mobile Bath Unit did not seem too pleased at the request. Also accomodation can be offered to the small Bath Unit and it will furnish more space than they presently have. However, there will be some inconvenience to the employees in taking their noon meals.

The Chairman replied that the matter will be referred to the SCAO for further action.

UGENA.

A proposal has been put forward for closing UGENA. The duties and functions formerly performed by UGENA have been taken over by the Captain of the Port and Customs. Labour conditions will continue in the port as they have been but under the normal Port Authorities.

AIR PORT.

Clearance has been asked for the airport at Merna to be shared for civilian use. At present the 88 Division is using this airport. The Officers contacted at the Division seemed very cooperative and this matter will be referred to higher Headquarters.

3. Captain CALVARESE, Supply.

PORT HANDLING AGENCY.

The Magazzini Generali have been approached to handle all supplies brought into Venezia Giulia for AMG. It has been recommended that one agency handle all supplies. This project would relieve AMG of the responsability of dealing with about six different agencies as it is now doing. A Liaison Officer would work with Magazzini Generali and checkers and guards would be used to watch after the interests of AMG.

Food Division questioned where it would work out satisfactorily for SEPRAL but it was agreed that SEPRAL and Magazzini Generali could work out the minor details.

4. Lt. Col. STEPHENS, Commerce.

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Information has been received that one car was requisitioned by AMG for

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Food Division questioned where it would work out satisfactorily for SEPRAL but it was agreed that SEPRAL and Magazzini Generali could work out the minor details.

4. Lt. Col. STEPHENS, Commerce.

REQUISITIONING OF VEHICLES.

Information has been received that one car was requisitioned by AMG for the Public Health Officer at Gorizia. The vehicle is the property of the manager of UTVOD in Gorizia, and used for business purposes. It is felt that no vehicles should be requisitioned, if requisitioning is necessary, from owners who have been issued with Vehicle Circulation Permits in Venezia Giulia. Instead it is felt that those vehicles which have been denied circulation permits should be requisitioned because they are not essential to the economy of the Area.

The Chairman agreed with this statement and said he would take it up at the SCAO's Conference on Monday morning.

BLANKETS.

At present 500 blankets per day are being washed by the Army for distribution in this territory.

Supply Officer Pola is requested to take up the balance of blankets allocated to Pola as soon as possible.

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5. Captain WEIL, Agriculture.

CATTLE DISEASE.

There is foot and mouth disease among some of the cattle in this territory. However, the serum has been received and everything is under control. So far only seven head of cattle have been lost. Trieste Area has been notified of this situation.

An offer has been received from a cooperative Association to sell this Area some very fine stock of mountain cattle. This is being investigated and every effort possible will be made to secure this cattle for the Area. Some of the CAOs understand that these cattle are going to be given away, but that is wrong. They will have to be purchased.

Major SCICLUNA, Labour.

BAN ON DISMISSALS.

The Labour Division does not consider advisable the complete lifting of the ban on dismissals. This is because (a) the policy in Venezia Giulia has followed closely on that of the rest of Italy and so far no decision has yet been given by the Italian Government; (b) there is no urgent necessity for industrial establishments to unburden themselves of labour, except perhaps in the case of CRDA, which firm, however, up to the end of September had only availed itself of 13 % instead of the permissable 21 % provided for by G.O. No 106.

LABOUR RELATIONS.

Joint negotiations for substantial increases in wages in industry are still proceeding and under supervision of the Labour Division a preliminary agreement has been reached between industrial employers and labour unions whereby a truce is accepted pending any further discussion on the new wage ceilings.

The local situation is intimately looked up to the negotiations now proceeding in Rome and it is reasonable to forecast that should an early agreement be reached for Northern Italy, this would provide a concrete plan on which a local agreement might follow without excessive turmoil.

The Magazzini Generali are faced with the difficulty of having to discuss a new wage contract when employers' representatives insist that the existing agreement was the result of the unilateral decision and that therefore any wage ceilings agreed upon will have to operate retroactively with effect from 1 July 1945. The Labour Division and Trieste Labour Offices are mediating in this matter.

UNEMPLOYMENT SITUATION

See attached Appendix "A".

CORRECTED ON MEMBERS

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UNEMPLOYMENT SITUATION

See attached Appendix "A".

CORRECTION OF MINUTES.

Labour Division requested an amendment to Minute 1 of the last Economics Section Meeting. As stated by the Chief Labour Officer, the contractor for the school had not in fact been eliminated from accepting the houses employing school labour on the project.

The Chairman agreed that the minutes should be so amended and stated that a special conference will be held Monday, next, to reach a final decision on this point. Therefore Pavan & Giungi will not proceed with the contract until the matter has been further cleared between Labour, Public Works, Finance, and Economics.

7. Captain KEEN, Trieste Area Supply.

1000 Tons of peat, locally produced, has been made available for use in Trieste at the price of 5000 lire per ton. Lt.Col. KEEN, Industry Division, stated that this could not be used to any advantage by the industries in this territory.

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Captain COFER, Trieste Area Supply.

The statement has been made that street-cleaning in Trieste is not what it should be. The cleaning service director states that this is due to the fact that there has been a 20% cut in the allocation of gasoline for street-cleaning. Until the allocation has been restored improvement cannot be made in the service. The service is running now on an 80% supply.

9. Major HAYNARD, Telecommunications.

About one month ago an indent was made for fuel to heat the Main Post Office Building. Neither timber nor coke can be burnt in the furnaces. Without fuels the telephone services and telegraph services will suffer.

The Chairman stated that communications will be given a priority on this heating the same as all hospitals receive; and if necessary a higher priority than the hospitals.

10. Major COOPER, Economics (CHAIRMAN).

GENERAL COMMENTS.

Some unnecessary delays appear to have recently been experienced by this Headquarters in answering signals and other communications from higher Headquarters. Every Division of this Section is expected to answer all enquiries within 24 hours from the time of receipt of the same. No exceptions to this are expected to be made except for unusual circumstances and/or difficulty in obtaining the requested information. During the past week I have had two conferences with G-5 at Caserta and one with the Allied Commission. Both these Headquarters were very sympathetic with our problems here and seem most willing to help wherever and whenever possible. However, it must be pointed out that if these Headquarters are to give us help they must be fully informed of all facts.

In regards to additional supplies needed, both these Headquarters stated that supplementary bids could be put at any time, provided sufficient justification were given. Therefore any Division feeling that it has further needs should make the application immediately, putting the requirements up to the Supply Division with full justification. This will be checked by Supply and for any demand forwarded to Allied Commission this office will be shown the papers to assure that all formal requirements are made.

It appears that the ship with coal from UNRRA has been sunk near Trieste recently. UNRRA apparently has made an investigation with you toward recovering the coal but apparently will make no efforts to recover the coal. They have offered the coal to AMG on the conditions that it be repaid from our future deliveries.

Lt.Col. STEPHENS replied that it appears to be a left-handed gift and not profitable.

11. Major MYATT, Food.

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10. Major COOPER, Economics (CHAIRMAN).

GENERAL COMMENTS.

Some unnecessary delays appear to have recently been experienced by this Headquarters in answering signals and other communications from higher Headquarters. Every Division of this Section is expected to answer all enquiries within 24 hours from the time of receipt of the same. No exceptions to this are expected to be made except for unusual circumstances and/or difficulty in obtaining the requested information. During the past week I have had two conferences with G-5 at Caserta and one with the Allied Commission. Both these Headquarters were very sympathetic with our problems here and seem most willing to help wherever and whenever possible. However, it must be pointed out that if these Headquarters are to give us help they must be fully informed of all facts.

In regards to additional supplies needed, both these Headquarters stated that supplementary bids could be put at any time, provided sufficient justification were given. Therefore any Division feeling that it has further needs should make the application immediately, putting the requirements up to the Supply Division with full justification. This will be checked by Supply and for any demand forwarded to Allied Commission this office will be shown the papers to assure that all formal requirements are made.

It appears that the ship with coal from UNRRA has been sunk near Trieste recently. UNRRA apparently has made an investigation with you toward recovering the coal but apparently will make no efforts to recover the coal. They have offered the coal to AMG on the conditions that it be repaid from our future deliveries.

Lt.Col. STEPHENS replied that it appears to be a left-handed gift and not profitable.

11. Major MYATT, Food.

WEEKLY FOOD REPORT.

See attached Appendix "B".

For Chief of Economics,

1078

KENNETH COOPER,
MAJOR F.A.,
DEPUTY CHIEF, ECONOMICS.

KC/vf/mv

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APPENDIX "A"

1. UNEMPLOYMENT SITUATION IN VENEZIA GIULIA AS OF 23 OCTOBER 1946.

	MEN	%	WOMEN	%	JUV.	%	TOTALS	%
TRIESTE AREA	17638	53	12493	37.6	3130	9.4	33261	78.7
GORIZIA AREA	3167	62.2	1553	30.5	370	7.3	5090	12.1
POLA AREA	1771	45.4	1969	50.5	161	4.1	3901	9.2
TOTALS V.G.	22576	53.4	16015	37.9	3661	8.7	12252	

2. UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS AS OF 15.10.46

	TOTALS	(1) %
TRIESTE	14549	30.4
GORIZIA	3123	38
POLA	950	19.5
TOTAL	18622	30.6

3. IMPORTED LABOUR INCLUDED IN 2.

TRIESTE	299
GORIZIA	368
POLA	7
TOTALS	674

(1) Percentage of combined Totals of 1 and 2.

4. UNEMPLOYMENT SITUATION IN TRIESTE COMMUNE PERCENTAGE ON TOTALS FOR V.G. SHOWN IN 1.

MEN	%	WOMEN	%	JUV.	%	TOTALS	%
14976	66.3	10754	67.1	2514	68.7	28244	66.8

5. UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS TRIESTE COMMUNE.

TOTALS	(11) %
6316	18.37

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TOTALS V.G.	22576	53.4	16015	37.9	3661	8.7	12252	

2. UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS AS OF 15.10.46

	TOTALS	(i) %
TRIESTE	14549	30.4
GORIZIA	3123	38
POLA	950	19.5
TOTAL	18622	30.6

3. IMPORTED LABOUR INCLUDED IN 2 .

TRIESTE	299
GORIZIA	368
POLA	7
TOTALS	674

(i) Percentage of combined Totals of 1 and 2.

4. UNEMPLOYMENT SITUATION IN TRIESTE COMMUNE PERCENTAGE ON TOTALS FOR V.G. SHOWN IN 1.

MEN	%	WOMEN	%	JUV.	%	TOTALS	%
14976	66.3	10754	67.1	2514	68.7	28244	66.8

5. UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS TRIESTE COMMUNE.

TOTALS	(ii) %
6316	18.17

(ii) Percentage of combined totals of unemployment and unemployed engaged on work relief projects.

6. HEADS OF FAMILIES UNEMPLOYED AND RELATIVE PERCENTAGE ON TOTALS FOR AREAS AS SHOWN IN 1 AND 4

	TOTALS	%
TRIESTE AREA	9769	29.4
GORIZIA AREA	1201	23.6
POLA AREA	1028	26.3
TOTALS VENEZIA GIULIA	11998	28.4
TRIESTE COMMUNE	7913	28

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APPENDIX "B"

W E E K L Y F O O D R E P O R T

1. Situation as of 24th October 1946.

	Tons	Bread			Pasta	
		Tons	subsistence days	till	Tons	subsistence covering
2. Flour (white) Stock on Hand :	6693	3693	31	24 Nov.	3000	Oct. & Nov. 46
Trieste 2427 Gorizia 825 Pola 441 3693						
3. Wheat Stock on Hand :	1267	1267	10	4 Dec.	--	-----

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HEADQUARTERS ALLIED COMMISSION
A.G.C. 734
COORDINATE (FOREIGN TRADE) SUB-DIVISION

Monthly Reports

October 1946

Ref. AC/5127/54/Commerce

12 Nov. 1946

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MONTHLY REPORT
CONVERGE(FOREIGN TRADE)SUB-DIVISION
October 1946

1. GENERAL

During October, A.C Venezia Giulia sent in a fair number of requests for import licences for onward transmission to the Italian Government. The problem of the assignement of Italian produced sugar to the industries in Venezia Giulia and Udine Provinces has also been discussed. In agreement with AMG Venezia Giulia, Udine Province Supplies Sub-Division, and the Italian Ministry of Industry and Commerce advance allocations have been obtained.

The matter of safe transportation from sugar mills to factory and of distribution will be the responsibility of the AMG.

2. TRADE WITH THE ITALIAN EX-COLONIES

Trade between Italy and the ex-colonies has not shown any signs of development during this month. It is anticipated that some decisions will be taken in the near future by the Italian Government to improve the situation already outlined in the preceding Monthly Report. A request for the supply of cotton yarn from Italy to Tripolitania has been received from AMA Tripoli and necessary steps have been taken to obtain an export licence from the Ministry of Foreign Trade.

3. RESERVED COMMODITIES

(i) Changes in Controlled List
"Dairy Products" have been taken off the List of Reserved Commodities controlled by the International Emergency Food Council.

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This applies to the following commodities: butter, cheese, natural and processed, milk, evaporated, dried whole, sweetened condensed, roller skim and spray skim.

4. PROCUREMENT OF SUPPLIES FOR ALLIED FORCES OUTSIDE OF ITALY

The problem of payment for these exports has been discussed with the USA Embassy and a meeting has been called for November 7th, which will be attended by representatives of the British and of the American Embassy.

5. OUTSTANDING INVOICES ON AC CONTRACTS

A number of invoices mostly for shipping charges etc. relative to export-contracts made by AC prior to 1 August 1945 have been submitted to this Sub-Division for screening and certification as required by a Decree of the Italian Government.

R.E.HORN
Lt.Col.
Commerce(For.Trade)S/Div.

Date of Shipping

UDINE

MONTHLY REPORT

ALLIED MILITARY GOVERNMENT

UDINE PROVINCE

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UDINE

MONTHLY REPORT

ALLIED MILITARY GOVERNMENT

UDINE PROVINCE

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MONTHLY REPORT

UDINE PROVINCE

ALLIED MILITARY GOVERNMENT

OCTOBER

1946

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1. POLITICAL SITUATION & POPULAR OPINION.
2. PUBLIC SAFETY.
3. ECONOMICS.
4. AGRICULTURE.
5. FINANCE.
6. PUBLIC WORKS & UTILITIES.
7. DISPLACED PERSONS.
8. RELIEF.
9. TRANSPORTATION.
10. LEGAL

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Ref: PG/.../OCT

OCTOBER 1946

Headquarters
Allied Military Government
UDINE PROVINCE

Subject: Report No:17 - Month of October, 1946.

To : Headquarters,
ALLIED COMMISSION,
ROME.

1. POLITICAL ACTIVITY AND PUBLIC OPINION.

Communal elections were held in 95 Communes on five consecutive Sundays between 6 Oct 46 and 3 Nov 46.

The number of seats gained by the political parties is as under:

D. Christian Christians	819
Left Concentration	501
Socialists	143
Communists	2
Udine Parliament	1
Independents	173

Compared with the results in 66 Communes in March and April, there is little change in the position of the parties, except that the Democratic Christians have lost probably a few seats to the Independents.

It is interesting to note that in the Tarvisio area, the Independents have allied themselves with the Democ-Christians and Socialists for the elections, which will take place there on Nov. 10th. By this, the Communists have been successfully isolated and are making a poor fight against the combined opposition in the Valcanale, to which they have produced little support.

Apart from this, political activity has been normal.

Civil activity continues, and two arrests were made by Agents of the Questure.

Togliatti passed through the province recently on his way to Yugoslavia. This visit, it is believed, was intended to reassure the Allies about [illegible] and by direct contact between the Italians and Slavs was

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1. POLITICAL SITUATION AND PUBLIC OPINION.

Administrative elections were held in 95 Communes on five consecutive Sundays between 6 Oct 46 and 3 Nov 46.

The number of seats gained by the political parties is as under:

Democratic Christians	819
Left Concentration	501
Socialists	145
Communists	2
Uomo Qualunque	1
Independents	173

Compared with the results in 66 Communes in March and April, there is little change in the position of the parties, except that the Democratic Christians have lost probably a few seats to the Independents.

It is interesting to note that in the Treviso area, the Qualunquisti have allied themselves with the Demo-Christians and Socialists for the elections, which will take place there on Nov. 10th. By this, the Communists have been somewhat isolated and are making a pact with Austrian and Slav minorities in the Veleznello, to whom they have promised their support.

Apart from this, political activity has been normal.

Civil activity continues, and two arrests were made by agents of the Questore.

Togliatti passed through the province recently on his way to Yugo-Slavia. This visit, it is believed, was intended to reassure the Allies that a settlement by direct contact between the Italians and Slavs was possible, and that continued occupation by the Allies was therefore unnecessary.

Public opinion is strongly mistrustful Togliatti, and sees in this visit a political manoeuvre to strengthen the Communist Party, and possibly to stem the withdrawal of the Allies.

Expressions of indignation were received from many, including the Communist [illegible] of the recent outrage at the British Embassy.

On the 15th October, the Minister of Agriculture, Gullo, visited the Province and stayed at the Headquarters.

Many agricultural problems, including land reclamation schemes, were discussed, and financial assistance promised.

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POLITICAL ACTION AND POPULAR OPINION (cont'd)

A new Democratic Youth movement has been formed in the Province, principally to combat the activity of the Fronte Giovanile, and is open to young men of all political parties.

There have been a number of orderly demonstrations, chiefly by unemployed, and the various strikes reported last month have been satisfactorily settled, usually with little resistance.

There is no real improvement in the unemployment situation, but repeated requests for further funds from the Minister of Public Works, for the approved Public Works programme of the Province have, so far, been unsuccessful.

Illegal emigration continues, judging by extracts from censored letters.

A fair quantity of arms have been confiscated during the month, and arrests made in a number of cases.

In general the Province is quiet, but there are indications of a slight swing to the right and left elements as soon as the Allies withdraw.

2. Public Safety.

Allied officers engaged in Police duties are: Major A.H. Nash, A.P.M.S.O. and Capt. D.C. Hogarth, P.W.I.S.O. and liaison with SAP (Sardinian Special Police of 50 Division.

Strength of civil police is as under:

	Officers.	Other ranks.
Police Force.		
Carabinieri - Strength	9	310
Effective strength	7	305
Questure		200
Guards on P.M.	1/	334
Pol. Ferroviaria	1	7
Polizia del Traffico	5	89
Polizia Forestale		
	17	722

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repeated requests for further funds from the Minister of Public Works for the approved public works programme of the Province have, so far, been unsuccessful.

Illegal emigration continues, judging by extracts from censored letters.

A small quantity of arms have been sequestered during the month, and searches made in a number of cases.

In general, the Province is quiet, but there are indications of a clash occurring between right and left elements as soon as the Allies withdraw.

2. PUBLIC SAFETY.

Allied officers engaged in Police duties are: Major A.G.F. Vick, S.P.S.O. and Capt. D.J. Norris, P.P.S.O. and liaison with CMP (American) and C.M.P. Special Police of 68 Division.

Strength of civil police is as under:

Police Body.		Officers.	Other Ranks.
Carabinieri	Strength	9	210
	Effective strength	7	189
Questura		1	20
Comm. di P.S.		10	334
Polizia Ausiliaria		1	76
Polizia del Territorio		3	92
Polizia Ferroviaria			
Guardia di Finanza		17	722
Vigili Urbani		1	445
Corpo delle Foreste		8	177

There is a considerable reduction in the strength of carabinieri, owing to the reduction of period of military service, and there is very little replacements.

The Senior Provincial Public Safety Officer reports that, in general, the work of the carabinieri group is unsatisfactory, and that he is dissatisfied with the Group Commander, Colonel Antico, and his assistant, Capitano Cecchini. It is hoped to arrange for the transfer and replacement of these two officers. The buildings of the carabinieri stations throughout the province are very satisfactory and will be habitable during the winter.

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Political Affairs (cont'd.

Without any prior application to the Headquarters, on 5th October, 1946, Dott. Ribelli, of the Ispettorato Generale di P.S., arrived in Udine, with instructions to conduct an examination into certain allegations made against Mr. Quartore, T.Col. Lorenzi, Commandant of the Auxiliary Police, and Ten. Duffo, Commandant of the Traffic Police. All three persons were appointed with the direct approval of AMG, and it was very evident that the allegations were made by local Communists, in an attempt to secure the removal of these individuals, and the appointment of others more favourable to them, the actual enquiry being another result of the visit of the Communist Minister, Scoccimarro, in August last.

As a result the interested party, while he would be allowed to make his statement, its report was to be submitted to any U.S.A. authority whatever, would be allowed to be given by AMG. In fact, the report has been submitted to Public Safety Branch, AMG Headquarters, and a copy handed to the persons concerned. This Office has been informed that to avoid further delay, approval was given for the report to be forwarded to the Ispettorato Gen. di P.S. At the time of writing, a copy is being demanded by this HQ.

Special efforts are being made to reduce the number of traffic accidents, and strict instructions have been given to the traffic police, to take energetic action against vehicles travelling without lights, or being driven in a negligent manner.

A determined effort has been made to suppress the black market, particularly in cereal products, and the following apprehensions have been made during the month:

Bread - Kg 5219; Cereals - Kg. 62; Flour Kg 641.

The condition of the prisons remains satisfactory, but there is a fairly considerable increase in the number of detainees. There have been no escapes or disorders during the month.

Careful arrangements were made for the policing of polling booths during the recent local elections, which passed off quietly.

Public safety conditions remain largely unchanged, and there is a considerable reduction in the number and gravity of offences reported.

In the Carnia area [illegible] political activity continues, [illegible] slow infiltration in the [illegible] efforts are made to combat this to the [illegible]

[illegible] military personnel and civilians have been [illegible] 42 have been active in combat-

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whatever, which could not be given by me. In fact, the proposal has been submitted to outside safety authorities, who have considered it, and found it to be favourable to the persons concerned. This Office has been so informed, and no avoidable delay, approval was given for the report to be forwarded to the Spotter to fly [illegible] at the time of writing, a copy is being despatched to this H.Q.

Special efforts are being made to reduce the number of traffic accidents, and strict instructions have been given to the traffic police, to take energetic action against vehicles travelling without lights, or being driven in a negligent manner.

A determined effort has been made to suppress the black market, particularly in cereal products, and the following sequestrations have been made during the month:

Cereals - Kg 3219; Sugar notarce - Kg. 62; Farina Kg 641.

The condition of the prisons remains satisfactory, and there is a fairly considerable increase in the number of detainees. There have been no escapes or disturbances during the month.

Careful arrangements were made for the policing of Communal during the recent local elections, which passed off quietly.

Public safety conditions remain largely unchanged, and there has been little alteration in the number and gravity of offences reported.

In general, public order is good. Political activity continues, particularly on the part of the Communists. Slav infiltration in the provincial police force, although every effort is made to reduce this to the minimum.

In Greece, British and Military personnel and civilians have been fired on, and a number have been killed. EAM have been active in ambushing unpaid [illegible].

Considerable success has been gained in recovering property of Allied origin - and fly fuel, clothing and tyres - in the unlawful possession of civilians, and in arresting the military personnel originally responsible for their disposal.

On 1 October 1945, in a railway accident at Genoa, 3 British military personnel were killed and 5 injured, also 3 Italian civilians were injured.

At the special Assize Court, on 3 Oct 45, 7 members of the infamous fascist band "Koch-Schiro", responsible for a number of murders, robberies, etc., were found guilty - 5 to death by shooting, and the remainder to terms of imprisonment varying from 16 to 20 years.

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PUBLIC SAFETY (cont'd)

At Civitella, on 17 October, the local provincial officer, Lt. [illegible], hearing a noise at the back of his billet, and in the vicinity of his jeep, in the course of investigation, shot and killed an Italian civilian. There was clear evidence that the man, who had a record of several previous convictions, was present for the purpose of stealing the tyres of the vehicle.

Following upon incidents [illegible] of wire cutting, attention has again been drawn to the serious view taken of this offence by the Allied Military Authority, by notices in the local press. No deliberate [illegible] by inspectors.

3. SUPPLIES.

The following consignments have been distributed during the month:

Bread: Regular distribution of 450 tons per normal daily.
Pasta: 2,000 tons per quarter.
Lard: 200 " " " to be increased to 300 tons as the
Sugar: 150 " " " balance is rec'd from Italian Govt.

All supplements and special rations have been issued in addition to the above.

During the month, 2,731 tons of wheat were received from Venice, leaving a balance of 1,000 tons to be withdrawn.

400 tons of flour were received during the month from Venice, and 1,500 tons of flour were received from the Venezia Giulia in payment of a loan of 2,000 tons of wheat to them last September.

Retention by producers of wheat in excess of permitted amounts is being severely dealt with. During the month 115 farmers were prosecuted and 490 quintals of wheat sequestered.

An allocation of 450 tons of rice has been received from the Italian Government to cover the period October-December, 1945.

[illegible] quintals of slaughtered meat have been exported during the month to Venezia-Giulia, in the form of livestock for breeding have been exported to other [illegible]. Fruit and vegetables still remain abundant, although prices are high. Exportation of wine produced in [illegible] has been forbidden without the approval of A.M.G.

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Allied Military Authority by notices in the local press. No [illegible] control is suspected.

3. RATIONS.

The following foodstuffs have been distributed during the month:

Bread: Regular distribution of 250 grms per consumer daily.
Pasta: 2,500 grms per consumer.
Lard: 200 " " "
Sugar: 150 " " " to be increased to 300 grms as the balance is rec'd from the Italian Govt.

All supplementary and special issue rations have been issued in addition to the above.

During the month, 3,731 tons of wheat were received from Venice, leaving a balance of 1,269 tons to be withdrawn.

439 tons of flour were received during the month from Venice, and 1,561 tons of flour were received from the Venezia Giulia in repayment of a loan of 2,000 tons of wheat to them in September.

Retention by producers of wheat in excess of permitted amounts is being severely dealt with. During the month 115 farmers were prosecuted and 890 quintals of wheat sequestered.

An allocation of 450 tons of rice has been received from the Italian Government to cover the period October-December, 1945.

900 quintals of slaughtered cattle have been exported during the month to Venezia-Giulia, and 400 head of livestock for breeding have been exported to other regions. Fruit and vegetables still remain abundant, although prices are high. Exportation of wine produced in the province has been stopped without the approval of AMGOT.

There has been no general liberation of surplus flour to stand, permanently, with bakers' cooperatives, hospitals, etc., throughout the province.

The price of bread has been increased from 21 to 23 lire per kilo as from 29 Oct 45.

Several strikes occurred during the month, but a satisfactory settlement was negotiated in each case.

The export of coal to other provinces is being suspended to enable supplies to be furnished to Trieste and other districts of Venezia Giulia, before the ice in the ports is frozen.

Shortages of coal, kerosene and gasoline continue to cause a serious position in the provinces in question, but fortunately deliveries in the month largely rectified the position. As a result of the shortages, the export of cement could not be resumed.

.....2.

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The following figures show the total medical supplies issued during the month of October and up-to-date:

		October	To date
Medical supplies		28,557 lire	567,127 lire
Biracts	quantity	24,363 "	238,311
Pre. Issues	"	16,103 "	49,337
Coats Vakit	"	53,310 "	127,488
Underwear	"	18,448 "	127,377
Pres Issues	"	2,360 "	47,239
Coats s/s	"	15,900 "	54,915

4. AGRICULTURE

The harvest figures to date are as follows:

Wheat - qli. 275,667; Maize - qli 15,776; Rye - 4,533; Barley - 602.

Arrangements are being made for the exchange of a considerable quantity of maize throughout the province against good wheat.

Winter ploughing and sowing have begun. There are approximately 700 tractors registered in the province.

Standardised prices in fertilizers have been established throughout the province.

Requirements of crop protects throughout the province is somewhat unsatisfactory. An investigation is being gone into with a view to a speedy improvement being made.

The number of fattening pigs is estimated at 100,000 and slaughtering for family consumption has begun. There have been 10 cases of foot and mouth disease and 57 cases of swine fever this plague during the month.

Milk supply in Milan remains unsatisfactory. Down to the 19th October, 2,185 animals were sold and the amount of 33 million lire deposited in the bank.

5. FINANCE

	1946	Lire
Cash position of the Bank of Italy as of	24 Sept:	1,317,900,900
" " " " " "	" 24 Oct:	2,744,377,250
	Difference:	1,426,407,350

Number of total bales were authorized during

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The remaining figures to date are as follows:

Wheat - qli. 273,067; maize - qli 15,773; rye - 4,533; barley - 862.

Arrangements are being made for the exchange of a considerable quantity of maize throughout the province against soft wheat.

Winter ploughing and sowing have begun. There are approximately 700 tractors registered in the province.

Official prices in fertilisers have been established throughout the province.

Distribution of dairy products throughout the province is somewhat unsatisfactory, and the whole question is being gone into with a view to a speedy improvement being made.

The number of pigs slaughtering for family consumption has begun. There have been 10 cases of foot and mouth disease and 37 cases of swine fever and plague during the month.

Sale of fresh pollin horses is satisfactory. Down to the 19th October, 2,180 horses were sold for the amount of 33 million lire deposited in the bank.

5. Finance

1946	Lire
Cash position of the Bank of Italy as of 24 Sep:	1,317,999,900
" " " " " " 24 Oct:	2,741,377,290
Difference:	1,423,407,350

One million lire of coins. All items below were authorised during the month. 20 were ulre, and 19 supplementary, command budgets were approved during the month, totalling 90 million lire.

Three projects of military interest, amounting to 1.6 million lire, were financed since the last report. Other public works projects amounting to 378,582,000 lire were authorised up to 25 Oct 46.

6. Public Works Programme.

This is the first month in which public works have been freed from control by the Allied Commission, with a total of 575,000,000 lire worth of projects approved, bringing the total to date to 1,384,575,000 lire.

The number of men employed is greater than the proper ration for one month is spread to be expended evenly over the period, but this is accounted for by the fact that 300,000,000 lire are for housing, which is urgently required, the building industry is active on reconstruction.

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7. [illegible]

During the month, 1,093 Italians and 741 non-Italians passed through the Italian Refugee Centre. Non-Italians consisted mainly of Poles, displaced persons.

8. [illegible]

Every effort is being made to maintain assistance in the way of food and clothing to needy cases during the winter, and numerous have already been made for the issue of a substantial amount of clothing. Some 30 additional children have been received into the authorized institutions of the province during the month.

27 million litres have been issued during the month, to cover the needs of hospitals, welfare institutions, etc., throughout the province.

Public health conditions generally are good, and there is a noticeable decrease in infectious diseases. Particulars of infectious diseases are as follows:

Measles - 20; scarlet fever - 43; typhus - 1; diphtheria 29; whooping cough - 1; tuberculosis - 26.

9. [illegible]

Figures showing status of vehicles during the month are as follows:

(a)	Vehicles registered with Ontario Transport Board (over 10 quintals)	1317
	[illegible] working solely on behalf of holders	770
	[illegible] solely on hire for third parties	547
		167
(b)	[illegible] vehicles on the road	560
	[illegible] of vehicles now on the road	
		553

(c) [illegible] 10 [illegible] are now
47 registrations occurred there last month.

Vehicles in the [illegible] truck pool are all in good repair except that tyre replacements are badly needed.

Petrol and tyre distribution still remains unsatisfactory. This shortage of fuel necessitated a reduced allocation to firms operating public services in the province. As a result, there was considerable dislocation of the services, causing great deal of public inconvenience.

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17 million lire have been issued during the month, to cover ... needs of hospitals, welfare institutions, etc., throughout the province.

... conditions generally are good, and there is a ... noticeable increase in infectious diseases. Particulars of infectious diseases are as follows:

... - 44; scarlet fever - 45; typhus - 1; diphtheria 29; whooping cough - 17; tuberculosis - 28.

9. Traffic Circulation. -

Figures showing status of vehicles during the month are as follows:

(a) Vehicles registered with Private Transport ... (over 10 quintals) 1317
... motor trucks solely on behalf of holders 770
... trucks solely on hire for third parties 547

167
(b) ... trucks on the road 380
... of vehicles not on the road
559

(c) ... 10 new contracts are now
47 requisitions occurred since last month.

Vehicles in the ... truck pool are all in good repair except that tyre ... are badly needed.

The ... tyre situation still remains unsatisfactory. This shortage ... POL necessitated a reduced allocation to ... operating public services in the province. As a result, there was considerable dislocation of the services, causing great deal of public inconvenience.

/Wheels:

(a) ... monthly total kilometers 761,620,00
(b) ... monthly total quintals carried 332,21,00

Movement statistics: Imports, exports in the province. (Transport by road only - Figures record quintals of goods carried).

Commodity class.	Imports.	Exports.	Province.
Alimentation	10,140,00	5,...,00	15,820,00
Agriculture	5,690,00	2,045,00	7,500,00
Industry	27,821,00	33,004,00	110,143,00
Chemical	330,00	12,336,00	52,673,00
Various	7,000,00	9,026,00	17,106,00
Totals:	47,000,00	66,000,00	213,440,00

...../7

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10. Udine.

Fourteen cases were tried in the courts during the month, all of which resulted in convictions.

The work of the Italian Courts proceeds satisfactorily, though there is a heavy list of cases for trial and there are considerable arrears, due chiefly to gaps in judicial personnel.

War damage, military requisitions and the presence of refugees, have caused an acute shortage of living accommodation in Udine, and where orders for possession or eviction were made by the Italian Courts, many persons, liable to be dispossessed thereby, were faced with the imminent prospect of being rendered homeless, no alternative accommodation of any kind being available. The Italian Courts in certain cases have power to grant a short postponement, but thereafter have no discretion to prevent the order being put into execution. It is unnecessary to say that, if a large number of families had been thrown into the street, with no hope of shelter, a very serious situation would have arisen. [illegible] in connection with, and at the request of, the Italian Judicial Authorities, a Provincial Order was published, modifying the Italian Law and conferring a fairly wide discretion on the Italian Courts.

H. N. BRIGHT, Lieut-Col.
Provincial Commissioner.

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CMP/CI Venezia	2
Town Major, Udine	1
112 Provost Coy, CMP	1

All Divisions, HQ, and Udine Province. 1 each

All Civil Affairs Offrs, Udine Province, AMG 1 each

Total. 10

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Italy/Ships

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MONTHLY REPORT
SEPTEMBER 1946

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MONTHLY REPORT
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HEADQUARTERS ALLIED COMMISSION
APO 794

MONTHLY REPORT

SEPTEMBER - 1946

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POLITICAL SURVEY

1. Continuation of discussion at the PARIS Peace Conference the rise and disappearance of a Bonomi Government amidst and hope labour unrest and Italian self-ism during the month. On the last day of August the Political and Territorial Commission of the Conference approved motion to FRANCE of [illegible], the NEW VALLEY (leaving ITALY the power plant of [illegible]) some CHANNEL and [illegible] (still and TRIESTE) leaving IT.LY the Cassano of ORTLES. [illegible]. Tenor reaction was bitter, several papers charging FRANCE with bad faith.

2. During the early part of the month Ivanoe BONOMI presented his country's case in respect of the contemplated Free Territory of TRIESTE particularly in regard to the establishment of the proposed French line. He declared that if it were conceded that the French line was a solution in accord with "ethnic equilibrium", that very equilibrium was broken when one created the Free Territory of TRIESTE within the area assigned to ITALY. Pointing out that this solution deprived 166,000 Italians and 50,000 Slavs from Italian sovereignty he further declared that if it were desired to re-establish "ethnical equilibrium", the foundation on which rested the French line, it was necessary to enlarge the Free Territory southward so that an equal number of Italians would be detached from Jugoslav sovereignty.

3. On 10 September the Political and Territorial Commission approved an eight-nation Sub-Commission to draft a Statute for the Free Territory of TRIESTE. On 11 September Ivanoe BONOMI sent a letter to the Chairman demanding that a plebiscite be held to determine the boundary between ITALY and JUGOSLAVIA. The letter declared that the two nations seemed to be in agreement on two points: (1) the frontier between the two countries should be drawn on the ethnic line and (2) this line should be determined by taking into consideration the will of the people in the disputed zone. Both the boundary and the manner of ascertainment of the Free Territory of TRIESTE continued to be the most controversial issue during the month.

4. On 5 September an agreement was signed by Prime Minister DE GASPERI of ITALY and Foreign Minister Dr. Karl GRUBER of AUSTRIA. Under this agreement German-speaking inhabitants of ALTO ADIGE were guaranteed complete equality of rights with the Italian population including the following: equality in the author tongue; equality of language in public offices and place names; re-establishment of German family names formerly Italianized by the Fascist regime; equality of opportunity to enter public service. "Autonomous legislative and executive powers" were recorded for the Province and the "mixed Germanic communes of TRENTO Province". Both DE GASPERI and GRUBER submitted the agreement to the Peace Conference with the request that it be included in the peace treaty "to confer on the agreement the seal of approval of the other nations concerned".

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He declared that if it were conceded that the French line was a solution in accord with "natural equilibrium", that very equilibrium was broken when one created the Free Territory of TRIESTE within the area assigned to ITALY. Pointing out that this solution detached 165,000 Italians and 50,000 Slavs from Italian sovereignty he further declared that if it were desired to re-establish "natural equilibrium", the foundation on which rested the French line, it was necessary to enlarge the Free Territory southward so that an equal number of Italians would be detached from Yugoslav sovereignty.

3. On 10 September the Political and Territorial Commission approved on first reading Sub-Commission 1's draft Statute for the Free Territory of TRIESTE. On 11 September Ivanac DUBAIL sent a letter to the Commission declaring that a plebiscite be held to determine the boundary between ITALY and YUGOSLAVIA. The letter declared that the two nations ought to be in agreement on two points: (1) The frontier between the two countries should be drawn on the ethnic line and (2) This line should be determined by taking into consideration the will of the people in the disputed zone. Both the boundary and the question of administration of the Free Territory of TRIESTE continued to be the most controversial issue during the month.

4. On 5 September an agreement was signed by Prime Minister DE GASPERI of ITALY and Foreign Minister B. Karl GRUBER of AUSTRIA. Under this agreement German-speaking inhabitants of ALTO ADIGE were guaranteed complete equality of rights with the Italian population including the following: education in the mother tongue; equality of language in public offices and place names; re-establishment of German family names forcibly Italianized by the Fascist regime; and equality of opportunity to enter public offices. "Autonomous legislative and executive powers" were accorded SOUTHERN Tyrolese and the "neighbouring townships of TRENTO Province". Both DE GASPERI and GRUBER submitted the agreement to the Peace Conference with the request that it be included in the peace treaty "to confer on the agreement the seal of approval of the other nations concerned".

5. While ITALY was having a difficult struggle at PARIS internal conditions were by no means secure. During the month the Ministry of the Treasury was under constant attack by the Communist press and on 2 September PIETRO CORBI's defection of the Treasury announced that he would resign. In tendering his resignation the Minister charged that his position had become untenable. He declared that although there were no apparent differences in the Government where the Communist Party was well represented (four Ministers and four Under-Secretaries) and there presumably that Party should assume its share of responsibility for the Treasury practices referred to in the Council of Ministers were unequivocally condemned by the Communist press. "It is clear", he said, "that the Communist Party wishes to precipitate a crisis".

6. DE GASPERI was at this time in PARIS and he managed to prevail upon SCELBA to remain in office at least until the Prime Minister returned to Rome and could discuss the matter. The affair released a torrent of controversy in the press with practically all papers taking sides on

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remaining belligerently neutral and criticising both sides. All had positive solutions but the product bore no contact with whether or not the 26 Article 4 clause and Treaty should be scrapped. When De Gasperi returned on 1 September he plunged into a series of conferences with the other 3 party leaders and with leading representatives of the Vatican. While the situation became steadily more a struggle between the Communists and the Christian Democrats it rapidly developed into more intensive center party maneuvering and jockeying for position. There was no split and no sign of a complete realignment of the party organization. The struggle is also assumed that the Liberal Party was considering a fusion with PDIUM (Qualunque) to form a strong right-wing bloc. The Liberal Party was also very powerful in Milan and in the elections of 2 June the bloc obtained 40 percent.

7. Also with the return of Don Sturzo founder of the pre-fascist Popular Party many observers began to predict that a strong Central party might be formed composed of a group of Christian Democrats led by De Gasperi, the Republicans, the right-wing Socialists and the Liberals. The Republicans however refused to throw in their lot with us by proclaiming a program to the Government with the ultimatum that unless it was accepted and implemented, the party would no longer participate in the Government.

8. The situation was resolved temporarily at least on 10 September when DE GASPERI announced the appointment of Howard Pettinato [illegible] as Cabinet's successor. The appointment was a surprise for the more that the new minister was a Christian Democrat. The fact the Republicans decided to remain in the Government by virtue of a vote of less than enthusiastic support of the DC passed by a small majority and the crisis was shelved for the time being.

9. With the ending of the crisis the Government could turn its attention to other matters which were coming to a head. Chief of these was labour problem. On 20 September telephone workers went on strike for an increase in wages which their bosses had refused by the preceding month. In addition to the wage provisions the workers asked to be allowed to manage the telephone system declaring that they could do so with a management saving in excess of 10%. When this proposal to the Council of Ministers a plan for the nationalization of the telephone system. The strike was shortlived. At the meeting of the Council of Ministers on 27 September Minister SARAGAT reported that the plan had been prepared in accordance with the wishes of a basic monthly wage and the Government that the nationalized labour contract under discussion would be retroactive from 1 September.

10. Further evidence of progress in the field of labour relations was indicated with regard to the long drawn-out problem of the rice workers. Under an agreement which was reached on 20 September during a meeting [illegible] the daily wage of the rice workers, [illegible] employees will receive

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7. Also with the return of Don Sturzo founder of the pre-Fascist Popular Party many observers begin to predict that a strong Centre party might be formed at the head of a group of Christian Democrats led by Scelba, the Republicans, the right-wing Social Democrats and the Liberals. The Republicans however took no steps into their own hands by presenting a programme to the Government with the intimation that unless it was accepted and fulfilled, the party would no longer participate in the Government.

8. The situation was resolved to partially at least on 16 September when DE GASPERI announced the appointment of Giovanni Petrilli (DC) as Council's successor. The appointment came somewhat as a surprise from the mere fact that the new Minister was a Christian Democrat. The move by the Republicans decided to re-join in the Government by virtue of a somewhat less than unfavourable letter of the day framed by a small majority and the crisis was solved for the time being.

9. With the ending of the crisis the Government could turn its attention to other matters which were causing concern. Chief of these were labour problems. On 26 September telephone workers went on strike for an increase in wages after their demands had been refused by the management. In addition to the wage provisions the workers asked to be allowed to charge the telephone dialling that they could do so with a consequent reduction in return of 10%. Also they presented to the Council of Ministers a plan for the nationalisation of the telephone system. The strike was shortlived. At the meeting of the Council of Ministers held on 27 September, Minister SCELBA reported that the employers had been given an invitation to present a feasible monthly wage and the undertaking that the Council of Ministers would intervene under arbitration would be retroactive from 1 September.

10. Further evidence of progress in the field of labour relations was indicated with an agreement on the long drawn-out problem of the gas workers. Under an agreement which was reached on 29 September during a meeting at the Ministry of the Treasury, the employees will receive a 70% increase which in many cases will not be less than 2,500 lire. They will receive the "thirteenth month" to be paid in a single instalment. Pensions are increased by 150% on the first 1,000 lire and by 70% on the remaining amount of the pension. There were indications also, that as long as the Italian Confederation of Industry and the General Confederation of Labour were in accord with the agreement in principle of a 40 lire per day increase for millions of industrial workers.

11. However on the last day of the month the labour situation was still difficult. After more than eight months of fruitless negotiation the gas workers started a nation-wide strike on 30 September demanding an increase on minimum wages from 7,000 to 10,000 lire monthly. The management declared it could not meet the demands without increasing the gas rate. The workers thought otherwise and furthermore asked Minister of Labour D'ARAGONA to nationalise the gas industry. That was the situation at the end of the month.

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PART I - AMG AND LIAISON OFFICERS

AMG VENEZIA GIULIA

1. Following the confirmation from PARIS that the limits of the new state and the boundary between ITALY and JUGOSLAVIA will be as agreed between the Big Four, rival political, ideological, ethnic and national factions in VENEZIA GIULIA took a more defined and what appeared to be a more permanent stand. It was not generally believed that JUGOSLAVIA would refuse to sign or ratify the Treaty confirming the new boundaries. The Jugoslavs were already pressing hard to limit the powers of the future Governor and were insisting on almost complete control by peoples bodies on Jugoslav lines. Anti-Allied propaganda by the Pro-Jugoslav groups was stronger and more outspoken during the month, the main theme being the alleged Anglo-American plan to "colonise" TRIESTE coupled with the well- worn accusations of brutality by the Civil and Military Police as well as new allegations of attempts to introduce British and American capital into the economic life of the Region. Anti-Allied propaganda by Pro-Italian groups was much milder than that of the pro-Slavs and consisted mainly of attacks against AMG for alleged failure to afford adequate protection to the population against terrorists. To outward appearance TRIESTE was calm during the month and demonstrations were limited to two or three small "spontaneous outbursts". The possibility of a local agreement or understanding between the rival factions appeared as impossible and far away as ever.

2. With the entry of 250 new recruits from the Training School the effective strength of the VENEZIA GIULIA Police Force reached 4,450 men. A large number of bomb incidents were reported but these decreased rapidly due undoubtedly to increased police patrols and numerous arrests. A road safety drive was put into operation at the beginning of the month which proved very effective. The crime situation was considered satisfactory; 410 crimes were reported, 260 suspects were arrested and 199 arrests made for preventive and police measures. 6 suspected abductions occurred during the month, four crimes took place resulting in death to the victims and two murders occurred. The behaviour of Allied troops deteriorated somewhat during the month, particularly in the vicinity of TRIESTE, and military police activity was increased accordingly. The prison population increased slightly, the total inmates numbering 1173.(723 in TRIESTE).

3. Local Civil Courts were not disposing of their criminal cases in accordance with instructions issued to the Court Officers previously. It therefore became necessary to issue written instructions to the effect that all cases of confinement of the defendant in excess of 8 months must be tried by the end of November or AMG would assume jurisdiction of the cases. (For further details of AMG Courts in VENEZIA GIULIA see Legal Division page 7.

the powers of the future Governor and were insisting on [illegible]
by peoples bodies on Yugoslav lines. Anti-Allied propaganda by the Pro-Yugoslav groups was stronger and more outspoken during the month, the main theme being the alleged Anglo-American plan to "colonise" TRIESTE coupled with the well- worn accusations of brutality by the Civil and Military Police as well as new allegations of attempts to introduce British and American capital into the economic life of the Region. Anti-Allied propaganda by Pro-Italian groups was much milder than that of the pro-Slavs and consisted mainly of attacks against AMG for alleged failure to afford adequate protection to the population against terrorists. To outward appearance TRIESTE was calm during the month and demonstrations were limited to two or three small "spontaneous outbursts". The possibility of a local agreement or understanding between the rival factions appeared as impossible and far away as ever.

2. With the entry of 250 new recruits from the Training School the effective strength of the VENEZIA GIULIA Police Force reached 2450 men. A large number of bomb incidents were reported but these decreased rapidly due undoubtedly to increased police patrols and numerous arrests. A road safety drive was put into operation at the beginning of the month which proved very effective. The crime situation was considered satisfactory; 410 crimes were reported, 260 suspects were arrested and 199 arrests made for preventive and police measures. 6 suspected abductions occurred during the month, four crimes took place resulting in death to the victims and two murders occurred. The behaviour of Allied troops deteriorated somewhat during the month, particularly in the vicinity of TRIESTE, and military police activity was increased accordingly. The prison population increased slightly, the total inmates numbering 1175.(723 in TRIESTE).

3. Local Civil Courts were not disposing of their criminal cases in accordance with instructions issued to the Court Officers previously. It therefore became necessary to issue written instructions to the effect that all cases of confinement of the defendant in excess of 8 months must be tried by the end of November or AMG would assume jurisdiction of the cases. (For further details of AMG Courts in VENEZIA GIULIA see Legal Division page 7.

4. Economic conditions in some instances improved during the month. There was a good supply of locally produced foods, and an ever-increasing amount of commercial activity. Late arrivals of coal, lack of petrol, tyres and spare parts for vehicles and the acute shortage of railway wagons hampered extensive recovery. Normal rations were distributed during the month and the balance of the August pasta ration supplied. The basic sugar ration was increased from 200 to 300 grms per person. A scheme whereby registered unemployed would receive extra rations at controlled prices was implemented.

5. Serious transportation problems developed due to restrictions placed on availability of rail cars by both Jugoslav and Italian authorities and to the general shortage of rail cars. The truck pool fuel situation was also critical due largely to increased demands made by Public Works. However, the maintenance problem was greatly reduced by the fact that it was possible to buy spare parts from the Italian Government which now handles War Surpluses.

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6. Continued dry weather caused anxiety for the crops and the precarious position regarding fodder hindered the import of large quantities of cattle and sheep into VENEZIA GIULIA. The supply of fruits was good and the markets offered an abundant supply. The Sunday agricultural broadcasts continued with gratifying results. Much practical advice was disseminated to farmers by experts from the Inspectorate. Broadcasts were made in Italian and Slovene and checked for the elimination of political slogans which sometimes creep into the Slovene scripts. The long awaited veterinary supplies arrived; laboratory equipment and valuable serums were among the articles received. Drainage and irrigation projects continued during the month. The dry weather was responsible for the spread of many forest fires resulting in tremendous loss of lumber and firewood. Most of them were believed to be of incendiary origin.

7. Industry was comparatively free from labour troubles during the month. A combined force of Auxiliary Military and Civil Police continued to patrol the MONFALCONE shipyard. There were no incidents inside the MONFALCONE yard nor in those of SAN MARCO and SAN ROCCO. The outlook in the ship-building industry was bright. Following orders from NORWEGIAN owners for two 10,000 ton motor cargo ships, EGYPTIAN owners ordered two 6,400 ton similar vessels and contract details were being settled with ARGENTINE owners for two 2,600 ton refrigerator ships and with SWEDISH owners for a 10,000 ton fast cargo liner. With construction in hand, this new work will see the yards filled to normal capacity. The cotton mills in GORIZIA and [illegible] were working well over 100% capacity based on an 8 hour day. Other industries generally held their own or showed slight improvement. Reconstruction on the Port of TRIESTE continued to make good progress. Considerable anxiety was felt over the coal situation. Unless a great improvement in the coal programme is made there can be no space heating in hospitals and government buildings etc. and some industries which are operating may have to close down.

8. 264 public buildings and 9,655 housing units were repaired or reconstructed at the end of the month. 18,710 persons were engaged in public works an increase of 15,220 since 1 January 1946. 2700 workers were employed on reafforestation. Unemployment figures showed an increase in all areas.

9. There was an increase in epidemic diseases during the month. In GORIZIA the anticipated autumn epidemic of poliomyelitis threatened to assume alarming proportions but after the middle of the month there were no further notifications. The [illegible] was [illegible] in UDINE and [illegible]. TRIESTE and POLA had a normal [illegible].

10. Welfare agencies all functioned well. The movement of Displaced Persons through the TRIESTE Refugee Centre slowed [illegible]; 1556 persons arrived and 1513 were moved on.

11. Arrangements for the opening of the school year for both Italian and Slovene schools are [illegible] and [illegible] to supply [illegible] of new text books free from political propaganda [illegible]. These will be the only authorised text books [illegible] in both elementary and secondary schools. The public schools

7. Industry was generally free from labour trouble during the month. A combined force of Auxiliary Pilots and Civil Police continued to patrol the Malta Dockyard. There were 4 incidents inside the Dockyard and 2 outside the Dockyard during the month. The number of man-days lost was 1,200. The settlement in the ship-building industry of a fortnight's strike was followed by a strike of dockers for two 10,000 ton motor cargo ships, MARTELLO owners ordered two 5,400 ton steel vessels and contract for the ships was being settled with SWEDISH owners for two 2,600 ton refrigerator ships and with SWEDISH owners for a 10,000 ton fruit cargo liner. With completion of the new work will see the yards filled to normal capacity. The strike in the Malta Dockyard was within small area, based on an 8 hour day. GOZITAN and SWEDISH were within small area, based on an 8 hour day. Other industries generally were on normal night improvement. Negotiations on the part of TURKEY continued to make good progress. Considerable anxiety was felt over the coal situation. Unless urgent improvements in the coal position are made there will be no gas for lighting in hospitals and government buildings etc. and some industries might have to close down.

8. 26 public buildings and 2,695 housing units were repaired or reconstructed at the end of the month. 10,710 persons were engaged on public works on 1st June as compared with 13,200 since 1 January 1946. 2700 workers were employed on reconstruction. Unemployment figures do not include persons engaged on reconstruction.

9. There was a decrease in epidemic diseases during the month. In GOZITAN the medical officer of health reported to remove cleaning, pre-war conditions in the public there were no further outbreaks. The cases of malaria in MALTA and GOZITAN. Typhoid and TAB have remained low.

10. Welfare operation all functioned well. The movement of displaced persons through the TIGNE Refugee Centre ceased during May 1946 persons received and 1913 were moved on.

11. Arrangements for the opening of the school year for both Italian and Slovene schools were based on adequate supplies of new text books from political propaganda was made available. There will be no duplicated text books to be used in both elementary and secondary schools. The public schools will be completely free of any political propaganda. No pictures of Mussolini, 'heroes' may lawfully be exhibited, nor may the flags of ITALY or JUGOSLAVIA, nor the symbols of any political parties or organizations. Prevention and detection of sending of children to the schools approved and supervised by the school and detention of the truancy may send them to other schools.

PUBLIC OPINION

12. During the month public opinion was concerned mainly with anxiety for the future and the unsettled political situation. Political influence exerted in regard to trade union demands resulted in a number of strikes and threatened strikes. There was no diminution of Slav propaganda in the province. The Communist party continued to obstruct the normal administration and discredit those in authority. Unemployment demonstrations were frequent but orderly.

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13. There was some increase in serious crime during the month due partly to the recent amnesty. 34 cases of armed robbery took place, one murder and 5 alleged attempted murders. The conditions in the prisons remained satisfactory; there were no escapes or disorders during the month.

14. Normal rations were distributed during the month. The wheat situation was satisfactory, stocks on hand being adequate to meet requirements until the end of the year for pasta and the end of January for bread. Stocks of imported sugar on hand enabled an issue of 300 grms to all consumers to be made. The coal situation was difficult and no supplies were expected before 20 October. Arrangements were made to import approximately 2,700 tons of cement from CZECHOSLOVAKIA. With the lifting of the exportation ban, arrangements were made for substantial export to VENICE, CIVITA and TUSCANY of slaughtered meat and livestock. Fruits and vegetables were abundant, but prices showed a tendency to increase.

15. The grape harvest proceeded satisfactorily. The quality was good but quantities were below expectation. Approximately 26,371 tons of wheat had been crossed as at the end of the month. 1390 tons of fertilisers were received and distributed by Consorzio Agrario during the month.

16. Seven public works projects of military interest totalling 6 million lire were authorised during the month. Work approved by the Genio Civile amounted to 519,090,000 lire bringing the total to date for the year to 1,452,258,258 lire. An agreement was concluded with the Italian Government whereby AMG will finance directly all public works projects in the Province. This will accelerate the release of funds and the commencement of projects. However, public works projects cannot absorb all the unemployed. Reconstruction of devastated villages continued.

17. During the month 1,061 Italians and 576 non-Italians passed through the UDINE Refugee Centre. The non-Italians were mainly Poles. A large amount of relief work continued to be carried out by Post War Assistance. A restaurant for "reduci" and partisans was opened in UDINE and many thousands of meals were supplied at low prices during the month. Public health continued to be generally good.

18. Public services were satisfactory during the month. The P.O.L. situation was grave, the monthly allocation being insufficient to meet the need. The tyre situation was even worse and a general transportation crisis appeared inevitable.

19. Italian Courts continued to function satisfactorily. 22 Courts were in session during the month, 14 cases were tried 2 of which were superior Court Cases and all resulted in convictions.

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for substantial export to Venezia Giulia and Tuscany at [illegible]. livestock. Fruits and vegetables were abundant, but prices showed a tendency to increase.

15. The grape harvest proceeded satisfactorily. The quality was good but quantities were below expectation. Approximately 26,371 tons of wheat had been amassed as at the end of the month. 1350 tons of fertilisers were received and distributed by Consorzio Agrario during the month.

16. Seven public works projects of military interest totalling 6 million lire were authorised during the month. Work approved by the Genio Civile amounted to 519,090,000 lire bringing the total to date for the year to 1,432,268,268 lire. An agreement was concluded with the Italian Government whereby AMG will finance directly all public works projects in the Province. This will accelerate the release of funds and the commencement of projects. However, public works projects cannot absorb all the unemployed. Reconstruction of devastated villages continued.

17. During the month 1,061 Italians and 876 non-Italians passed through the UNRRA Refugee Centre. The non-Italians were mainly Poles. A large amount of relief work continued to be carried out by Post War Assistance. A restaurant for "reduci" and partisans was opened in UDINE and many thousands of meals were supplied at low prices during the month. Public health continued to be generally good.

18. Public services were satisfactory during the month. The A.O.L. situation was grave, the monthly allocation being insufficient to meet the need. The tyre situation was even worse and a general transportation crisis appeared inevitable.

19. Italian Courts continued to function satisfactorily. AMG Courts were in session during the month, 14 cases were tried 2 of which were superior Court Cases and all resulted in convictions.

LIAISON OFFICER 86 AREA (Venezia)

20. Interest was centred on internal rather than foreign affairs during the month owing to the financial crisis. The local political situation appeared to cause but little concern to the Provincial authorities apart from the effect it had on labour unrest. Signor TOGLIATTI in a speech in VENICE on 15 September was calm in tone and called for constructive cooperation among the three larger political parties. The speech did not receive much publicity in the press and the public did not show any particular interest in the occasion. On 2 September the President of the Republic visited VENICE to attend the "Historic Regatta" and present the prizes. In the traditional procession of the gondolas and other craft down the Grand Canal he was given a mildly enthusiastic welcome - this was partly due to the fact that it was difficult at first to distinguish him in his modest gondola so different from the Royal ceremonial of the past.

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21. The public safety situation generally did not improve during the month. The main causes of disorders appeared to be unemployment and the high cost of living which were used by a small minority of agitators to incite the people to acts of violence. At [illegible] on 10 September all the streets in the city centre were blocked by unemployed and "reduci" who completely paralysed the traffic. At the same time the crowd succeeded in sacking a large store in spite of police efforts. Armoured cars of the Mobile Police at PADUA were brought on the scene and the crowd was controlled by the firing of shots in the air by the police. Approximately 20 persons were injured in the fracas. Order was restored in the evening after a period of tension. Less violent, but similar incidents took place at PADUA and minor disturbances of a different character took place at [illegible] (TRENTO) on 15 September after a meeting of the National Autonomy Party. The demonstrators returning home singing the Austrian National anthem were attacked by "reduci" and Partisans. The police intervened and order was restored. No British or American troops were involved in these disturbances. Traffic accidents involving Allied vehicles continued to be a most serious cause of ill feeling with civilians. The Italian press always assumed that the drivers were Allied personnel although in most cases it was not possible to say because most of the accidents were the "hit and run" type. Owing to lack of uniforms, equipment, low rates of pay and barracks accommodation, the various police forces maintained that they were not getting the right type of recruit. It was proving difficult to replace several hundred Auxiliary Agents who had been discharged as unsatisfactory. The barracks problem in VENICE and [illegible] was greatly alleviated by the allocation of a building in each town for the accommodation of Public Safety Agents.

22. Recent wage increases caused a further rise in prices during the month and created grave concern. Determined efforts were being made to enforce price regulations by a system of "snap Controls" whereby squads of usually 5 men toured the various shops in an effort to check Black Market activities. These operations were proving to be successful. The harvesting of wheat, barley and rye was considered satisfactory. There continued to be a shortage of fertilizer, particularly phosphates and nitrates. An exhibition of Industry and Agriculture was held in VICENZA from 1-15 September and proved to be a great success. It was estimated that orders to the value of about 500 million lire were taken. At VENICE the Reconstruction Exhibition was opened on 7 September. This was on a much smaller scale than that at VICENZA and failed to cover expenses. The exhibitors, however, managed to obtain orders worth about 40 million lire for furniture and Venetian specialities from private and trade buyers. Lack of raw materials and coal continued to prevent any real revival of industry coupled with the difficulty of marketing products at home and abroad. The high price of foodstuffs was affecting the purchasing power of the public in other industrial products. During the month derequisitioning included the premises of a glass factory, a refrigerating plant, a cement factory and an oil refinery - all in [illegible] industrial area. These releases caused considerable satisfaction.

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took place at L[illegible] (TRIESTE) on 15 September after a meeting of the Regional Autonomy Party. The demonstrators returning home singing the Austrian National Anthem were attacked by "reduci" and Partisans. The police intervened and order was restored. No British or American troops were involved in these disturbances. Traffic accidents involving Allied vehicles continued to be a most serious cause of ill feeling with civilians. The Italian press always assumed that the drivers were Allied personnel although in most cases it was not possible to say because most of the accidents were the "hit and run" type. Owing to lack of uniforms, equipment, low rates of pay and barracks accommodation, the various police forces maintained that they were not getting the right type of recruit. It was proving difficult to replace several hundred Ausiliary Agents who had been discharged as unsatisfactory. The barracks problem in VENICE and TRIESTE was greatly alleviated by the allocation of a building in each town for the accommodation of Public Safety Agents.

22. Recent wage increases caused a further rise in prices during the month and created grave concern. Determined efforts were being made to enforce price regulations by a system of "snap Controls" whereby squads of usually 3 men toured the various shops in an effort to check black market activities. These operations were proving to be successful. The harvesting of wheat, barley and rye was considered satisfactory. There continued to be a shortage of fertilizer, particularly phosphates and nitrates. An exhibition of Industry and Agriculture was held in VICENZA from 1-15 September and proved to be a great success. It was estimated that orders to the value of about 300 million lire were taken. At VENICE the Reconstruction Exhibition was opened on 1 September. This was on a much smaller scale than that at VICENZA and failed to cover expenses. The exhibitors, however, managed to obtain orders worth about 40 million lire for furniture and Venetian specialities from private and trade buyers. Lack of raw materials and coal continued to prevent any real revival of industry coupled with the difficulty of marketing products at home and abroad. The high price of foodstuffs was affecting the purchasing power of the public in other industrial products. During the month derequisitioning included the premises of a glass factory, a refrigerating plant, a cement factory and an oil refinery - all in MESTRE industrial area. These releases caused considerable satisfaction.

23. Numerous strikes took place during the month involving agricultural workers, bakers, revenue and tax collectors, State and Local Government employees, and building trade workers, the latter in VICENZA and VERONA only. All these were settled to the advantage, in varying degrees, of the strikers. BELLUNO had the highest proportion of unemployed in the VENETO (15,000 - 7% of population) owing to the war damage in their main industry - timber. ROVIGO had 20,000 unemployed (6% of population) due to the ending of the sugar harvest and the seasonal close of the sugar factories. There were 35,000 unemployed in PADUA (5% of the population) and 39,000 in TREVISO (6½%). The total unemployed in the VENETO was 193,000. A vast programme of public works is planned for 1946-47 in PADUA Province estimated to cost one milliard and 800 million lire. It is hoped that this will absorb a considerable number of the unemployed. The 7000 workers dismissed from the sugar factories in ROVIGO aided by agitators were pressing for their retention and creating some anxiety.

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CIVIL AFFAIRS SECTION

MILITARY SUB-COMMISSION

1. Allied Military Courts continued in session during the month in VENEZIA GIULIA and the Province of UDINE. Superior and Summary Courts were held within both of these jurisdictions. In VENEZIA GIULIA a total of 52 accused were tried or charged with 123 in August on 61 charges as charged with 106 in the previous month. 134 accused were tried on 114 charges in Summary Courts as charged with 139 and 118 in August. Superior Court cases included 17 charges for possession of firearms and ammunition of the 21 defendants being sentenced to five years imprisonment; 2 others were sentenced to lesser terms and seven were found not guilty. The number of charges preferred against persons for offences to the prejudice of good order dropped from 103 in the month of August to 11 for September. This was due to a lessening of subversive activity in the area. Charges for offences against good order, in duty and civil procedure were, in brief form, most prevalent in trials before Summary Courts. In each case the average sentence was for one month or less. Summary Court cases for August and September were the lowest in numbers experienced in the past ten months.

2. In the Province of UDINE 2 cases were tried before Superior Courts and 12 before Summary Courts. All of the defendants were found guilty. 9 of the defendants were charged with curfew and pass violations and 1 with possession of arms and ammunition.

3. Italian Courts in general continued to function satisfactorily. The Italian Section of the Division continued to be busy with a diversity of matters including the preparation of legal opinions regarding the validity of Allied vehicle and the validity in Italian territory of sentences imposed in VENEZIA GIULIA during the German occupation.

4. In VENEZIA GIULIA the Special Court of Assize tried 54 cases during the month. On 30 September 21 cases were docketed for trial in this Court as compared with 51 at the end of the preceding month.

PUBLIC SAFETY SUB-COMMISSION

5. No mass disturbances were reported in Italian Government territory during the month except in the UDINE area. On the 10th September a crowd estimated at about 1000 assembled and attempted to release demonstrators who had been arrested. After they had been released only 13 persons were arrested but the crowd demonstrated outside the police building where they were confined but the crowd dispersed when the police threatened to

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[illegible] one of the defendants being sentenced to life years imprisonment; 2 others were sentenced to longer terms and seven were found not guilty. The number of charges preferred against persons for offences to the prejudice of good order decreased from 103 in the month of August to 11 for September. This was due to a lessening of subversive activity in the area. Charges for offences against good order, by very nature, are usually dealt with, as heretofore, most frequently in and by Summary Courts. In such cases the average sentence was for one month or less. Summary Court cases for August and September were the lowest in numbers experienced in the past two months.

2. In the Province of [illegible] 2 cases were tried before Superior Courts and 12 before Summary Courts. All of the defendants were found guilty. 4 of the defendants were charged with murder and plus violations and 1 with possession of arms and ammunition.

3. Italian Courts in general continued to function satisfactorily. The Italian Section of the division continued to be busy with a diversity of cases including the preparation of legal opinions regarding the sale of Allied vehicles and the validity in Italian territory of sentences imposed in [illegible] during the German occupation.

4. In [illegible], the Special Court of Justice tried 14 cases during the month. On 30 September 21 cases were docketed for trial in this Court as compared with 51 at the end of the preceding month.

[illegible] SUB-DIVISION

5. No serious disturbances were reported in Italian Government territory during the month except in the [illegible] area. On the 10th September at [illegible] a crowd of about 1000 unemployed assembled in the principal square demanding food and work. A few they looted a food shop. 13 persons were arrested but the crowd demonstrated outside the Police Building, where the arrested persons were detained with the result that the local official in charge ordered the release of further rioting disorders [illegible] those detained. Later in the month alleged unemployed demonstrated in [illegible], raided food shops and set about the officials of a newspaper. Police action in both cases left much to be desired and as a result 500 Public Safety rifles recently were issued into [illegible] to assist the local police. During recent months there has been a serious crime wave in [illegible]. Discipline and conduct of Public Safety guards has been poor, due generally to the number of untrained auxiliaries within their ranks. An energetic drive by well trained Carabinieri was being carried out in the area and conditions improved considerably during the month. In [illegible] the month was reasonably quiet and the crime situation fairly satisfactory. There were 15 cases of bombs being thrown into or at buildings. This type of crime, believed to be invariably political caused the authorities serious concern and special instructions were issued and efforts intensified to detect the perpetrators.

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6. Recruiting for the Carabinieri Corps showed little change, the intake being small compared to the numbers required and is only exceeded by the normal wastage. Agents of Public Safety were up to strength but generally normal wastage. Agents of Public Safety were up to strength but generally the material was poor. Finance Guards functioned normally well.

7. [illegible] a considerable amount of illegal travel to [illegible] from [illegible] took place during the month. The people concerned were mainly those desiring to return to their families in [illegible]. The small number of Jews entered [illegible] clandestinely during the month through the portion of Jews entered [illegible] clandestinely during the month through the portion of [illegible]. In each case they were returned to [illegible]. They were usually [illegible] SS. In each case they were returned to [illegible]. They were usually intending to cross [illegible] to the West coast for [illegible] passage to [illegible]. [illegible] was being taken by Police Authorities in an endeavour to stop illegal entry and irregular emigration.

UNAUTHORIZED ENTRY SUB-COMMISSION

8. Conferences and numerous discussions took place during the month with regard to the duties of the Italian Government on the question of the transfer of responsibility for supplies for Allied Contingents. Corps and Allied Military Authorities to the Italian Government. The main topic of discussion was merely the administrative question of changing the present method of supplying troops through Military Supply Depots and payment in bulk to the Italian by the Italian Authority [illegible] Italian Authority supplemented which necessary from Central Italian Bulk Stocks). The Italian Government [illegible] and no agreement was reached. On and points [illegible] 29 August an [illegible] Instruction was issued to [illegible] which provided [illegible] should be drawn from the Italian authority a refund for commodities [illegible] from 15 September 1943 onwards, (b) the [illegible] would be drawn from the Italian Authority concerned from 1 October onwards.

9. This instruction was accepted by the Italian authorities with little comment. All Allied Contingents in Corps with the exception of the Centre at [illegible] are receiving certain supplies from the Italian Authorities. A further meeting took place with representatives of the Italian Government [illegible] 1943, to discuss the provision of rations to Allied Contingents. After discussion it was finally agreed that the Italian Government would provide work in connection with local people, which was required and provide [illegible] by the Contingents themselves. All other requisitions were to be paid for by the Post Allied Credits.

10. The Legation of China reported that finally [illegible] 516 Chinese left [illegible]

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8. Conversations and negotiations took place during the month with representatives of the Italian Government on the question of the transfer of responsibility for supplies for Allied Occupation Troops from Allied military authorities to the Italian Government. The main topic of discussion was merely the administrative question of changing the present normal system of supplying troops through Military Supply Depots on repayment in bulk to the Military by the Italian authorities to one of direct supply of the troops by the local Italian authorities, supplemented where necessary from Central Italian bulk Italian authority supplies (Memorandum Minute Paper Number 2 Annex 2 Appendix Three). The Italian representatives in Rome raised minor objections and points for clarification to the original arrangement was reached. On 29 August an Administrative Instruction was issued together with amended Financial Instructions wherein it was stated that (a) all financial responsibility for supplies to Allied Occupation Troops would be taken from the Italian Authority as normal for consumption or bread would be drawn from the Italian Authority as normal for consumption or bread would be drawn from the Italian Authority as normal for consumption or bread would be drawn from the Italian Authority as normal from 1 October onwards. (b) the requisition of supplies would be drawn from the Italian Authority as normal from 1 October onwards.

9. This instruction was accepted by the Italian Authorities with little comment. All Allied Commissions Corps with the exception of the Control Commission Corps are now receiving certain supplies from the Italian Authorities. Further meeting took place with representatives of the Ministries of the Italian Government concerned on 27 September, 1946, to discuss the provision of rations to be issued Overseas Civilians. After considerable discussion it was finally agreed that the Italian Authorities concerned would provide part of the requisitions from local stocks, which are required at present, all other requisitions have to be brought by local contract and have to be paid for by the Post Indian Troops.

10. The long-awaited ORIENDA repatriation finally materialised during the month when 516 Chinese left NAPLES for HONG KONG. The vessel was due to arrive in HONG KONG on the 15 October 1946.

11. It was expected that the Royal and Norman Corps at AVERSA and NAPLES would be closed before the 15 October 1946, the premises demobilised and handed over to the Italian Government and the Location Number into No. 2 Base Section NAPLES.

12. During the month the original recording of all Allied Commission Cases was completed. This operation was begun in June 1946. 5,900 case sheets were completed; these were approximately 4,000 civilians, 105 suspensions and approximately 60 deportations recorded.

13. Difficulty was experienced during the month with the Italian Authorities on the question of financing camp expenses. The Ministry Post Italian stated that they had been ordered to cease all payments as it was felt that the financing of "alien" camps was no longer their responsibility. However, after considerable discussion, the Ministry agreed to continue payments up to the end of October, 1946 when a definite decision will be made by the Italian Government as to which Department will subsequently be responsible for such payments.

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PART III - ECONOMIC SECTION

FOOD & AGRICULTURAL TRENDS

1. The wheat situation improved generally during the month. Threshing was practically completed, 80.2% of the target figure having been attained, leaving on hand at the close of the month 1,245,081 tons. This amount covered requirements for 99 days. The requirements covered will decline as far as the number of days are concerned from now on as consumption will probably exceed the amount of wheat harvested and imported. The harvesting of spring planted varieties of corn progressed although the ripening of corn in Northern Italy was delayed by rains and low temperatures. The harvest was not expected to exceed 2 million tons. The sugar position appeared to be good. Harvesting of sugar-beets was being completed in Northern and Central Italy. Adverse weather conditions did not affect the beet crop. The estimated production was in the neighbourhood of 2,400,000 tons. The production of olives while estimated that it will be greater than last year was not expected to reach previous estimates. Prospects were good for the LIGURIA Region and Northern-Central Italy. In Central and Southern ITALY olive production was damaged by drought and parasites. Production of grapes was greatly damaged by drought and wine production was estimated at less than last year.

2. Crops throughout ITALY were adversely affected by weather conditions. Drought was prevalent throughout ITALY except in some of the Northern Provinces where excessive rain and unseasonable cold weather prevailed. The drought was an obstacle to the preparation of the ground for autumn planting.

3. In VENEZIA GIULIA flour stocks on hand were sufficient to support the bread and pasta rations until approximately 15 December. Stocks on hand in UDINE were sufficient to maintain the bread ration throughout January and the pasta ration through December.

4. The Italian High Commissioner of Food agreed to support the sugar ration in AMG territory with 150 grams, to bring the sugar ration in that territory on a par with the rest of ITALY. This will continue until such time as AMG is able to assume this additional ration.

5. The transport situation throughout ITALY was critical and affected the food distribution programme. There continued to be a shortage of work animals, farm machinery, fertilizers and fungicides.

6. Health conditions of livestock generally improved. There were some cases of foot and mouth disease, anthrax and hog cholera, but more in epidemic proportions and the situation was gradually improving.

AGRICULTURE (FOREIGN TRADE) BRANCH.

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6. Health conditions of livestock generally improved. There were some cases of foot and mouth disease, anthrax and hog cholera, but more in epidemic proportions and the situation was gradually improving.

COMMERCE (FOREIGN TRADE) BRANCH.

7. Requests were received during the month from Italian areas under British Military Administration for the supply of various goods ranging from school text books to spare parts for the Messina power station. The bi-lateral trade agreement between ITALY and the ex-colonies did not appear to have developed along the lines expected when it was decided to introduce private trade with payment in sterling. The result was almost complete stoppage of imports because of the necessity for Italian importers to buy sterling at current market rates which at present stands at 2030 lire to the pound sterling. It was suggested that sterling or sterling credits be put at the disposal of importers at the official rate of exchange (900 lire to the pound).

8. Syrup, honey, manufactured food containing sugar, dried fruit and all seeds not on Reserved Commodity List 1 were decontrolled during the month.

9. During the month the Italian Government decided to amend the import regulations regarding imports "franco valuta". Previously imports from abroad

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could not be paid for in foreign countries by Italian firms and importers were receiving imports without paying. However it is now possible to import and pay in lire if the consignor overseas is willing to accept payment in lire deposited in a blocked account in ITALY, spendable only in ITALY, or if the funds used overseas belong to Italian citizens who are not obliged by law to renounce such funds to the Italian Government.

INDUSTRY & UTILITIES BRANCH

10. Some progress was made in de-requisitioning industrial and public premises during the month and releases in the near future were promised for further premises. No releases were obtained for private property such as houses and flats.

11. The hydraulic plant situation was unchanged during the month. The increase in demand will be met by means of larger thermal generation and power import from Northern ITALY where the situation is good. The power availability in Central and Southern ITALY remained about 20% less than the total demand making some form of curtailment necessary and a rationing scheme for the coming winter was being studied by the Italian Commissioner in Northern ITALY. More generating units will be reactivated in Central ITALY during October but practically no benefit is expected from their operation until sufficient water is available. The drought prevented in Southern ITALY thermal generation was approximately 500,000 KWH/day. Main reservoirs had approximately 45 millions of KWH in storage.

12. 676,098 long tons of coal and petroleum coke arrived in ITALY during the month including 13,755 tons from POLAND. 600,000 tons were allocated during the month. SARDINIAN coal production for the month was [illegible] metric tons, 2,952 less than August.

13. Stocks of P.O.L. products continued to be maintained at the normal sixty day level.

TRANSPORTATION AND SHIPPING BRANCH

14. The railway wagon situation continued to be very acute during the month but eased slightly during the latter part because of the non-arrival of coal from AMERICA due to the strike.

15. Road transport could not be utilised fully due to shortage of petrol and the lack of tyres.

[illegible] received more requests for tonnage than was available.

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11. The hydraulic plant situation was unchanged during the month. The increase in demand will be met by means of larger thermal generation and power import from Northern IT.LY where the situation is good. The power availability in Central and Southern IT.LY remained about 20% less than the total demand making some form of curtailment necessary and a rationing scheme for the coming winter was being studied by the Italian Commissioner in Northern IT.LY. More generating units will be reactivated in Central IT.LY during October but practically no benefit is expected from their operation until sufficient water is available. The drought persisted in Southern IT.LY. Thermal generation was approximately 500,000 KWH/day. Main reservoirs had approximately 45 millions of KWH in storage.

12. 676,098 long tons of coal and petroleum coke arrived in IT.LY during the month including 13,755 tons from HOLLAND. 600,000 tons were allocated during the month. SARDINIAN coal production for the month was 89,[illegible] metric tons, 2,952 tons less than August.

13. Stocks of P.O.L. products continued to be maintained at the normal sixty day level.

TRANSPORTATION AND SHIPPING BRANCH

14. The railway wagon situation continued to be very acute during the month but eased slightly during the latter part because of the non-arrival of coal from AMERICA due to the strike.

15. Road transport could not be utilized fully due to shortage of petrol and the lack of tyres.

16. Coastal shipping received more requests for tonnage than was available.

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PART IV

SUB-COMMITTEE SUB-COMMISSIONS

NAVY SUB-COMMISSION

1. The Italian cruiser ARIETE I, the transport DUILIO, and the SESTRIERE continued to repatriate Italian Prisoners of War during the month. The destroyer CARABINIERE arrived in PORT SAID on 5 September with her crew and stores for the battleship in the BITTER LAKES. The Italian fleet auxiliary [illegible] bound from [illegible] to BARI, ran aground on SCERSO Island (CORSU) during the month and was refloated by a British trawler and towed to SUDA BAY.

2. The question of the issue of small quantities of coal by the Italian Naval Attache-in-charge, [illegible], to harbour craft operated by UNITED STATES authorities was discontinued as the Allied authorities in question are in a position to obtain their requirements of coal from their own sources. The coal in question was British coal supplied to the Italian Navy for the exclusive use of minesweepers. In cases of emergency small quantities may be loaned but must be repaid in kind.

3. During the month there were several important changes in the High Command of the Italian Navy. Vice-Admiral Raffaele DELL'OTTO, Secretary General of the Navy, became Inspector of Naval Forces.

4. The French Government requested that it be reimbursed for the use by the Italian Government of the French [illegible] "ISOLA DELLE" which was used by the Germans [illegible] for the purpose of carrying coal and wheat from CIVITAVECCHIA to MARSEILLES. It was agreed by the Italian Government that the Italian Government should pay a reasonable amount, but that the French Government should be advised that the matter be settled before charges for the vessel had be directed that the matter be settled between the Allied Governments, the Government and the French Navy Minister.

5. Negotiations were underway to arrange for the towing of certain French River Barges from the VENICE area to ANCONA.

6. Territorial passage was granted by all Mediterranean Powers and the Gulf of TRIESTE was completely cleared.

LAND FORCES SUB-COMMISSION

7. The strength of the Italian Army as of 30 September was 205,405 including 84,059 Carabinieri. Each was a further diminution of [illegible] 1944 Order of Battle remained as it was. The Italian War Ministry issued instructions for the organization of Civil Defense Battalions and for the [illegible] for the organization of Mixed Corps and Engineer Corps.

8. In pursuance of the policy of motor transport to the Carabinieri [illegible] telephone communications between

quantities be in a position to obtain their requirements of coal from their own sources. The coal in question was British coal supplied to the Italian Navy for the exclusive use of belligerents. In cases of emergency small quantities may be loaned but must be repaid in kind.

3. During the month there were several important changes made in the High Command of the Italian Navy. Vice-Admiral Emilio MARENCO, Secretary General of the Navy, became Inspector of Naval Forces.

4. The French Government requested that it be returned for the use by the Italian Government of the French ship named "ERMINIA" which was used by the Germans and sunk in the port of Bordeaux, and was raised from OBERTELSCHIL, to PALERMO. It was agreed by the C-in-C Mediterranean Station that the Italian Government should pay a reasonable hiring charge for the vessel and be directed that the matter be settled between the Allied Commission, the Government and the French Navy Branch.

5. Negotiations were underway to arrange for the towing of certain French River Barges from the UNITED .ngs to PALERMO.

6. Overhead progress was reported by all Minesweeping Groups and the hull of TRIESTE was completely cleared.

LAND FORCES SUB-COMMISSION

7. The strength of the Italian Army as of 30 June was 205,455 including 16,000 Carabinieri. There were no further disbandments of Militia Units and the number remained at . The Italian War Ministry issued instructions for the organization of Mobile Force Regiments and for the progressive formation of Mixed Corps and Engineer Corps.

8. Improvement in the release of motor transport to the Carabinieri was maintained during the month. Telephone communications between Carabinieri stations, particularly in the South remained unsatisfactory, many stations being unconnected. The chief difficulty was lack of funds for this work. Good progress was made with W/T instruction and air of the four W/T schools. Good premises were found and equipped. During the month 1170 Beretta SMG were received and distributed to units.

9. The call-up of the 1925 Class Recruits proceeded smoothly and satisfactorily. A small proportion had had military experience. Generally speaking, the educational standard was low, some men being completely illiterate but discipline was good and the elementary stages of their training proceeding.

10. The three Sub-Depots comprising 557 Base Ordnance Depot at NAPLES

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were completely handed over through the Chief Disposals Officer (Italy) Ministry of Supply to the Italian Government Agency UNRRA. No difficulty was anticipated in obtaining available stores and spares initially needed for the maintenance of vehicles run by UNRRA. It is hoped that stores in Italy will continue to provide quantities of captured stores from allied sources. Approximately 25 tons were received during the month, priced, and handed over to the Italian Army.

PERSONNEL OF UNRRA

11. 9,080 DPsW (military) were repatriated during the month (8,301 from British Zone). On 1 Aug 1,340,294 DPsW at the beginning of the repatriation programme 75,540 remained on 1 Sep at the end of September. Plans were made to return approximately 5000 DPsW from BRIL during October; this will not complete repatriation from BRIL. Repatriation from the UK may now be considered finished. Of the original 158,029 DPsW held in the UK, 1760 remained. Confidential work carried out by BRIL showed that these DPsW have been held for five DPsW at bus centres working in the UK. Some 2000 DPsW were expected to disembark in N. Italy from SHAEF (UNRRA/IL) in late October.

AIR FORCES SUB-COMMISSION

12. All courier flights were successfully completed during the month with the exception of one aborted on the Paris flight which made a forced landing at Lyons with engine trouble. Conversations were held by the Italian Government with SAS and European Airways and arrangements for the operation of Foreign Internal Services established in Italy. The Anglo-Italian Company will be known as A.I.I. (Aerea Italiana Internazionale) and the Italian Company as I.A.I. (Linee Aeree Italiane). Both companies expect to begin operations in the last part of November or early December, subject to final approval. Italian commercial interests visited the UK and the guests of British European Airways during the month. The party flown to England in a B.O.A.C. Yorkshire included the party visited various airfields, factories and installations and was given information in the latest British techniques for furthering the safety of air lines. Such information was also given in the Italian delegations in Rome and in the Italian Airports.

13. Work for the Air Sea Rescue Service of the Italian Air Force continued to go good work. Fifteen overdue British reports were received during the month and in each case the missing aircraft was located within a few hours. The first five UNRRA ASR Spotter Launches were handed over to the I.A.F. during the month. It is also that was made of all places in the MTS where a supply of fuel could be found. In general however it will be the responsibility of MTOU and VSACB Airways Duty Officers to have full information to hand regarding the fuel situation on the Dorsal Air Lines so that aircraft may be routed accordingly.

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...ined. Confirmation was awaited that these PT have been sold and their PW status on re-sale in the UK. Some 2000 PT were expected to disembark in Naples from SICILY (MEDITERRANEAN) in late October.

AIR FORCE SUB-COMMISSION

12. All scheduled flights were successfully completed during the month with the exception of one aircraft on the PARIS flight which made a forced landing at Lyon with engine trouble. Contracts were signed by the Italian Government with British European Airways and Transmediterranea S.p.A. for the operation of Joint International Services in Italy. The Italian Company will be known as A.I.I. (Aerea Italia Internazionale) and the Italian Company as I...I. (Linee Aeree Italiane). Both companies expect to begin operations in the latter part of November or early December, subject to final approval. Italian commercial pilots have visited the UNITED KINGDOM on courses of British European Airways during the month. They were flown to NAPLES in a B.E.A. VIKING. While in NAPLES the party visited various aviation installations and showed great interest in the latest radio equipment for facilitating the safety of air travel. Much interest was also shown in the recent developments in RADAR and in the LONDON Airport.

13. Apart from minor difficulties the Air Safety Service of the Italian Air Force continued to do good work. Fifteen overdue civilian reports were received during the month and in each case the missing aircraft was located within a few hours. The first five Air High Speed Intelligence were handed over to the I.A.F. during the month. A pilot's kit was made up of all pieces in the AIRS which a crashed aircraft party, after a local procedural call guide could be formed. In case of necessity it will be the responsibility of MILAN and NAPLES Airways Safety Centres to give full information to a local representative of the Allied Air Commission or the Carabinieri either of whom will arrange a rescue party.

14. Six Further New Meteorological Stations were opened during the month. The total number in the Italian network stood at 142. A fairly extensive coverage on the Italian mainland has now been provided, but additional stations are needed on the islands round the coast of Italy. Great difficulty has been experienced by the Italian Meteorological Service in trying to open these stations because of transport difficulties, also the safety stand by the Italian Air Ministry for Civilian Meteorological observers is very low. It is necessary to employ civilian personnel in de-militarized areas such as NAPLES and LAMPEDUSA. The Italian Meteorological Service handed all Allied commitments at ROME on 25 September 1946.

15. There were no major changes in the Italian Air Ministry during the month. The morale of the I.A.F. was unstable and low generally determined due to the decisions of the PARIS Peace Conference and on the limits placed on the size of the I.A.F.

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COMMUNICATIONS SUB-COMMISSION

16. On the 26 September the telephone switchboard operators of all the command main telephone exchanges made an strike for higher wages. Long distance circuits did not strike. In accordance with previous agreements between the operators' union and the Ministry of Posts and Telecommunications operators continued operating public telephone and telegraph services. Military lines and circuits. The strike ended in 24 hours and the resulting settlement gave the operators 12% wage increase plus one month's pay for the period 1 January 1946 to 31 July 1946 and a 10% wage increase effective 1 August 1946. Twenty-four civilian long distance circuits were activated during the month. The gradual return to civilian operation of all long distance telephone switchboards and long distance circuits used exclusively for Allied military traffic was completed on 15 September. As traffic permit all such switchboards and lines will be returned to Italian civilian operation. The operation by civilian personnel will permit all circuits to be used for all types of traffic and traffic congestion will be relieved accordingly. Fourteen long distance telephone operating positions in the Milan long distance exchange were relocated from Allied military use to civilian use. A telephone link with ANKARA was put into operation on 15 September 1946.

17. The RADIOTELEGRAPH radio telephone circuit was put into operation on 2 September. Public radio telephone service was established between ITALCABLE and the two Telephone and Telegraph Company to extend the privilege of radio telephone calls to individuals overseas to the person called in the United States to 1 January 1947. 30,738 radio telephone calls were made to the U.S. between 1 July 1945 and 30 June 1946 as compared to 2,767 in 1939.

18. The British CCO Base Post Office negotiated the handing back of the civil post office facilities at ROMA Forte Post Office for the accommodation of the Italian Internal Telephone Post. The reduced service will be fully established by 1 October when the new building is completed.

19. Allied Force Headquarters did not approve the request of the Italian Government to reopen the public operation of the ITALCABLE submarine cable because the cable has been damaged and from the GIBRALTAR-ORAN cable. Cable service to ITALCABLE was increased to 24 hours daily. Previously cable service to ITALCABLE was available only for a few hours each day.

Albert W. STOCK
Rear Admiral, USN
Chief Commissioner

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permit all such authorized persons and [illegible] operations personnel for [illegible]. The operation by civilian personnel will permit all circuits to be used for all types of traffic and traffic control will be [illegible] as required. Fourteen long distance telephone operating positions in the [illegible] long distance exchange were released from Allied Military use for civilian use. A telephone link with AMSTERDAM was put into operation on 15 September 1946.

17. The [illegible] radio telephone circuit was put into operation on 2 September. [illegible] were completed between [illegible] and Sweden. Telephone and telegraph [illegible] to extend the privilege of radio-telephone and telegraph [illegible] to the general public in the United States to 1st July 1947. 30,738 radio telephone calls were made to the U.S. between 1 July 1945 and 30 June 1946 as against 2,703 in 1939.

18. The British and Swiss Post Offices completed the handing back of the Civil Post Offices in Germany at [illegible] Post Office for the assumption of the new Internal Postal Post. The reintroduced service was [illegible] only. A [illegible] service was established from the United Kingdom to Berlin during the month.

19. Allied Force Headquarters did not approve the request of the Italian Government to repair and restore operation of the MILAN-[illegible] submarine cable because the cable has been declared and form the [illegible] cable. Cable service to [illegible] was increased to 24 hours daily. Trouble-[illegible]. Cable service to [illegible] was increased to 24 hours daily. Daily cable service to [illegible] was available only for a few hours each day.

Allen W. Stone

ALLEN W. STONE
Rear Admiral, USNR
Chief Commissioner

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HEADQUARTERS
ALLIED MILITARY GOVERNMENT
UDINE PROVINCE

Transportation Division
23 October 1946
TR/5

SUBJECT: Monthly Report - October 1946

To: Provincial Commissioner AMG HQ Udine

Copy to: Transport. Sub Comm AC Rome

1.ORGANIZATION:

Supervision of Agencies and Branch Offices always effective.

Beginning from November 1st 1946 a new Branch Office will be established in Cividale.

2.STATUS OF VEHICLES:

i) Vehicles registered with Officio Trasporti AMG (over 10 quintals).....1317
of which: working solely in behalf of holders..... 770
working solely on hire for third parties.. 547

ii) Daily average of vehicles on the road..... 167
Daily average of vehicles not on the road..... 380

iii) AMG 10% hire contracts are now..... 533
47 registrations occured since last month.

3.AMG TRUCK POOL:

All vehicles in good state of repair except for tyres. Tyre replacements badly needed. All vehicles are now working for daily haulages of fire wood in accordance to agreement made with the Prefect Udine Province.An average of 250/300 quintals are carried from the mountain areas to Udine daily. Up to date a total of 5490 quintals have been transported (4853 quintals for Udine and 637 quintals for Resto al Regne=

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1.ORGANIZATION:

Supervision of Agencies and Branch Offices always effective.

Beginning from November 1st 1946 a new Branch Office will be established in Cividale.

2.STATUS OF VEHICLES:

i) Vehicles registered with Officio Trasporti ANS (over 10 quintals).....1317
of which: working solely in behalf of holders..... 770
working solely on hire for third parties.. 547

ii) Daily average of vehicles on the road..... 167
Daily average of vehicles not on the road..... 380

iii) ANS hire contracts are now..... 933
47 registrations occured since last month.

3.ANS TRUCK POOL:

All vehicles in good state of repair except for tyres. Tyre replacements badly needed. All vehicles are now working for daily haulages of fire wood in accordance to agreement made with the Prefect Udine Province.An average of 250/300 quintals are carried from the mountain areas to Udine daily. Up to date a total of 5490 quintals have been transported (4853 quintals for Udine and 637 quintals for Sesto al Reghena). A further allocation of P.O.L. was granted by Supply Office - 2.000 litres of petrol and 1.000 liters of naphta - but this will not last the month out and transport of wood will soon come to a stop up to the time P.O.L. allocation to Udine Province, for November, will not come due.

4.P.O.L.

P.O.L. situation for October was extremely grave. Only 40% of it was issued on bids for trip tickets and a further reduction must be effected as quantities of P.O.L. available at A.M.G. petrol points is almost exausted. There being no reserves of P.O.L. in C.M.G. makes things very akward and great uneasiness is noted amongst transporters specially as black market sources of petrol, for some reasons unknown to this Office, seem to be also exausted and this,explains also, large number of vehicles daily not on the road.

...../2

1793

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Supply Office advised us that 40 metric tons of petrol and 20 metric tons of naphta will soon be made available. This will be a great help and this in addition to normal November allocation should cover necessity of a reserve in C.I.P. or Ufficio Trasporti as it may be decided when such quantities will be in Udine at C.I.P.

5.TYRES:

Same as for past months. Situation is getting worse. Numbers of new tyres from Pirelli not sufficient to begin to meet requirements. A.R.A.R in Cesarea will sell tyres but one must buy a scrap of a vehicle also. This does not simplify matters on account of high prices people have to pay A.R.A.R. Request for to A.R.A.R. Udine Province gave no result as yet and no reasons have been given for this . As for declarations of Allied tyres also declarations of ex-enemy tyres in Udine Province have been suspended, October 7th 1946, consequent to orders of Supply Office . Black market sources of tyres both Allied and ex-enemy origin are still very active in the Province and it was ,if not perfectly legal, a very good help for transporters to keep vehicles on the road. As a matter of facts tyres of Allied or ex-enemy origin are now being bought by individuals coming from Italian Government Controlled Territories smuggled out and declared to Motorizzazione of such Provinces which releases Italian definitive permits after people concerned have paid fixed prices for tyres.

6.MOVEMENT:

i) Monthly total Kilometers 761.620.00
ii) Monthly total quintals carried.....332.217.00

Movement statystics: Imports, exports, Province.
(Transport by road only - Figures record quintals of good carried).

Commodity class	Imports	exports	province

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buy a car, or a vehicle also. This does not simplify matters on account of high prices people have to pay A.R.A.R. Request to A.R.A.R. Udine Province gave no result as yet and no reasons have been given for this . As for declarations of Allied tyres also declarations of ex-enemy tyres in Udine Province have been suspended, October 7th 1946, consequent to orders of Supply Office . Black market sources of tyres both Allied and ex-enemy origin are still very active in the province and it was ,if not perfectly legal, a very good help for transporters to keep vehicles on the road. As a matter of facts tyres of Allied or ex-enemy origin are now being bought by individuals coming from Italian Government Controlled Territories smuggled out and declared to Autoriparazione of such Provinces which releases Italian definitive permits after people concerned have paid fixed prices for tyres.

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i) Monthly total kilometers 761.620.00
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Movement statistics: Imports, exports, provinces.
(Transport by road only - Figures record quintals of good carried).

Commodity class	Imports	exports	provinces
Alimentation	16.146.00	5.147.00	23.325.00
Agricolture	5.603.00	3.045.00	7.340.00
Industry	27.341.00	36.054.00	113.141.00
Comerce	330.00	11.336.00	52.673.00
Various	7.033.00	9.034.00	27.166.00
Total	57.453.00	65.556.00	225.145.00

1.63

...../3

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Transit road movement of goods from Venezia Giulia to Italian Government Territories and vice versa in the last months has been :

September 85.105.00 quintals
October 193.037.00 quintals

according to Traffic Police checks at Blocks Posts of Latisana, S. Vito al Tagliamento and Sacile.

7.PUBLIC SERVICES:

On account of P.O.L. shortage for October reduction of single allocations to bus Firms Udine Province figured from 15 to more than 45% of requirements. This was necessary according to orders issued by this Office October 2nd 1946 as we were short of 4393 liters of petrol and 14.669 liters of naphta. Situation caused lot of troubles and irregularities of services. Some of the lines had to stop operation with no small damages to public interests. From November 1st distribution of P.O.L. for bus lines will be made by this office. We hope that P.O.L. allocation for the month will be sufficient to cover requirements.The Italian Ministry of transports has been requested by Motorizzazione to increase allocation to Udine Province.

8.TRAFFIC POLICE:

Still improoving. Road Blocks very active in Sacile and Latisana. It is expected that the Block Post of S. Vito al Tagliamento will begin to operate in a few days. Service in S. Vito is done by a T.P. patrool. Activity of Traffic Police for September 1946 was: contraventions 625; Impounding of vehicles and various materials 69; fines for 621.500 lire have been claimed. Special orders have been given to T.P. to further enforce traffic control.

9.FINANCE:

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On account of P.C.L. shortage for October reduction of single allocations to bus Firms Udine Province figured from 15 to more than 45% of requirements. This was necessary according to orders issued by this Office October 2nd 1946 as we were short of 4393 liters of petrol and 14.669 liters of naphta. Situation caused lot of troubles and irregularities of services. Some of the lines had to stop operation with no small damages to public interests. From November 1st distribution of P.C.L. for bus lines will be made by this office. We hope that P.C.L. allocation for the month will be sufficient to cover requirements. The Italian Ministry of transports has been requested by Motorizzazione to increase allocation to Udine Province.

3.TRAFFIC POLICE:

Still improoving. Road Blocks very active in Cecile and Latisana. It is expected that the Block post of S. Vito al Tagliamento will begin to operate in a few days. Service in S. Vito is done by a C.R. patrool. Activity of Traffic Police for September 1946 was: contraventions 625; Impounding of vehicles and various materials 69; fines for 621.500 lire have been crashed. Special orders have been given to T.P. to further enforce traffic control.

2.FINANCE:

See attached.

10.GENERAL:

A meeting was held October 10th 1946 in Transportation Office. Doctor Grillo of the Chamber of Commerce, Sig. Corbetta of transporters Trade Union, Sig. Corradazzi for Bus Lines Grantees, and Sig. Comuzzi Group repre entative for small Bus Lines Firms were present. Matters discussed were P.C.L. allocation Udine Province; General transport situation of the Province; trip tickets; enforcing provisions for a clear separation of Firms transporting only for hire for third parties (Conto Terzi) and those working on their own account (Conto Proprio) to avoid undue competition. All parties concerned had satisfaction, and reasons in discussion cleared.

Allied Military Government
Civil Transport Officer
OFFICIAL
W. S. BIGELEY, Jr.
Capt. Infantry

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APPENDIX "A"

UFFICIO TRA PORTI AND ACCOUNT OCTOBER 1946.

PROFITS & CREDITS		DEBITS	
3% Tariff.....	603.147.05	Wages, insurances,	
Fines.....	105.572.00	bonuses etc.....	1.631.376.95
		General expences..	302.615.50
			1.934.492.45
		Balance.....	774.905.60
	2.709.292.05		2.709.397.05

TRUCK POOL AND ACCOUNT - OCTOBER 1946

PROFITS & CREDITS		DEBITS	
Hire of vehicles	1.927.415.00	Wages, bonuses;	
		insurances etc...	743.197.65
		Maintenance.....	360.200.10
		P.O.L.	411.499.40
		General expences	
		etc.....	16.627.80
			1.531.427.35
		Balance.....	395.987.65
	1.927.415.00		1.927.415.00

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		Balance.....	774.906.60
	2.709.301.65		2.709.301.65

STOCK POOL ACCOUNT - OCTOBER 1946

RECEIPTS & CREDITS	£	EXPENDITURE	£
Hire of vehicles	1.927.415.00	Wages, bonuses; insurances etc...	743.200.65
		Maintenance.....	360.200.10
		M.C.D.	411.490.40
		General expenses etc.....	16.627.20
			1.931.427.35
		Balance.....	395.987.65
	1.927.415.00		1.927.415.00

Returns from IOU A/C hire contracts for September 1946

£ 999.653.00

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CONFIDENTIAL

Minutes of Economics Section Meeting held on 15 Oct.46 at 16 hrs.

PRESENT:

Lieut. Colonel	J.E.	FODEN	Industry
	C.A.W.	STEPHENS	Commerce
Major	K.	COOPER	Economics (CHAIRMAN)
	J.H.	HANNY	Transportation
	R.C.	COX	Price Control
	H.A.	HAYWARD	Telecommunications
	F.H.J.	MYATT	Food
	E.H.	RICHARDSON	Public Works
	E.J.	SCICLUNA	Labor
	W.C.	BOARD	Finance
Captain	I.M.	CALVANESE	Supply
	S.H.	CONDICT	Gorizia Area Supply
	L.W.	OAKLEY	Pola Area Supply
	L.H.	WEIL	Agriculture

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1. Major COOPER, Economics (CHAIRMAN).

Action by:

FIREWOOD.

The shortage of railway wagons is being sorely felt in the supply of fire and fuel wood for Trieste, Monfalcone and Grado. Transportation Division has been instructed to give top priority, if possible, on all railway wagons moving wood to the areas mentioned. Since the last meeting the Chief Commerce Officer has held a meeting with the supply Officer of Udine, Gorizia and Trieste, and timber merchants, and the program is well tied up. Transportation Division has been asked to furnish any additional transportation needed to haul the wood from where it is cut to the railway head.

TRANSPORTATION.

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Major	K.	COOPER	Economics (CHAIRMAN)
	J.H.	HANNY	Transportation
	R.C.	COX	Price Control
	H.A.	HAYWARD	Telecommunications
	F.H.J.	MYATT	Food
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TRANSPORTATION.

Transportation for Public Works and Labor Divisions. All Divisions of the Economics Section have been asked to review their organic transport, and where possible to allocate to Public Works and Labor Divisions definite times that they can furnish them transportation for making inspections. All were requested to set aside one-half a day a day, or even [redacted] more if possible, per week to these two Divisions. Major HANNY (Transportation Division) will divide the transport between Public Works and Labor, and the Divisions will notify Major HANNY of the times the transport can be spared. At present certain G.H.Q. directives prevent civilians from riding in army transportation but it is hoped this can be modified, in view of the shortage of transport.

IMPORT AND EXPORT PERMITS.

A meeting has been scheduled between the Divisions of the Economic Section and the Economic Section of ALLIED for early this week. It is intended to discuss economic questions pertaining

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Action by:

to Venezia Giulia and Italy, and our efforts to allow the greatest freedom possible to Trieste and Venezia Giulia firms that are attempting to rehabilitate through their own efforts. At present we are well tied down by directives which, we feel, are no longer applicable, or which need modifications.

If any of the other Divisions have any questions that they would like to take up or would like to attend, please let me know after the meeting. And you will be notified as soon as the time and date is set.

BAN ON DISMISSALS.

All Divisions of the Economic Section have been asked to submit any comments they have on the subject "lifting of the ban on dismissals". On 31 Oct. the present order expires, and some new order must be instituted. There must be a complete lifting, or a partial lifting. The comments of the Divisions will be considered by Major SCICLUNA when he makes his recommendations to the S.C.A.O.

SCHOOL PROJECT.

Due to the difficulties experienced in the present project, it appears as advisable in the future to have a regular contractor take the school contract using students as apprentice workers, the school paying the additional expense changing it to cost of instructions. The Finance Division to subsidize the schools for this additional cost.

2. Lt.Col. STEPHENS, Commerce.

The third lot of cotton at the Gorizia mill is ready to be worked. A contract for manufacturing this lot or at least some sort of confirmation in letter form regarding terms and delivery is advisable due to the present situation.

Freedom in policy of export and import permits is needed. A letter was sent to ALCOM and AFHQ and a conference will be held in this Headquarters with members from ALCOM participating.

3. Major RICHARDSON, Public Works.

Labor has asked for copies of contracts of public works projects. It was not known just what was needed by Labor. Major SCICLUNA, Chief Labor Officer, stated that this was very important to his Division. Major COOPER suggested a conference on the subject to be held in his office for 1130 hrs, Monday 14 Oct. Major RICHARDSON continued stating that retroactivity for increased [illegible] difficulties with the contractors. Major

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4. Captain OAKLEY, Pola Area Supply.

Nothing to report.

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5. Captain WEIL, Agriculture.

Nothing to report.

6. Captain CONDICT, Gorizia Area Supply.

The Area Order concerning mezzadria contracts was creating a difficult problem. Captain WEIL stated that this is a general matter which is already covered by Order No 141 and effects

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Action by:

all areas. Major SCICLUNA stated that the mezzadria contract problem is one which is presented by the troublemakers of UAIS in order to create discontent. The problem is being dealt with by Labor Office.

7. Captain CALVANESE, Supply.

The exchange of 250,000 cans of evaporated milk for 150,000 lbs of non-fat dried milk should be subject to the same inspection for both sides of the transaction. Major COOPER advised to check with Major MYATT so that inspection of the 250,000 cans of evaporated milk would be undertaken and to let Economics Section know if it was fit for human consumption.

8. Lt.Col.FODEN, Industry.

Opened the import and export policy situation. Major COOPER pointed out that this policy will be cleared by the conference with AICOM. GASLINI importation of linseed for oil from Turkey. Major COOPER repeated that this will be taken up at the conference with AICOM.

9. Major SCICLUNA, Labor.

Stated he was expecting the returns in respect to Economics Section asking for comments on lifting the ban on dismissals. Major COOPER ruled that all Sections were to have their answers to this letter by 12 hrs. of 15 October.

Major SCICLUNA pointed out that the lifting of the ban is closely linked up with the possibility of increased employment in all sections, Commerce included. Joint negotiations for a general increase of wages in industry are under way. Difficulties are being met in connection with negotiations now proceeding since the Sindacati Unici are interested on an agreement in respect to what wages are eventually agreed upon in Italy by the fixing of a date for retroactivity.

Unemployment situation as per attached Appendix "A".

11. Major MYATT, Food.

Food report situation as per attached Appendix "B".

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Unemployment situation as per attached Appendix "A".

11. Major MYATT, Food.

Food report situation as per attached Appendix "B".

For KENNETH COOPER,
MAJOR F.A.,
DEPUTY CHIEF, ECONOMICS.

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APPENDIX "A"

1. UNEMPLOYMENT SITUATION IN VENEZIA GIULIA AS OF 9 OCTOBER 1946.

	MEN	%	WOMEN	%	JUV.	%	TOTALS	%
TRIESTE AREA	17765	53.5	12325	37.1	3101	9.4	33191	78.5
GORIZIA AREA	3340	63.9	1528	29.2	358	6.9	5226	12.4
POLA AREA	1792	46.5	1913	49.6	151	3.9	3856	9.1
TOTALS V.G.	22897	54.1	15766	37.3	3610	8.6	12273	

2. UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS AS OF 5 OCTOBER 1946.

	TOTALS	(i) %
TRIESTE	15029 (x)	31.2
GORIZIA	2665 (xx)	33.8
POLA	1135 (xx)	22.8
TOTAL	18829	30.8

3. IMPORTED LABOUR INCLUDED IN 2.

POLA	10
GORIZIA	362
TRIESTE	222
TOTALS	594

i) Percentage of combined Totals of 1 and 2.

4. UNEMPLOYMENT SITUATION IN TRIESTE COMMUNE PERCENTAGE ON TOTALS FOR V.G. SHOWN IN 1.

MEN	%	WOMEN	%	JUV.	%	TOTALS	%
15084	65.9	10635	67.5	2498	69.2	28217	66.7

5. (x) UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS - TRIESTE COMMUNE.

TOTALS	(ii) %
6730	19.3

(ii) Percentage of combined Totals of unemployment and unemployed engaged on work relief projects.

6. HEADS OF FAMILIES UNEMPLOYED AND RELATIVE PERCENTAGE ON TOTALS FOR AREAS AS SHOWN IN 1 AND 2.

	TOTALS	%

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2. UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS AS OF 5 OCTOBER 1946.

	TOTALS	(1) %
TRIESTE	15029 (x)	31.2
GORIZIA	2665 (xx)	33.8
POLA	1135 (xx)	22.8
TOTAL	18829	30.8

1) Percentage of combined Totals of 1 and 2.

3. IMPORTED LABOUR INCLUDED IN 2.

POLA	10
GORIZIA	362
TRIESTE	222
TOTALS	594

4. UNEMPLOYMENT SITUATION IN TRIESTE COMMUNE PERCENTAGE ON TOTALS FOR V.G. SHOWN IN 1.

MEN	%	WOMEN	%	JUV.	%	TOTALS	%
15084	65.[illegible]	10635	67.5	2498	69.2	28217	66.7

5. (x) UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS - TRIESTE COMMUNE.

TOTALS	(ii) %
6730	19.3

(ii) Percentage of combined Totals of unemployment and unemployed engaged on work relief projects.

6. HEADS OF FAMILIES UNEMPLOYED AND RELATIVE PERCENTAGE ON TOTALS FOR AREAS AS SHOWN IN 1 AND 5.

	TOTALS	%
TRIESTE AREA	9933	19.9
GORIZIA AREA	1261	24.1
POLA AREA	1019	26.4
TOTALS V.G.	12213	28.9
TRIESTE COMMUNE	8003	28.4

(x) As of 15/9 1947
(xx) As of 5/10

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APPENDIX "B".

W E E K L Y F O O D R E P O R T

1. Situation as of 11th October 1946.

	Tons	Bread			Pasta	
		Tons	Subsistence days till	Tons	Subsistence covering	
2.	Flour (white) Stock on Hand	9.296	5196	44	24 Nov.	4.100 Sept. (balance) Oct.-Nov.1946.
	Trieste: 3.408 Gorizia: 1.159. Pola : 557 5.196					
3.	Wheat Stock on Hand	1.267	1267	10	4 Dec.	-- --------

4. Other Foodstuffs:
Stock on Han at 1st October 1946:

Soup dehydrated	130	Tons,	subsistence	5 ½ months
Milk powder	372	"	"	6 "
Evaporated Milk	356	"	"	3 "
Meat, canned	155	"	"	5 "
Eggs, dried	54	"	"	3 "
Vegetables, dried	290	"	"	3 "
Sugar	260	"	"	1 "
Fats	322	"	"	2 ½ "

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		Tons	Subsistence days	Tons till		Subsistence covering
2.	Flour (white) Stock on Hand	9.296	5196	44	24 Nov. 4.100	Sept. (balance) Oct.-Nov. 1946.
	Trieste: 3.408 Gorizia: 1.159. Pola : 557 5.196					
3.	Wheat Stock on Hand	1.267	1267	10	4 Dec, --	-------

4. Other Foodstuffs:
Stock on Han at 1st October 1946:

Soup dehydrated	130	Tons,	subsistence	5 ½ months
Milk powder	372	"	"	6 "
Evaporated Milk	356	"	"	3 "
Meat, canned	155	"	"	5 "
Eggs, dried	54	"	"	3 "
Vegetables, dried	290	"	"	3 "
Sugar	260	"	"	1 ½ "
Pats	322	"	"	2 ½ "

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HEADQUARTERS
ALLIED MILITARY GOVERNMENT

UDINE PROVINCE

TRANSPORTATION DIVISION

Tele:1516 ext.49

25 Sept.1946
INF.5

SUBJECT: Monthly Report - September 1946

TO: The PROVINCIAL COMMISSIONER AMG HQ Udine

Copy to ; Transport.Sub Comm AC Rome

1.ORGANISATION

Checking of Agencies and branch offices always effective.

2.TRANSPORTATION TARIFF

Further reduction of tpt tariff has been postponed

3.STATUS OF VEHICLES

i) Vehicles registered with Ufficio Trasporti (over 10 Qle).. 1470
of which:
working solely in behalf of holders..... 711
working on hire for third parties.....357
ii) Daily average vehicles on the road..... 174
Daily average vehicles not on the road..... 343
iii) AMG 10% hire contracts are 33.

4.AMG TRUCK POOL

An additional trailer (50 Qle)will be put in operation in these days.
Status of vehicles is now 22 trucks and 5 trailers all in good state of repairs except for tyres.Replacements are badly needed.Tot l number of vehicles are daily operating. Records of movement increasing and our Truck Pool c nnot meet with vehicles available all requests for transport.

5. P. C. L.

Situation unchanged..Monthly allocation of PCL still insufficient to meet requirements.50% of required petrol or n phta has been granted on trip tickets for transport during September.Transporters wanting to work and earn their living must resort to

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Copy to ; Transport.Sub Comm AC Rome

1.ORGANISATION

Checking of Agencies and Branch Offices always effective.

2.TRANSPORTATION TARIFF

Further reduction of tpt tariff has been postponed

3.STATUS OF VEHICLES

i) Vehicles registered with Ufficio Trasporti (over 10 cle).. 1270
of which:
working solely in behalf of holders..... 711
working on hire for third parties..... 567
ii) Daily average vehicles on the road..... 774
Daily average vehicles not on the road..... 505
iii) AMG 10% hire contracts are 530.

4.AMG TRUCK POOL

An additional trailer (30 cle)will be put in operation in these days. Status of vehicles is now 22 trucks and 5 trailers all in good state of repairs except for tyres.Replacements are badly needed.Total number of vehicles are daily operating.Demands of movement increasing and our Truck Pool cannot meet with vehicles available all requests for transport.

5. I. C. L.

Situation unchanged.Monthly allocation of POL still insufficient to meet requirements.50% of required petrol or nafta has been granted on trip tickets for transport during September.Transporters wanting to keep vehicles on the road and earn their living must resort to black market possibilities

6. TYRES

All efforts to improove situation gave no results.Situation is very bad and will get worse.A general crisis in tpt foreseen if POL and TYRES problems will not be solved

7. MOVEMENT

i) Monthly total kilometers..... 570,07[illegible],00
ii) Monthly total quintali carried..... 270,[illegible],00 055

...../.

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MOVEMENT STATYSTICS: IMPORTS , EXPORTS , PROVINCE .
(Transport by road only-Figures record quintali of goods carried)

Commodity class.	Imports	Exports	Province
ALIMENTATION	19.6[illegible],00	[illegible],00	20,780,00
AGRICULTURE	1,117,00	1,7[illegible],00	[illegible],00
INDUSTRY	6,966,00	27,[illegible],00	[illegible],00
COMMERCE	000,00	7,745,00	45,880,00
VARIOUS	2,720,00	6,[illegible],00	16,261,00
Total	[illegible],00	48,[illegible],00	188,54[illegible],00

8.PUBLIC SERVICES

[illegible]ite satisfactory.Instructions have been given to Inspectorate obliging a few bus stops to improve services on their bus lines.

9.TRAFFIC POLICE CONTROL

Traffic control improving.Some blocks effective in Scalo and Lativama.A new block post in S.Vito will go into operations in a few days.Traffic Police needs means of transport.A few motorcycles and possibly a car.

10.ASSISTANCE TO ENEMY VEHICLES

Still under AMG control.It is expected all vehicles will be handed over to the Italian Government (Ispettorato Motorizzazione)in a very short time now.

11.FINANCE

See attached

William B. Lloyd

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

INDUSTRIE	illegible	illegible	illegible
COMMERCE	666,00	7,745,00	45,880,60
VARIOUS	2,720,00	6,054,00	10,261,00
Total	22,494,00	43,550,00	166,545,00

5.PUBLIC SERVICES

uite satisfactory. Instructions have been given to Inspettorato obligingly a few attempts to improve services on their bus lines.

6.TRAFFIC POLICE CONTROL

Traffic control improving. Good blocks effective in Gradisca and Latisana. A new block post in S.Vito will go into operations in a few days. Traffic Police needs means of transport. A few motorcycles and possibly a car.

10.ASSIGNED OR ENEMY VEHICLES

still under AMG control. It is expected all vehicles will be handed over to the Italian Government (Ispettorato Motorizzazione) in a very short time now.

11.FINANCE

See attached

William S. Bickley Jr.
Capt. William S. Bickley Jr.
Transportation Officer

ery

1 enclosure

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APPENDIX " A "

UFFICIO FRASPORTI AMG ACCOUNT - September 1946

PROFITS & CREDITS		DEBITS	
5% Tariff.....	1,002,021,70	Wages,insurances,bo= nuses etc.....1,000,048,05	
Fines.....	46,343,50	General expenses....	92,216,50
			1,148,064,55
		Balance.....	894,300,05
	1,042,365,20		1,042,365,20

TRUCK POOL AMG ACCOUNT - September 1946

PROFITS & CREDITS		DEBITS	
Hire of vehicles.....	1,401,140,65	Wages,insurance etc	1,201,577,90
		Maintenance.....	166,814,00
		P.O.L.....	230,884,95
		General expenses.	14,745,55
Balance	222,156,15		
	1,623,296,80		1,623,296,80

Returns for 10% on ex enemy vehicles.August 1946....L. 842,872,10

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Capture of Cividale

MONTHLY REPORT

ALLIED MILITARY GOVERNMENT

UDINE PROVINCE

Declassified E.O. 12356 Section 3.3/NND No. 785027

UDINE

MONTHLY REPORT

ALLIED MILITARY GOVERNMENT

UDINE PROVINCE

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MONTHLY REPORT

UDINE PROVINCE

ALLIED MILITARY GOVERNMENT

SEPTEMBER

1945

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

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1. POLITICAL REACTION & PUBLIC OPINION.
2. PUBLIC SAFETY.
3. ECONOMICS.
4. AGRICULTURE.
5. FINANCE.
6. PUBLIC WORKS & UTILITIES.
7. DISPLACED PERSONS.
8. WELFARE.
9. TRANSPORTATION.
10. LEGAL.

Ref: 10/11/GR.

SECRET. 1946

Headquarters
ALLIED MILITARY GOVERNMENT
(ZONE PROVINCE)

Subject: Report No:16 - Month of December,1946.

To : Headquarters,
Allied Commission,
Rome.

1. POLITICAL REACTIONS & POPULAR OPINION.

Again it must be said that political insecurity and anxiety for the future are the main preoccupations of public opinion. The resignation of DE GASPERI had a direct effect on prices, which rose between 20% and 30%.

This, together with the political influence behind trade union demands for ever-increasing wages, has resulted in a series of strikes or threatened strikes which have occupied much of the time and patience of this HQ, to insure against any dislocation of public services. In all cases, with the valued cooperation of the Prefect and the Commercial Lavoro, with which excellent relations exist, it has been possible to either reduce the strike to a token one with a guarantee that the public services would not be interfered with, or delayed for sufficient time to enable a solution to be found.

Backed, however, by strong political pressure from Rome, Venice, Milan and Padova, it is not to be assumed that further efforts will be lacking to call on various classes of workers in order to dislocate trade and industry, and there are already signs that recent wage agreements are to be overthrown for what is termed a general economic amelioration of the working classes.

Co-operatives and popular restaurants are in operation to discount these alleged causes of discontent, but it is doubtful if any such assistance will satisfy the desire of the Italian Left wing, ably supported by other elements, to sow the seeds of discord and bring about a chaotic situation.

At times, it is difficult to know, in the absence of any directive on the subject, how far we are to go in preventing a strike. Merely to shelve the question by saying that AMG is responsible for the maintenance of law and order and that until this is threatened no action should be taken, is lacking in all understanding of the difficulty, and the serious

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

1. [redacted]

Again it must be said that political insecurity and anxiety for the future are the main preoccupations of public opinion. The rosier-nation of [redacted] had a direct effect on prices, which rose between 20% and 30%.

This, together with the political influence behind trade union demands for ever-increasing wages, has resulted in a series of strikes or threatened strikes which have occupied much of the time and patience of this Mission, to insure against any dislocation of public services. In all cases, with the valued co-operation of the Prefect and the Camera di Lavoro, with which excellent relations exist, it has been possible to either reduce the strike to one taken one with a guarantee that the public services would not be interfered with, or delayed for sufficient time to enable a solution to be found.

Backed, however, by strong political pressure from Rome, Venice, Milan and Padova, it is not to be assumed that further efforts will be looking to call on various classes of workers in order to dislocate trade and industry, and there are already signs that recent wage agreements are to be overthrown for what is termed a general economic amelioration of the working classes.

Co-operatives and popular restaurants are in operation to discount these alleged causes of discontent, but it is doubtful if any such assistance will satisfy the desire of the Italian Left Wing, ably supported by other elements, to sow the seeds of discord and bring about a chaotic situation.

At times, it is difficult to know, in the absence of any directive on the subject, how far one can go in preventing a strike. Merely to shelve the question by saying that [redacted] is responsible for the maintenance of law and order and that until this is threatened no action should be taken, is lacking in all understanding of the difficulty, and the serious consequences arising therefrom. Some definite guidance is urgently requested.

It is, therefore, strongly recommended that concrete support should be given to the Provincial Commissioner to handle any strike or threatened strike of a political nature at his discretion, and in the extreme case to issue direct orders against the interruption of any service for which [redacted] is responsible.

In this connection, it should be understood that an attempt is being made to anchor the lira, and that the workers are anxious to obtain the best possible wage before any such stabilisation. It is understood that the Left Wing are against stabilisation, so that the workers would seem to be on a good wicket in their continued demands.

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POLITICAL SITUATION & POPULAR OPINION (cont'd.

...is no diminution of Nazi propaganda in the province, which ... active war in the Eastern Mediterranean. The Communists are ... funds and have held ... hundred meetings in October in ... of their campaign for the improvement of their resources. ... province this party continues to obstruct ... and discredit those in authority. The Democratic Christians remain ... and non-cooperative with any other party, as ever.

The Socialists are rallying, and usually, for want of a ... policy, swing towards the Communists in order to retain the ... of the workers' votes.

Meanwhile, the Liberals are fusing with the Uomo Qualunque party, and unless the Socialists can make up their mind which side of the fence they are on, they may well lose many of their votes in a new election, to parties with a more decided policy.

Unemployment demonstrations have been frequent but orderly, and ... representations recently with the Italian Government ... will relieve directly all public works projects in the province, will at least accelerate the release of funds and the commencement of projects.

As has recently been said, the public works projects cannot cure unemployment in this province.

In February 1946, more than 27,000 workers were willing to emigrate. This is approximately the same figure as before the war.

The Cosenza district can supply 3,000 workers, mostly carpenters, bricklayers ... stonemasons, etc., and 1,000 lumbermen, - the whole region can ... of the mountains can supply 1,500 workers, principally ... manufacturing of bricks, the Civitavecchia area could find various ... the plains could supply 2,000 construction workers of ... types, while the valleys of the central part of the province ... 1,000 specialised ... workers.

Approximately 15,000 workers urgently required all over Europe are eligible ... for facilities to emigrate, under reasonable conditions with ... facilities to remit money to their dependents, a condition of the recent agreement for labourers to emigrate to Australia, but which the Italian Government seems to have forgotten.

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The Socialists are rallying, and usually, for want of a better policy, swing towards the Communists in order to retain the majority of the workers' votes.

Meanwhile, the Liberals are rueing with the Uomo Qualunque party, and unless the Socialists can make up their mind which side of the fence they are on, they may well lose many of their votes in a new election, to parties with a more decided policy.

Unemployment demonstrations have been frequent but orderly, and the agreement concluded recently with the Italian Government whereby Allied Command directly aid public works projects in the province, will at least alleviate the release of funds and the commencement of projects.

As has recently been said, the public works projects cannot cure unemployment in this province.

In February 1946, more than 27,000 workers were willing to emigrate. This is approximately the same figure as before the war.

The Carnia district can supply 5,000 workers, mostly carpenters, bricklayers and stonecutters, etc., and 1,500 lumbermen, - the Gemona region and foot of the mountains can supply 1,500 workers, principally in the quarrying of bricks, the Cividale area could find various specialised workers - the plains could supply 5,000 construction workers of various types, while the valleys of the central part of the province can supply 1,000 specialised unemployed wood-workers.

Approximately 15,000 workers urgently required all over Europe are crying out for facilities to emigrate, under reasonable conditions which include facilities to remit money to their dependents. A condition of the recent agreement for labourers to emigrate to Australia, but which the Italian Government seems to have forgotten.

It is to be hoped that every assistance will be given speedily to enable these men to be employed in countries where they are most required.

Reconstruction of devastated villages continues with increasing zeal, and roofs should be on most houses before the winter.

Administrative elections are being held in rotation, Consuls during October, but a postponement till November has had to be made for Cervignano owing to a sudden move by the Communists and a few Slav supporters to cover up the Yugoslav policy.

Cervignano rivalry continues, the Left Wing calling the Osoppo Friuli "fascists", and the latter accusing their opponents of maintaining the old Italian name of Proletarian Armed Guards.

The Prefect is continuing to show a high appreciation of his office, and is esteemed as much by the people as by this HQ.

...../3

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2. PUBLIC SAFETY.

The following is the strength of the Civil Police at the present time:

Agency	Officers.	Men
Carabinieri	8	592
Questura		
Agenti - R.S.		254
Polizia Ausiliaria	10	342
Traffic Police	1	
Railway Police	3	93
Guardia di Finanza	13	405
Vigili Urbani	1	442
Corpo delle Foreste	8	176

It is hoped to obtain in the near future for the use of the personnel of the Questura a number of Jeeps and motorcycles, and as soon as these become available it is intended to form a flying squad available for immediate response in case of crime.

The Questore has received information to the effect that the transfer of Ausiliary Police personnel between one province and another is likely to begin shortly, and if this proves to be the case, a sharp drop in the strength of the Force is anticipated.

Attempts are being made by Scoccimaro and others to remove the Questore and his principal subordinates, and replace them by Communists. This is wholly contrary to the policy of AMG, which has weeded out most of the unreliable elements of the Questura service.

Again, it must be emphasised that although Scoccimaro is one of several Deputies of this province and Minister of Finance, he must look to AMG himself when interfering with a province under Allied Military Government.

The [illegible] has had to be called to the attention on [illegible] occasions of this so-called strong man in a weak Gov[illegible]

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Traffic Police	1	
Railway Police	3	93
Guardia di Finanza	15	415
Vigili Urbani	1	442
Corpo delle Foreste	8	176

It is hoped to obtain in the near future for the use of the personnel of the Questura a number of Jeeps and motorcycles, and as soon as these become available it is intended to form a flying squad available for immediate response in case of crime.

The Questura have received information to the effect that the transfer of Ausiliary Police personnel between one province and another is likely to begin shortly, and if this proves to be the case, a considerable, in the strength of the Force is anticipated.

Attempts are being made by Scoccimaro and others to remove the Questore and his principal subordinates, and replace them by Communists. This is wholly contrary to the policy of AMG, which has weeded out most of the unreliable elements of the Questura service.

Again, it must be emphasised that although Scoccimaro is one of several Deputies of this province and Minister of Finance, he must learn to govern himself when interacting with a province under Allied Military Government.

This is one which much attention has had to be called to the activities of this so-called strong man in a weak Government.

The conditions in the Judicial and Penal Penal prisons remain satisfactory, and there have been no changes or disorders during the month.

Preventive action continues to be taken to combat the spread of venereal diseases. 187 women were stopped and examined during the month, of these 8 were found to be infected and were detained for medical treatment, and about 50 were issued with "Foglio di Via Obbligatorio".

There has been some increase in serious crime during the month, probably due to the recent amnesty. 34 cases of armed robbery took place; also 1 murder and 3 alleged attempted murders.

Demonstrations and strikes are still of common occurrence, due chiefly to unemployment and high cost of living.

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PUBLIC SAFETY (Cont'd.

There has been a movement of some unemployed sections of the population towards Austria, Switzerland and France in an attempt to enter those countries and find employment, but no precise details are available.

There is still considerable anxiety and uneasiness as to the future, due to the external and internal political situation.

Officers engaged in Public Safety duties are:

Major A.G.P.	Gay	S.F.P.S.O.
Capt. D.J.	Hopkins	P.P.S.O.
Capt. G.A.	Lee	P.P.S.O.

2. RATIONS.

The supply and price of firewood are satisfactory. The coal situation is difficult as no supplies are expected before 20th October, when some 5,000 tons are due.

Arrangements have been made to import approximately 2,700 tons of cement from Czechoslovakia.

During the month, mosquito supplies to the value of 20,669 lire and blankets to the value of 8,210,765 lire have been sold. In addition, substantial quantities of blankets and underwear have been issued free.

The following rations have been distributed during the month:

Bread - at regular distribution of 235 grms per consumer daily.

Pasta	-	2,000	grms	per consumer.
Oil	-	20	"	" "
Lard	-	250	"	" "
Sugar	-	300	"	" "

Supplementary and Special Class rations have been issued in addition to the above.

During the month, 1,252 tons of wheat, part of the 7,200 tons allocated to this Province in S/S "Liberty Victory", have been received from Venice. The balance of 307 tons now remains to be withdrawn from this source. No other allocation of wheat or flour has been received for

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	Capt. D.J.	Hopkins	P.P.W.O.
	Capt. A.M.	Lee	P.P.W.O.

3. SUPPLIES.

The supply and price of firewood are satisfactory. The coal situation is difficult, as no supplies are expected before 20th October, when some 6,000 tons are due.

Arrangements have been made to import approximately 2,700 tons of cement from Czechoslovakia.

During the month, medical supplies to the value of 20,869 lire and blankets to the value of 8,218,785 lire have been sold. In addition, substantial quantities of blankets and underwear have been issued free.

The following foodstuffs have been distributed during the month:

Bread - regular distribution of 235 grams per consumer daily.

Pasta	-	2,000 grams per consumer.
Oil	-	250 " " "
Beans	-	200 " " "
Sugar	-	300 " " "

Supplementary and Special Issue rations have been issued in addition to the above.

During the month, 1,252 tons of wheat, part of the 7,200 tons allocated to this Province ex S/S "Henry Victory", have been received from Venice. The balance of 307 tons now remains to be withdrawn from this cargo. No other allocation of wheat or flour has been received for this Province during the month. 99.6 tons of corn were received from Venice from the S/S "Ben Lear".

An inclusive campaign has been commenced to check and punish profiteers who obtain undue profits in their production than the amount permitted.

As the supply situation is satisfactory, the stocks on hand being adequate to supply normal needs until the end of the year.

A prefectorial decree issued on 19 September prohibits bakeries from baking bread with flour milled at a ratio lower than 95%.

Stocks of imported sugar on hand enabled an issue of 300 grams to all consumers. The increase from 250 grams was decided on the levels of verbal instructions received from Major Condouriotis, the Director, Lt.Col. Jacobs having left on the basis of a cable from "Allied Commission Italy" to the effect that the Italian Government would supply the extra 50 grams to conform with the 300 gram ration existing in all other provinces of Italy.

...../5.

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SUPPLIES (Cont'd.

During the month 208.1 tons of sugar were received from Venice and a further allocation of 207 tons is now awaited.

With the lifting of the exportation ban, arrangements have been made for substantial export to Venezia Giulia and Tuscany of slaughter-products and livestock.

Fruit and vegetables are abundant, but prices show a tendency to increase.

The following describes the principal foodstuffs in the province:

	Wholesale. per kg	Black Market. per kg
Bread	21 lire	90-100 lire
Wheat Flour	16 "	50-70 "
Pasta	27 "	120-135 "
Rice	31 "	- "
Sugar	100 "	450-500 "
Lard	251 "	650 "

Prices on the open market.

Meat (beef)	300 lire per kg (without bones)
Fat cheese	1000-1300 lire per kg
Potatoes	15-20 lire per kg
Beans	240 lire " " "
Butter	800 " " "
Milk	30 " " "
Olive Oil	700 " " "

State and para-statal co-operatives set up in August have worked smoothly and given great satisfaction.

4. AGRICULTURE.

The seasonal figures to date are as follows:

Wheat - 263,715 quintals; rye 4,240 quintals; barley - 861 quintals; maize - 2,561 quintals.

Approximately 60,000 hectares of land have been sown and an estimated 2 quintals per hectare is expected, making 1,200,000 quintals [illegible] Of this amount, 300,000 quintals is set aside [illegible], 50,000 quintals for the army, 100,000 quintals for seed, 600,000 quintals for consumers and the balance of 150,000 quintals for the farmers. This quota should fully cover the needs of the non-producing [illegible] population of [illegible] 650,000 quintals of rice, which is

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Bread	21	lire	90-100 lire
Wheat flour	15	"	60-70 "
Pasta	27	"	120-135 "
Rice	31	"	- "
Sugar	100	"	450-500 "
Lard	231	"	650 "

Prices on the open market.

Meat (beef,	300 lire per kg (without bones)
Hard cheese	1000-1200 lire per kg
Potatoes	12-20 lire per kg
Pasta	150-160 " " "
Butter	800 " " "
Milk	32 " " "
Olive Oil	750 " " "

State and para-statal cooperatives set up in August have worked smoothly and given great satisfaction.

4. AGRICULTURE.

The provisional figures to date are as follows:

Wheat - 263,710 quintals, rye 4,349 quintals; barley - 641 quintals, maize - 2,842 quintals.

Approximately 65,000 hectares of land were sown in corn and an estimate of yields of 18 quintals per hectare is expected, making 1,200,000 quintals as a whole. Of this amount, 300,000 quintals is set aside for payments, 50,000 quintals for the army, 100,000 quintals for seed, 200,000 quintals for consumers and the balance of 150,000 quintals for the farmer. This quantity should well cover the needs of the non-producing population, in addition to the 270,000 quintals of wheat which is expected on the completion of the harvest.

7,000 quintals of ammonium sulphate, 5,000 quintals of Calcium Nitrate, and 1,500 quintals of Calcium Cyanide, have been received and distributed by the Commissariato.

The grape harvest is proceeding satisfactorily. The quality is good but quantities are below expectation.

Infectious diseases amongst animals have been few.

A cattle fair of four days duration was recently held in Udine, about 1,500 head of cattle, young bulls being put up for sale. Prices ranged from 120,000 lire to 150,000 lire per head.

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AGRICULTURE (Cont'd)

The sale of Presa bollica horses is continuing satisfactorily, and up to the present 650 horses have been sold. Allowing for the period of time for payment, 75% of the horses have been paid for, the total amount credited as at the 15th September, one month after the sales commenced, is 2,454,000 lire.

5. FINANCE.

Cash position of the Bank of Italy

as at 24 Aug 45	Lire	1,165,491,790
as at 31 Aug 45	"	1,312,909,940
		147,521,850

75 million lire affecting 72 pooled bodies were authorised during the month.

A total of 35 million lire was authorised in respect of 102 supplementary assessed budgets and 5 million on regular budgets.

7 public works projects of military interest totalling 6 million lire were authorised during the month.

6. Public Works and Housing.

Work approved by the Genio Civile during the month amounts to 519,000,000 lire, bringing the total to date for the year to 1,432,000,000 lire.

Work approved by the Magistrato alle Acque during the month amounts to 400,000,000 lire, bringing their total to 1,170,789,005 lire.

In future, the Magistrato alle Acque will have no more say in approving projects which will be financed by ARA from funds supplied direct from the Ministry of Public Works.

Funds now held by the Magistrato for use in Udine province, 221,000,000 lire from the old programme, and 649,000,000 lire approximately from the new, will be handed over to ARA, and works to this amount will be put into operation directly the formalities are completed. Future work is still dependent on more money being supplied through the Ministry of Public Works by the Italian Treasury, but since some 2,000,000,000 lire are available to it, it is hoped that the unemployment situation may be alleviated to a greater extent than at present.

7. Electricity.

On the whole, 1,061 installations and 870 non-installations passed

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75 million lire affecting 78 state buildings were authorised during the month.

A total of 35 million lire was authorised in respect of 102 supplementary provincial budgets and 5 million on regular budgets.

7 public works projects of military interest totalling 6 million lire were authorised during the month.

6. [illegible] Works.

Work approved by the Genio Civile during the month amounts to 529,090,000 lire, bringing the total to date for the year to 1,432,[illegible] lire.

Work approved by the Magistrato alle Acque during the month amounts to 400,[illegible] lire, bringing their total to 1,170,789,005 lire.

In future, the Magistrato alle Acque will have no more say in approving projects which will be financed by ERP from funds supplied direct from the Ministry of Public Works.

Funds now held by the Magistrato for use in Udine Province, 221,000,000 lire from the old programme, and 649,000,000 lire approximately from the new, will be handed over to ERP, and works to take exactly will be put into operation directly the formalities are completed. Future work is still dependent on [illegible] being supplied through the Ministry of Public Works by the Italian Treasury, but since some 2,000,000,000 lire are anticipated, it is hoped that the unemployment situation may be alleviated to a greater extent than at present.

7. DISPLACED PERSONS.

During the year 31 1,061 Italians and 676 non-Italians passed through the Udine Assembly Centre. Poles numbering 659 represent the large majority of the non-Italians.

8. WELFARE.

Summer camps continued to run satisfactorily during the month, some 2,000 children having been catered for. These camps closed at the end of this month. It is intended to continue the operation, the one at Lignano throughout the winter for the benefit of poor and destitute children.

A small number of relief work is still being carried out by Post War Assistance.

152 houses of five rooms each with an estimated value of 10 million lire were destroyed in the seven hill areas of Udine. Approximately 30 million lire are in the course of distribution throughout the province for houses destroyed during floods and Fascist reprisals.

[illegible]

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A "[illegible]" [illegible] and "portaplans" has been opened in Udine at [illegible] and many thousands of [illegible] have been supplied [illegible] the month.

Repressive [illegible] for the housing of institutions and orphanages of children who cannot be properly cared for by their families have been made.

Further supplies of blankets have been allotted [illegible] institutions.

Public health continues generally good. Particulars of infectious diseases occurring during the month are as follows:

Measles - 38; scarlet fever - 34; chicken pox - 6; typhoid - 28; diphtheria - 42; whooping cough - 20; malaria - 17; ascbe - 39; tuberculosis - 18.

9. TRANSPORTATION.

The contemplated further re-[illegible] of transportation [illegible] has been postponed for the present.

The POL situation is still extremely grave, the monthly allocation being quite insufficient to meet the needs. Transporters have no option but to [illegible] the black market if they wish to keep their vehicles on the road.

The tyre situation is even worse and unless matters are speedily remedied a general crisis in transport appears to be inevitable.

Figures of transport by road only, showing the total number of quintals of goods carried during the month, are given below:

Commodity class.	Imports.	Exports.	Provinces.
Alimentation	19,[illegible]3,00	5,331,00	20,760,00
Agriculture	1,[illegible]7,00	1,773,00	3,939,00
Industry	5,9[illegible]6,00	27,[illegible]3,00	99,905,00
Materials	301,00	[illegible]749,00	45,690,00
Various	[illegible]785,00	6,[illegible]4,00	13,269,00
Total:	33,[illegible]4,00	48,350,00	183,563,00

Public services are quite satisfactory.

10. [illegible]

The number of cases tried by Allied Military Courts was 14, 2 of [illegible]

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diphtheria - 12; whooping cough - 20; [illegible]; tuberculosis - 15.

9. TRANSPORTATION.

No contemplated further arrangement of transportation services has been postponed for the present.

The POL situation is still extremely grave, the monthly allocation being quite insufficient to meet the needs. Transporters have no option but to turn to the black market if they wish to keep their vehicles on the road.

The tyre situation is even worse and unless matters are speedily remedied a general crisis in transport appears to be inevitable.

Figures of transport by road only, showing the total number of quintals of food carried during the month, are given below:

Goods by class.	Imports.	Exports.	Provinces.
Alimentation	19,6[illegible]3,00	5,331,00	20,760,00
Agricultural	1,117,00	1,775,00	5,939,00
Industry	9,306,00	27,013,00	99,902,00
Cattle	900,00	1,743,00	45,680,00
Various	2,729,00	3,994,00	13,2[illegible]5,00
Totals:	33,294,00	40,556,00	184,543,00

Public services are quite satisfactory.

10. LEGAL.

The number of cases tried by Allied Military Courts was 4, 2 of which were Superior Court cases, and all of which resulted in convictions.

Instructions [illegible] to be made concurrently, in connection with the application of the recent amnesty, to persons charged and convicted of offences against Allied proclamations and orders. It is very much hoped that a decision in the matter will soon be reached.

It is [illegible] to Turnover accordingly. The Special Section of the [illegible] cases during the month, leaving 31 cases for trial.

H. B. [illegible]
H. B. [illegible], Lt. Col.,
Provincial Commissioner.

CA.

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Distribution List.

	Copies.
Hq Allied Commission	6
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Hq Main HQ Corps G.H.Q.	1
Hq Main HQ Corps	1
Adv HQ 1 Armd Div	1
Hq 56 (Lon) Div	1
Hq 46 DI Div	1
HQ 6 Army	1
AMG Venezia Giulia	1
AMG Pub Relations Branch, Trieste.	2
CLO/AG Venezia	1
Town Major, Udine.	1
111 Provost Coy, (CMP).	1

All Divisions Hq & 2 Udine Provinces. 1 each Division.

All CMDs Udine Province HQ. 1 each CMD.

Total 10

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
VENEZIA GIULIA

Transport & Shipping

CONFIDENTIAL

Minutes of Economics Section Meeting held on 18 August 1946 at 1600 hours.

PRESENT:

Lieut. Colonel	C.A.W.	STEPHENS	Commerce
	F.W.	RICE	Transportation
Major	R.C.	COX	Price Control (CHAIRMAN)
	J.R.	SQUIRE	Public Works
	H.A.	HAYWARD	Telecommunications
	F.H.J.	MYATT	Food
Captain	N.A.	HOLSTEN	Labor
	C.	LOFASO	Finance
	I.M.	CALVANESE	Supply
	S.H.	CONDICT	Gorizia Area Supply
	L.W.	OAKLEY	Pola Area Supply
	L.H.	WEIL	Agriculture
	T.H.	COKER	Trieste City Area
	C.L.	MARKER	Industry

1. Major COX, Price Control (CHAIRMAN).

SCHOOL PROJECT.

Action by:

The contracting firm PAVAN and GIUNGI has agreed to take the school contract calling for 6 houses using students as labour, the school paying the difference in cost as against skilled workers. Previously, the school using one of its directors as a contractor had agreed to do the work for 77,834,830 Lire approximately 37% higher than what PAVAN & GIUNGI have agreed to do the job for. Pavan & Giungi will do the work for 54,682,191 Lire, a saving of 23,000,000 Lire.

SAN MARCO RUBBLE REMOVAL.

The work at the Trieste C.R.D.A. shipyards will start 23 October 1946. 90% of the labour will be drawn from the unemployment rolls while 10% will be furnished by the contractor.

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Major	R.C.	COX	Price Control (CHAIRMAN)
	J.R.	SQUIRE	Public Works
	H.A.	HAYWARD	Telecommunications
	F.H.J.	HYATT	Food
Captain	N.A.	HOLSTEN	Labor
	C.	LOWASO	Finance
	I.M.	CALVANESE	Supply
	S.H.	CONDICT	Gorizia Area Supply
	L.W.	OAKLEY	Pola Area Supply
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CANAL PROJECT.

Public Works has submitted a draft proposal to Finance to construct a canal from Monfalcone to the inland water system of Northern Italy. At present barges and boats must cross the Adriatic, to enter this system. With its completion boats will enter at Monfalcone from up the coast under protection of the hills.

The cost of this project will be 350,000,000 Lire. About 3,000 men will be employed for 4 months with 1,000 for an additional 10 months, the greatest part being unskilled.

FIREWOOD.

A report on firewood was sent to G.H.Q. "Q" Branch on 13 September 1946. Colonel STYPHENS will prepare another to be sent

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Action by:

at once. 7,000 Qtls arrived in Trieste during the week by rail cars and 1,000 tons of charcoal. A contract between Commerciale Istriana di Fiume and Consorzio Agrario for the delivery of 30,000 Qtls of firewood at 320 Lire per Qtl for Pola is under way.

Colonel STEPHENS stated there has never been a meeting that the subject of firewood was not discussed. A directive went out to all Area Commissioners and if they have not complied with the instructions regarding their requirements they will just have to be cold. The Communes of the Trieste Area are now depending on Trieste to supply their needs which cannot be done under any circumstances.

Captain CONDICT asked if Colonel STEPHENS could be informed in the future instead of Captain HALL when G.H.Q. let out more wood contracts. Col. STEPHENS stated AMG Udine is an entirely separate organization and could not agree that Udine refer matters of timber to Commerce Division AMG VG.

COAL SHIP OFF GRADO.

Major COX - The UNRRA Coal Ship S/S "CASSIUS HUDSON"has struck a mine off Grado. We have been asked if we could use the recoverable coal on a pay-back basis to UNRRA. Colonel STEPHENS reported that the ship was aground off Grado, decks barely awash and her bow out of the water. There is quite a good possibility of getting a sizeable quantity of coal out of this ship. Industry is investigating the costs etc. It will be INDUSTRY a case for divers.

Major COX stated that in all events we should get our hands on it first and ask question later adding that a signal accepting the proposition with the usual provisions had already been sent.

THE THIRTY-HOUR WEEK.

It has been agreed that the application of a 30-hour week on Public Works Projects would spread the work over a longer period of time giving work to a greater number of men. The last Public Works Project was contracted on a basis of a 42-hour week.

Captain HOLSTEN stated this matter must be considered from an engineering and labour point of view. The Trade Unions must agree and there is the matter of the present Italian Law which would have to be amended. This Decree authorizes certain production workers a 42-hour week which would conflict with the 30-hour week.

2. Captain WEIL, Agriculture

Approximately 3,000,000 trees will be planted this fall.

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2. Captain WEIL, Agriculture

Approximately 3,000,000 trees will be planted this fall. They are now being brought in by truck. If the planting runs ahead of schedules and it is possible to plant more than the 3,000,000 some of the spring allotment will be used. Actual planting will begin in about a week or ten days. Captain WEIL stated that it would be much better if Colonel BOWMAN waited until that time before making the inspection trip as he would see a great deal more.

3. Captain OAKLEY, Pola Area Supply.

Asked if a permit to import crating lumber from Zone "B" could be issued.

Colonel STEPHENS replied that before the import permit could be issued it will be necessary for the President of the Zone to pay into the compensation account the value of the lumber

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Action by:

involved. As soon as this was done the permit would be issued to UIVOD to import the lumber from Zone "B".

Colonel ORPWOOD was informed today by the Chamber of Commerce that by the end of the year various enterprises and business houses of Pola would close their doors. This will effect the unemployment situation by another 2,000 persons. Labour Division was asked to investigate and report to Major COX. Captain OAKLEY added that 8 "Liberty" boats were being scrapped at Venice and asked if it would be possible to arrange for one or two to be scrapped at Pola, AMG paying the expense. LABOUR

The likelyhood of Pola getting ships for scrapping on a basis of this sort would be very limited indeed. He was asked to investigate the possibilities of scrapping the ships now wrecked in the harbour at Pola. POLA SUPPLY

4. Lt.Colonel RICE, Transportation.

The first truck for Vienna left Trieste this morning. An enquire from "Q" Movements about the opening of a bus service between Venezia Giulia and Prague was received. Arrangements are being made with the authorities and it was planned to send someone from the Transportation Division to Prague. Requests for transportation continue to come in.

The gasoline situation is not improving. The question of supplying gasoline for trucks carrying water to small villages as well as the garbage collection problem brings to mind the word "improvize". It might be well to use a larger truck in order to cut out a trip or two. A number of horse-drawn vehicles which are available at the moment might be used for street cleaning instead of trucks which use gasoline.

Captain COKER was asked to investigate these matters and report to Transportation. Captain OAKLEY asked if cotton goods from the Gorizia mill could be shipped to Pola by truck. POLA SUPPLY

Truck transport is not economical, the only solution being railway transport. He was asked to put in a bid for railway waggons.

5. Captain HOLSTEN, Labour.

The uncertainty of the change-over is causing some concern. The people of this Area are making arrangements to get out of here unless they can have some assurance that the new State will guarantee them a job or at least recognize their affiliation with the Italian Government in regards to length of service etc. If a declaration of policy could be given by AMG we might keep people from leaving here.

Captain OAKLEY stated that SEFRAL employees of Pola have been guaranteed employment in other parts of Italy and

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Captain OAKLEY stated that SEPRIL employees of Pola have been guaranteed employment in other parts of Italy and were being taken care of.

Captain MARKER asked if a man was employed by the new State would he become an Italian Civil Servant or a Civil Servant of the new State.

Major COX: The policy of the Italian Government at the moment is to do nothing. A man who has taken the oath to his Government is still a Civil Servant to his Government. These matters will be settled at the proper time by the proper authorities.

6. Captain COKER, Trieste Area.

Foot and mouth disease has been reported in the Area Conference this morning.

Captain WEIL reported that everything possible is being done and for full particulars contact Public Health

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Action by:

adding that bringing cattle in here from Zone "B" was dangerous. Anything can happen now.

Captain COKER continued by stating that the Commune had put in two bids; one for supplies urgently needed and the other for clothing. The bid for supplies was being held up for some unknown reasons by the Budgeting Officer and since the clothing bid was held up prices have advanced beyond the original bid.

Major COX: Arrange a meeting with Major BOARD at once and straighten this thing out.

Captain COKER stated that he was investigating the possibilities of a Communal Kitchen reporting one kitchen with a catering capacity of 9,000 persons was being considered. It will be necessary to move some bombed out personnel who were occupying the building at present. A building in the Dock Area that could be repaired to house 400 to 500 people was being looked into for the purpose of housing these people.

Colonel STEPHENS asked the Trieste Area for a report on firewood as soon as possible similar to the last one submitted.

7. Captain HOLSTEN, Labour.

Appendix "A".

8. Major HYATT, Food.

Appendix "B".

For Chief of Economics Section,

Ken COX Major AC

for KENNETH COOPER,
MAJOR F.A.,
DEPUTY CHIEF, ECONOMICS.

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Appendix "A".

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Appendix "B".

For Chief of Economics Section,

for KENNETH COOPER,
MAJOR F.A.,
DEPUTY CHIEF, ECONOMICS.

ROC/vf/cv

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

APPENDIX "A"

1. UNEMPLOYMENT SITUATION IN VENEZIA GIULIA AS OF 16 OCTOBER 1946

	MEN	%	WOMEN	%	JUV.	%	TOTALS	%
TRIESTE AREA	17770	53.3	12443	37.4	3095	9.3	33308	78.7
GORIZIA AREA	3233	63.2	1525	29.8	360	7	5118	12.1
POLA AREA	1778	45.8	1946	50.2	156	4	3880	9.2
TOTALS V.G.	22781	53.8	15914	37.6	3611	8.6	42306	

2. UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS AS OF 5 OCTOBER 1946.

	TOTALS	(i) %
TRIESTE	14900	30.9
GORIZIA	3123 (x)	37.8
POLA	950 (x)	19.7
TOTALS	18973	31

3. IMPORTED LABOUR INCLUDED IN 2.

TRIESTE	203
GORIZIA	368
POLA	10
TOTALS	581

(i) Percentage of combined Totals 1 and 2

4. UNEMPLOYMENT SITUATION IN TRIESTE COMMUNE PERCENTAGE OF TOTALS FOR V.G. SHOWN IN 1.

MEN	%	WOMEN	%	JUV.	%	TOTALS	%
15090	66.2	10719	67.4	1498	69.2	28307	66.9

5. UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS TRIESTE COMMUNE

TOTALS	(ii) %
6482	18.6

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POLA AREA	1778	45.8	1946	50.2	156	4	[illegible]	[illegible]
TOTALS V.G.	22781	53.8	15914	37.6	3611	8.6	42306	

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5. UNEMPLOYED ENGAGED ON WORK RELIEF PROJECTS TRIESTE COMMUNE

TOTALS	(ii) %
6482	18.6

(ii) Percentage of combined Totals of unemployment and unemployed engaged on work relief projects.

(x) As of 15 Oct. 46.

6. HEADS OF FAMILIES UNEMPLOYED AND RELATIVE PERCENTAGE OF TOTALS FOR AREAS AS SHOWN IN 1 AND 4

	TOTALS	%
TRIESTE AREA	9976	30
GORIZIA AREA	1223	23.9
POLA AREA	1023	26.4
TOTALS V.G.	12222	26.9
Trieste Commune	8035	28.4

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APPENDIX "B"

WEEKLY FOOD REPORT

1. Situation as of 18th October 1946.

	Bread			Pasta		
	Tons Tons	Tons	Subsistence days	till Tons	Subsistence covering	
2. Flour (White) Stock on Hand :	7.348	4.348	37	24 Nov	3.000	Oct & Nov 46
3. Wheat Stock on Hand :	1.267	1.267	10	4 Dec	---	--- ---

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	Bread				Pasta	
	Tons Tons	Subsistence Tons	days till		Tons	Subsistence Covering
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3. Wheat Stock on Hand :	1.267	1.267	10	4 Dec	---	--- ---

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CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 794
0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0

MONTHLY REPORT

AUGUST 1946

Ref.: 324/30

11 October 1946

CONFIDENTIAL

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CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 794
0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0

MONTHLY REPORT

AUGUST 1946

Ref.: 824/30

11 October 1946

CONFIDENTIAL

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

CONFIDENTIAL

HEADQUARTERS [illegible]
APO 794

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MONTHLY REPORT

AUGUST - 1946

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POLITICAL SUMMARY

1. During the month political interest was mainly focussed on the PARIS Peace Conference and the activities of the Italian Delegation to the Conference. A certain sense of impatience combined with pessimism on the part of Italians was apparent. On August 1, just after the terms of the draft were published, the Italian Government issued a statement in which it referred to the "unanimous painful impression caused by the harshness and gravity of the Treaty". The Council of Ministers instructed its delegation to the Paris Conference "to make every effort in order that the United Nations..... may make it possible for ITALY to become a positive element in international reconstruction and co-operation". Signor TROILI's trip to several of the capitals of Northern Europe appeared to have been directed at laying the groundwork for, and ascertaining the possibility of, modifications in the Treaty. Modifications most desirable in his view included extension of the limits of the proposed free territory of TRIESTE so as to include therein ZONE A and the Aosta coast to ISTRIA; post-ponement of final decisions on cession but without any derogation meanwhile of Italian sovereignty over the territories in question; from the Italian point of view, of the terms of the treaty dealing with Italian use of hydro-electric power produced in the territory to be ceded to YUGOSLAVIA.

2. Following an official invitation to appear before the PARIS Peace Conference, the president of the Council, accompanied by Signori SFORZA, BONOMI, GRONCHI, and VISCONTI-VENOSTA departed for PARIS on August 7; the delegation also comprised experts on judicial, military and economic-financial questions. The Prime Minister's formal statement to the plenary session of the conference took place on August 10 and was widely reported in the local press which generally praised it for its moderation and dignity. His opening observation was that the draft treaty was extremely harsh; he criticised the severity of the demilitarisation clauses and the proposed solution of the TRIESTE problem which he characterised as a serious departure from the ethnic principle upon which the Council of Foreign Ministers had previously agreed. He also proposed that the FREE TRIESTE problem be set aside for a year, and then be settled by direct ITALO-JUGOSLAV negotiations. He was opposed to the enforced renunciation by ITALY of all her colonies without exception.

3. Intensive lobbying by the Prime Minister and other members of the Italian delegation among the various foreign delegations at PARIS resulted at first in encouraging optimism on the part of the delegation and other Italian observers as to their hopes of securing a revision of the treaty in ITALY's favour. This optimism was on the whole encouraged by the speeches of Mr. BYRNES and Mr. MOLOTOV on August 16 made in reply to the Russian delegate's previous charges against the Italian Government. On August 17 the delegation presented a fully explanatory memorandum, replying to 60 points of economic aspects along with about 20 points of amendment each. The immediate reception of this document by the political commission designated by the Conference to examine and report on the Italian treaty was unexpectedly severe. In a criticism

the possibility of, modifications in the Treaty. Modifications most desirable in his view included extension of the limits of the proposed free territory of TRIESTE so as to include the city of GORIZIA and the foothills overlooking the GORIZIA plain; postponement of final decision on Trieste but without any derogation meanwhile of Italian sovereignty over the city; agreement, from the Italian point of view, of the terms of the treaty as between Italy and Yugoslavia with Italian use of hydro-electric power produced in the territory to be ceded to YUGOSLAVIA.

2. Following an official invitation to appear before the PARIS Peace Conference, the President of the Council, accompanied by Signori S.P.A.G.N.O.L.I, CASATI, and MACRINI departed for PARIS on August 7; the delegation included, in addition, several experts on judicial, military and territorio-financial questions. The Prime Minister's formal address to the plenary session of the conference took place on August 10 and was widely reported in the local press which generally praised its moderation and dignity. His opening observation was that the draft treaty was extremely hard; he criticized the severity of the demilitarization clauses of the proposed solution of the TRIESTE question which he characterized as a ruinous mutilation of the ethnic principle upon which the Council of Foreign Ministers had previously agreed. He also proposed that the TRIESTE problem be set aside for a year, and then be settled by direct ITALO-JUGOSLAV negotiations. He responded to the unforeseen renunciation by ITALY of claims against GREECE.

3. Intensive lobbying by the Prime Minister and other members of the Italian delegation among the various foreign delegations at PARIS resulted at first in excessive optimism on the part of the delegation and other Italian observers as to their hopes of securing a revision of the treaty in ITALY's favour. This impression was on the whole created by the speeches of Mr. BYRNES and Mr. MOLOTOV on August 16 made in reply to the Russian delegate's previous charges against the Italian Government. On August 17 the delegation presented a bulky exposition of their case, raising 60 points of economic aspects along with about 20 proposed amendments in each. The immediate reception of this document by the political commission included by the Conference to examine and report on the Italian treaty was unexpectedly severe. In a criticism of the preamble to the draft treaty intended to secure recognition of the part played by ITALY in the war against GERMANY, it was pointed out that HOLLAND and BELGIUM had never declared war on ITALY. This incited the Belgian and Dutch representatives on whom the Italian delegation had been counting for support at least in securing minor concessions, to protest vigorously, on the grounds that the Italian statement implied a slur on the character of their war effort. The Italian standpoint was defected immediately and the delegation was generally regarded to have made a major tactical blunder. Their depression was accentuated by the fact that no support was received from the foreign delegates who had responded favourably to the delegation's approaches during the preceding few days. However, an alternative amendment providing in more explicit terms the assistance given by ITALY in the war against GERMANY was subsequently

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PART I - AMG AND LIAISON OFFICERS

AMG VENEZIA GIULIA

1. There was a marked increase in tension during the month after a period of comparative calm following the General Strike early in July. The fact that the future of the area was under discussion at the PARIS Conference gave rise to renewed attempts at influencing the final decision. Both sides were still hoping that adjustments in the boundaries of the international zone and the ITALO-JUGOSLAV frontier could be made in their favour and made every endeavour to accomplish this. Demonstrations took place daily in the month as a protest against the seizure by the VENEZIA GIULIA Police of foodstuffs hoarded for distribution among the participants in the strike. Some of this had come from Zone B. This action by the Police led to a number of incidents such as that at MONFALCONE when a crowd of 3000 workers (pro-Slav) prevented the police from impounding food and carried it away to a new hiding place. On 3 August tram drivers belonging to the Sindaci Unici stopped work as a protest against AMG refusal to return confiscated food, and the tram service in the city of TRIESTE was completely paralysed. This, however, was not entirely due to the strike, but mainly to the fact that during the night armed men broke into all the tram depots and removed an essential part of the ignition from every tram; parts of the trucks were also blown up. Army workshops turned out the necessary parts and the tram service was running normally on the 4 August. The most serious disturbance during the month took place in GORIZIA on 9 August when a large number of Italians met in a public park to commemorate the anniversary of the liberation of GORIZIA from the Austrians. The meeting developed into a political fracas between Jugoslavs and Italians; the Slavs threw two hand grenades at intervening V.G. Police and during the ensuing riot 16 civilians and 6 V.G. Police were injured. Trouble occurred on the same day when two Jugoslav officers in a car were held up by an Italian crowd and had to be rescued by V.G. Police. A subsequent search revealed that there were four hand grenades in the car. Numerous minor demonstrations took place outside AMG Headquarters in TRIESTE against the warrants issued for the arrest of the strike leaders, the detention of "anti-fascists", the requisitioning of U.N.I.S. premises, and the action of the V.G. Police. Attacks on AMG, and the Civil Police continued unabated. Pro-Slav elements were busy creating incidents and devising every possible means of obstructing the Government. The violent anti-Italian speeches by ZORZA and VISINTINI led to a strong anti-Slav and anti-Russian feeling among the Italian section of the population with a corresponding swing towards the Allies. This was further encouraged by the attitude of GREAT BRITAIN regarding repatriations. There was no change in the local Government during the month.

2. The situation as regards public safety was quieter in certain respects than previous months. However, there was a sufficient number of incidents to keep all branches of the police force fully occupied. Commencing at midnight [illegible] and civil police in

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2. The situation as regards public safety was quieter in certain respects than previous months. However, there was a sufficient number of incidents to keep all branches of the police force fully occupied. Commencing at midnight 3 August a large scale raid was made by combined military and civil police in the DOBERDO DEL LAGO area, following incidents in which military vehicles were fired upon. Subsequent to the occurrences mentioned in para 1 at GORIZIA, several minor incidents took place during the day but at no time did the situation get beyond the control of the Police. At VERGAROLLA, POLA on 18 August a serious explosion occurred when a large quantity of mines and ammunition stored on the sea front exploded and 63 persons were killed. On 26 August following disturbances and intimidation of workers at the MONFALCONE shipyards, it was decided to patrol the yards continuously. Mixed patrols of military and civil police were introduced for that purpose and there was little further trouble. The morale of the civil police was well maintained during the period. The crime situation was satisfactory in so far as ordinary crime was concerned and a general overall decrease was noted. The most satisfactory feature of the month was the marked progress made against crime

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in the docks and railway yard areas. The month was reasonably quiet so far as political crime was concerned, although there were a number of occasions when explosives were used and there were many acts of terrorism in the MONFALCONE area. Few of these caused injury to persons and damage to property was slight. There were 17 cases of use or attempted use of explosives for political purposes. In the TRIESTE Zone 295 crimes and 71 cases of injuries to persons were reported. General crimes included 2 cases of murder. The behaviour of Allied troops during the month was excellent and there were no reported clashes with civilians. The prison population decreased, the total number confined being 1104. Health conditions in the prisons continued to be excellent.

3. During the month a review was made of Defascism and the progress made over the past twelve months. The work of defascism being almost complete it was decided that no further denunciations should be received after the 30 August 1946. The Special Court of Assise was reduced in numbers and reorganised. The Court will continue to function for a further 3 months by which time the bulk of the work will have been completed. Since the beginning of defascism 1378 denunciations have been received, of which 1307 have been decided and disposed of.

4. Generally speaking, economic conditions during the month remained unchanged. Public Works reached their peak in a programme to relieve unemployment which remained serious. At the end of the month 16,000 people were employed on public works projects and it is hoped to exceed this figure in the near future. The population was supplied with normal rations during the month with the exception of pasta, the balance of which will be made up in September. Prices of locally produced foods showed a tendency to rise. These increases were not believed to be due to reduced availability but to the general economic and political situation.

5. A period of dry weather during July and August scorched a percentage of the maize crop, but the drought was expected to be limited in the event of early rains. On the whole the harvest of grain, fruits and vegetables was very good and prices on the markets in TRIESTE and GORIZIA decreased accordingly. The shortage of hay continued. Wheat threshing was practically finished having reached 200 of the original total. 4,100 tons have been released to date. Agricultural radio programmes were continued during the month including much useful information on increasing fruit production, methods for packing and preparing fruit for export, methods for combatting diseases of fowl and other technical information which appeared to be very much appreciated by the farmers. The development of the sheep and cattle industry was hampered by a lack of sufficient feed. Fertilisers were readily available but the prices were too high for the purchase of large quantities. It is hoped that commercial supplies will soon be available from AMERICA. Reafforestation projects continued and plans were drawn up for further projects. The catches of fish for the month were very good, 370 metric tons of fish having being brought

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6. The chief interest from an industrial point of view was centred in the MONFALCONE Shipyard. Handing back control to the management was followed by a recurrence of hooliganism. However, on 26 August a combined force of civil and military police were introduced to patrol the yard. This resulted in a sit-down strike which continued until the following day. Work was resumed on 28 August and there were no further incidents. It was made clear to the workers that the police force would not be withdrawn until the authorities were satisfied that there would be no further outbreaks. There was no change in the general industrial situation. Reconstruction of the port progressed satisfactorily.

7. Repairs and reconstruction on 245 Public Buildings were completed during the month, and AMG approved expenditure of 211,500,000 lire for

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reconstruction of houses in destroyed villages. More than 15,500 persons were employed in Public Works. During the repairs of the Church of GRADO some precious fragments of mosaic were found representing a very important archeologic discovery as some were more than 1,400 years old.

8. On the unemployment registers a decrease of 2½ was noted in respect of last month in spite of increased absorption of workers in Public Works projects. The gradual unblocking of dismissals were continued formally by allowing dismissals only to employers who had not availed themselves of declared percentages over the previous period. This will enable AMG to await the decision of this question in Italy before taking any further initiative.

9. General health in the area remained good during the month. Distribution of drugs and dressings etc. continued. A supply of insecticide powder and anti-malaria spray was delivered to all communes free of charge.

10. Movement in Displaced Persons continued and figures showed a slight increase over the previous month. 702½ people passed through the Centre during the month. Close watch was kept on refugee movement from Zone B as new arrivals from ISTRIA tend to settle in TRIESTE. The condition of P.O.W.s from YUGOSLAVIA remained very unsatisfactory. Further interviews took place with various officials during the month regarding evacuation of POLA.

11. Plans for the reopening of schools were under way. Text books were prepared and were being printed for both the Italian and Slovene schools. The PWOO School Section was insisting that schools be under its administration during the coming year, but withdrew its objections to permitting its teachers to attend the Summer Training Courses established for Slovene teachers. Many teachers and pupils went to YUGOSLAVIA, however, and it is assumed that these will return indoctrinated to disrupt the efforts of those interested in the functioning of non-political schools. On the Italian side there was calm on the surface, and indications that teachers in GORIZIA were not willing to cooperate. In TRIESTE they appeared to have lost heart and to be unwilling to do anymore than was strictly necessary for the functioning of their schools.

AMG UDINE PROVINCE.

12. Anxiety and despondency were general amongst the thinking population due to the uncertainty of the Eastern Boundary of the Province and VENEZIA GIULIA, the continued discussion at the PARIS Conference and the attitude of the Slavs. Politically the Province was quiet but there was a considerable amount of pro-Slav activity and there appeared to be numerous Yugoslavs infiltrating into the Province.

13. There was a noticeable decrease in serious crimes during the month and in general public order was good. While there was a marked increase in the number of demonstrations and strikes due to unemployment, such incidents as occurred passed off without serious disorder. Anti-allied sentiments

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10. Movement in Displaced Persons continued and figures showed a slight increase over the previous month. 3024 people passed through the Centre during the month. Close watch was kept on refugee movement from Zone B as new arrivals from ISTRIA tend to settle in TRIESTE. The condition of P.O.W.s from YUGOSLAVIA remained very unsatisfactory. Further interviews took place with various officials during the month regarding evacuation of POLA.

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13. There was a noticeable decrease in serious crimes during the month and in general public order was good. While there was a marked increase in the number of demonstrations and strikes due to unemployment, such incidents as occurred passed off without serious disorder. Anti-Allied sentiments continued, due largely to the decisions being made at the PARIS Conference and the anticipated fate of VENEZIA GIULIA and TRIESTE. Much publicity was given by the press to motor accidents involving Allied vehicles. Carabinieri carried out their duties satisfactorily and morale and efficiency were good although shortage of personnel continued to present a problem. A gradual improvement was being effected in the Auxiliary Police Force although there remained a good deal to be desired. Guardia di Finanza performed their duties satisfactorily particularly in regard to the prevention of illegal movement of grain out of the Province. The state of the prisons was satisfactory; there was no overcrowding and there were no disorders or escapes during the month.

14. The economic situation generally was reasonably satisfactory. P.O.L. supplies improved and the only serious shortage was marta(diesel oil). Unemployment reached a figure of approximately 56,000 and was responsible for

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much discontent. The delay on the part of the authorities in approving Public Works projects was responsible in part for much of the unemployment although emigration appeared to be the only real solution to the problem. Regular distribution of rationed foodstuffs continued. The new milling rate of wheat for bread of 85% as against 91% was received favourably, the population appearing to prefer to account a decrease in the bread ration in order to have a whiter bread. On a ration basis of 235 grams of bread daily and 2000 grams of pasta monthly, the stocks of wheat on hand are sufficient to support the bread ration until March 7, 1947 and the pasta ration until the end of December 1946. The ban on the export of livestock from the Province was lifted and permission for up to 300 head of cattle to be exported from the Province given. Contributions to the Peoples Granary decreased during the month due to the continued drought. However, rains in the latter part of the month will increase figures during September. 25,697 tons of wheat were amassed to date. The situation was satisfactory in respect of potatoes, forage and vines.

15. 16 road projects of military interest totalling approximately 20 million lire were approved during the month. 16,398,000 lire was advanced from AMG funds under the decree of the Prefect in anticipation of final approval in specially urgent cases and 8,780,000 lire worth of military projects was initiated. The supply of bitumen was renewed and it was hoped to secure a substantial amount in the near future.

16. During the month 1075 Italians and 214 non-Italians passed through the UDINE Refugee Camp. 127 ex-POW from RUSSIA arrived in the Province during the month.

17. As a result of a 25% tariff reduction a substantial increase in the transport demand was observed. The tyre situation remained unsatisfactory.

18. The work of Italian Courts continued normally. The number of cases tried by Allied Courts during the month totalled 5, all of which were Summary Court cases which resulted in convictions.

LIAISON OFFICER BELLUNO (Venezia)

19. The attention of the public and of the press continued to be focussed on the Peace Conference during the month. A certain amount of anti-Slav feeling was noted, engendered partly by the distressed condition of refugees arriving from VENEZIA GIULIA. The political parties were united in their efforts to support economic reconstruction.

20. Public order deteriorated somewhat in that strikes were common throughout the area among employees and unemployed. The latter in BELLUNO succeeded in stopping all traffic and closing shops for four hours. In BELLUNO on the 23 August disorders followed an incident when Italian civilians molested a girl

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20. Public order deteriorated somewhat in that strikes were common throughout the area among employees and unemployed. The latter in MESTRE succeeded in stopping all traffic and closing shops for four hours. In MESTRE on the 23 August disorders followed an incident when Italian civilians molested a girl walking with two British soldiers and then attacked the soldiers. The following evening British troops in a cafe were provoked and insulted by a crowd of civilians. This resulted in a fight in the cafe. Both sides were reinforced by their supporters and the numbers involved rose to approximately 300 British and 500 civilians. In the melee an Italian woman was run over by a truck and killed, 1 British officer and 3 N.C.O.s were taken to hospital and several others were injured. Nine civilians were injured. The general opinion regarding the disorders was that the action of the Italian civilians was not part of an organized anti-Allied demonstration. It was a local incident confined to MESTRE. Local Carabinieri and civil police agencies were of little use during this occurrence.

21. The cost of living showed a slight increase over the previous month. In spite of existing restriction restaurants continued to serve numerous courses and shops displayed plenty of food and other goods. Black market activities relaxed somewhat due to increased availability of goods. Hoarding of grain continued

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and the figure for the whole Region including UDINE Province was reported to be 290,774 tons.

22. There were increasing signs of industrial revival but shortages of coal and bitumen continued to hamper large scale rehabilitation. Plans were being made to present several exhibitions of industrial, artisan, and agricultur products in VERONA, VICENZA, TREVISO and BELLUNO during September and October. Another sign of returning confidence was the constant requests received for de-requisition of industrial premises.

23. The local labour offices in VENICE and MESTRE started an agitation and threatened a general strike of all employees in military offices and installations. After numerous meetings the demands of the workers were clarified as (a) establishment of Internal Commissions, (b) cost of living bonus to be brought into line with private industry and made retrospective to 1 May 46, (c) inclusion of the Commune of VENICE including MESTRE in Zone "B", (d) Payment of the Republican Bonus. Clause (a) was granted and clause (b) granted retrospective to 1 August 46. (c) and (d) were referred to higher authority.

LIAISON OFFICER TENDA

24. The political situation remained quiet in the UPPER ROYA VALLEY during the month and the people appeared to be resigned and to accept without question the decisions made at PARIS regarding the boundaries of FRANCE and ITALY. It was not considered likely by the local authorities that any breach of the peace would arise on the publication of the PARIS decisions. The announcement in the press that the territory of PONTE DI CASOTTA and SAN DENNARDINO, together with other parts in the North will be given to FRANCE was accepted without comment. Partisan activity in Northern ITALY did not effect the area. It was reported that leaflets were distributed in TURIN asking the people of PIEDMONT to take an active interest in the ultimate fate of TENDA and BRIGA, but no action was effected in the district.

25. Unemployment in the area temporarily decreased owing to large numbers of people engaged in picking lavender, however, as the season finishes it is expected that figures will revert to their previous total.

26. Work on the LIMONE road tunnel, and roads leading to the tunnel, and the bridges, while not yet being complete, reached a stage where the movement of traffic was not handicapped. It was expected that work would be completed on the rail tunnel in November; the project was being carried out as quickly as possible. The closing of the rail tunnel resulted in a decrease of 100 cubic metres of wood per month exported elsewhere in ITALY.

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of immunity for their action.

DISPLACED PERSONS REPATRIATION SUB-COMMISSION.

6. The SHAEF/UNRRA Agreement for the transfer of Displaced Persons eligible for UNRRA care was effected on 1 August 1946. Responsibility for 8,395 Displaced Persons was assumed by UNRRA. As on 24 August 1946 there were 15,424 persons in Allied Commission Camps and 8,280 in UNRRA Camps. Persons receiving UNRRA assistance outside of camps numbered 12,103. Royal Yugoslavs working for Allied installations and eligible for admission to Allied Commission Camps totalled 4,000. (Grand total 39,807) it was estimated that at least 14,000 Displaced Persons, exclusive of those receiving UNRRA care, would be on hand on a constant at the conclusion of the military occupation of ITALY.

7. The Chinese repatriation move was cancelled at the last moment owing to the ship on which they were to embark developing engine trouble. This was the second time that the Chinese had been alerted for repatriation and that unforseen circumstances had prevented their embarkation. 203 Poles and 13 Czechoslovaks were repatriated under UNRRA arrangements. The Germans in BOLZANO Camp (which was handed over to the Italian authorities on 31 July 1946) still remain in ITALY. This small group of 1,200 Germans have been awaiting repatriation since March 1946 but are unacceptable to the authorities in Germany.

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PART III

ECONOMIC SECTION

FOOD AND AGRICULTURE BRANCH.

1. The wheat situation continued to improve during the month but at a slower rate than during July since threshing had been completed in all but the most northern provinces. Stocks on hand increased 125,000 tons during the month or sufficient to maintain the bread and pasta rations for 151 days.

2. Two important changes were made in regard to rationed foodstuffs during the month: (a) Prefects were granted the authority to reduce the milling ratio from 94% to 85% if at the same time the bread ration was decreased from 250 grams to 235 grams daily; (b) the sugar ration was increased from 100 to 300 grams, this change being due to the prospect of a sufficiently large production of domestic sugar. In addition the High Commissioner for Food ordered the release of 200 tons of sugar for the manufacture of infant food; issued new ration scales for allowing patients in hospital; authorized a special allotment of powdered milk, dried vegetables, conserved meat, dried soup and eggs for children' summer camps; and authorized a substantial improvement in the ration scales for crews of merchant ships.

3. General food conditions remained good during the month. Rains over most of the country prolonged the production of winter vegetables which were abundant and of good quality. Fruits were plentiful but prices were high in relation to the purchasing ability of the average consumer. In AMG territory the supply of imported foodstuffs except sugar was ample for present needs. Expected receipts of imported sugar are not sufficient to permit the increase in the monthly sugar ration to the 300 grams which was authorized for the rest of Italy.

4. The weather during the month was exceptionally favorable for agricultural production except in local areas where strong winds, rains and hail did much damage to orchards, vineyards and vegetables. All important field crops, fruits and vegetables showed promising increase. Wheat production initially estimated at 5,600,000 tons, later raised to 5,575,000 tons was increased to 6,009,000 tons. Similar increases were made for other crops. 380,079 tons were collected during the month in the Peoples Granary - to date 3/4 of the present harvest goal of 2,577,652 tons have been collected. The first ship load of veterinary supplies and requisitions was received during the month and distributed in VENEZIA GIULIA and LAZIO. The supplies included basic set laboratory and dairy units and insecticides, biologicals, notably anti-anthrax serum. Spare parts for caterpillar tractors requisitioned over a year ago were also shipped during the month. All approved requisitions for agricultural supplies were ordered to be filled with the exception of fertilizers.

5. An allotment of trees for reforestation was made to VENEZIA GIULIA.

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from 250 grams to 225 grams daily; (c) the ration scales for children were increased from 100 to 300 grams, this change being due to the prospect of a sufficiently large production of domestic sugar. In addition the High Commissioner for Food ordered the release of 200 tons of sugar for the manufacture of infant food; issued new ration scales for adult patients in hospital; authorized a special distribution of powdered milk, dried vegetables, condensed meat, dried soup and eggs for childrens' summer camps; and authorized a substantial increase in the ration scales for crews of merchant ships.

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4. The weather during the month was exceptionally favourable for agricultural production except in local areas where strong winds, rains and hail did much damage to orchards, vineyards and sugar beets. All important field crops, fruits and vegetables showed considerable increase. Wheat production initially estimated at 5,600,000 tons, later raised to 5,975,000 tons was increased to 6,089,000 tons. Similar increases were made for other crops. 580,079 tons were collected during the month in the Peoples Granary - to date 3/4 of the present harvesting goal of 2,577,652 tons have been collected. The first ship load of veterinary supplies on requisition was received during the month and distributed in VENEZIA GIULIA and VENETO. The supplies included basic and laboratory veterinary units and insecticides to fight, notably anti-anthrax serum. Spare parts for caterpillar tractors requisitioned over a year ago were also delivered in August. All approved requisitions for agricultural supplies were believed to be filled with the exception of fertilizers.

5. An allotment of trees for reafforestation was made to VENEZIA GIULIA by the Director of the Forestry Corps during the month which will serve to start the reafforestation project.

COMMERCE (FOREIGN TRADE) AND CIVIL.

6. During the month the Italian Government requested the help of the Allied Commission with regard to many diverse items ranging from the import of carbon black from AUSTRIA to claims to assets in ALBANIA and GERMANY are passed by the Italian Government to the Embassy of the military authority concerned.

7. Certain changes took place in the Reserved Commodity Lists of the

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Combined Boards Washington: raising out duties were removed from the List and pepper and spices are now importable from the DUTCH EAST INDIES without a licence from W.D.C.B.W.A. The Hides, Skins and Leather Committees controlling world allocations of these commodities was dissolved.

8. Much liaison work with the Ministry of Foreign Trade was carried out, mainly in relation to import permits both for controlled and uncontrolled goods required by Italy A VENEZIA GIULIA to trade with Zone B and JUGOSLAVIA.

INDUSTRY AND UTILITIES BRANCH.

9. Requisition was obtained for 11 grain warehouses and an agricultural institute in the Province of MODENA and for a precision laboratory in NICE during the month. In LEGHORN the position was constantly under review and releases made where practicable.

10. Imported coal receivals during the month were the highest since the end of the war: 211,000 tons. UNRRA shipments accounted for the major part. Allocations for the month totalled 540,000 tons; the balance 331,000 tons was stockpiled pending decisions as to the division of supplementary allotments between Italian State Railways and other civil consumers. The Railways had 44 days stock. Gardinia coal production for the month was 92,185 metric tons, 29 tons less than July. Actually the daily production during August slightly exceeded that of July but numerous holidays during the month accounted for the discrepancy. It is to production continued at about the same level i.e. 160,000 tons per month. Coal from POLAND expected during the month failed to arrive.

11. Stocks of P.O.L. continued to be maintained at about a 60 day level. It was anticipated that arrivals of crude oil in Italy would permit the starting of the refineries at NAPLES and PADI during September. 150,000 tons were reduced forward to cover a 3 month period for conversion to gasoline, kerosene, diesel and fuel oils. It was estimated that this would save 500,000 dollars in credit for Italian economy.

12. In Northern Italy the reservoir situation was good and the present supply of power to Central and Southern Italy will be maintained throughout September. In Central Italy the drought persisted and the situation was serious. The thermal generation was approximately 100,000 KWH per day. In Southern Italy the hydro-electric plant situation was poor. Steam generation was 300,000 KWH per day.

TRANSPORTATION AND SUPPLY BRANCH.

13. Both passenger and freight traffic continued to be very heavy throughout the month and the shortage of rolling stock was acute. A transport [illegible] consisting of Military, UNRRA, State Railway representa-

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and release rate more practicable.

10. Imported coal arrivals during the month were the highest since the end of the war: 911,000 tons. UNRRA ships accounted for the major part. Allocations for the month totalled 580,000 tons; the balance 331,000 tons was stockpiled pending decision as to the division of supplementary allotments between Italian State Railways and other civil consumers. The Railways had 44 days stock. Carbonia coal production for the month was 92,185 metric tons, 29 tons less than July. Actually the daily production during August slightly exceeded that of July but numerous holidays during the month accounted for the discrepancy. Lignite production continued at about the same level i.e. 160,000 tons per month. Coal from POLAD expected during the month failed to arrive.

11. Stocks of P.O.L. continued to be maintained at about a 60 day level. It was anticipated that arrivals of crude oil in ITALY would permit the starting of the refineries at PALERMO and BARI during September. 150,000 tons were ordered forward to cover a 3 month programme for conversion to gasoline, kerosene, diesel and fuel oils. It was estimated that this would save 500,000 dollars in credit for Italian economy.

12. In Northern Italy the reservoir situation was good and the present supply of power to Central and Southern Italy will be maintained throughout September. In Central Italy the drought persisted and the situation was serious. The thermal generation was approximately 100,000 KWH per day. In Southern Italy the hydro-electric plant situation was poor. Steam generation was 300,000 KWH per day.

TRANSPORTATION AND SHIPPING BRANCH.

13. Both passenger and freight traffic continued to be very heavy throughout the month and the shortage of rolling stock was acute. A transport conference was formed consisting of military, UNRRA, State Railway representatives and representatives of the Allied Commission of the Italian Government requiring transport. The object of the committee is to coordinate the requests for traffic with the available means of transport with a view to utilising to the best advantage rail, road and coastline shipping.

14. It was expected that the MONT CENIS tunnel would be opened during the first week in September, thus giving the most direct rail route to PARIS. Electrification was being utilized and ground where possible in an effort to reduce coal consumption and overcome the shortage of steam locomotion.

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PART IV

DEPARTMENT SUB-COMMISSIONS

NAVY SUB-COMMISSION.

1. The total strength of Italian Naval Personnel is being gradually reduced and during the month arrived at a figure just below 50,000, double that anticipated under the Peace Treaty.

2. Royal Navy stocks of POL at LEGHORN administered by the Italian Navy and C.I.F. on behalf of the Admiralty were completely turned over to C.I.F. during the month on the authority of the C-in-C Mediterranean Station. On 11 August British Admiralty instructions stated that Italy is now in a position to arrange with banks for the supply of necessary funds to cover expenses of Italian vessels when visiting foreign ports, and that supply of funds would only be advanced by British Naval authorities in very exceptional circumstances.

3. Italian Minesweeping Groups continued clearance operations in their respective areas satisfactorily. At GENOA, LEGHORN 11 mines and 7 anti-sweeping devices were cut, and 10 mines at VENICE and 6 at CARBONERA were also reported cut. Nine Royal Naval Units working along the Northern Adriatic Coast cleared extensive areas of German MK mines.

4. During the month the Italian cruisers LUIGI CADORNA, DUCA DEGLI ABRUZZI, and ATTILIO REGOLO together with 3 transports almost cleared the MIDDLE EAST of Italian Prisoners of War having repatriated to ITALY a total of approximately 9,000 men including 170 POW from TOBRUK. The ex-hospital ship TOSCANA returned to NAPLES with approximately 1,500 Italian civilians repatriated from ALEXANDRIA and the sloop EURIPO entered the Mediterranean bound for ITALY with 300 repatriates from CHINA and SIAM.

5. Torpedo-boats, corvettes and coastal craft continued anti-contraband control in the Italian Adriatic waters throughout the month. No incidents were reported. Destroyers and small craft carried out the usual lifts of Italian Naval personnel and stores between principal Italian ports.

LAND FORCES SUB-COMMISSION.

6. Italian Army Strength as at 1 August was 179,250 including 64,120 Carabinieri. Sixteen out of 28 Italian Units ordered leaving Rome in existence.

7. An Italian Mobile Training Team was formed to carry out inspection of training methods employed at Schools and Training Centres with the object of introducing standardised instruction. This team was trained by 15 Corps on the lines of British Army doctrine. The training of the second

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position to arrange with banks for the supply of necessary funds to cover expenses of Italian vessels when visiting foreign ports, and that supply of funds would only be advanced by British Naval Authorities in very exceptional circumstances.

3. Italian Minesweeping Groups cleared new operations in their respective areas satisfactorily. In [illegible] 11 mines and 7 anti-swimming devices were cut, and 10 mines at VENICE and 6 at CHIOGGIA were also reported cut. The Disposal Units working in the Northern Adriatic Coast cleared a total of forty-six German GY mines.

4. During the month the Italian cruisers [illegible] EUGENIO, DUCA D'ABRUZZI, and ATTILIO REGOLO together with 3 transports left and cleared the MIDDLE EAST of Italian Prisoners of War having repatriated to ITALY a total of approximately 9,000 men including 170 POW from TRIPOLI. The ex-hospital ship [illegible] returned to NAPLES with approximately 1,500 Italian civilians repatriated from ERITREA and the sloop EGRETA entered the Mediterranean bound for ITALY with 300 repatriates from CHINA and SIAM.

5. Torpedo-boats, corvettes and coastal craft continued anti-contraband control in the Italian Adriatic waters throughout the month. No incidents were reported. Destroyers and small craft carried out the usual lifts of Italian Naval personnel and stores between principal Italian ports.

LAND FORCES [illegible] ITALY.

6. Italian Army Strength at 31 August was 179,290 including 64,120 Carabinieri. Disbandment of PR-IKI Units continued, leaving [illegible] in existence.

7. An Italian Mobile Training Team was formed to carry out inspection of certain methods employed in Schools and Training Centres with the object of improving and standardising instruction. This team was trained by 15 Corps on the lines of British Mobile Teams. The training of the second intake of recruits was in progress during the month and the "call-up" was satisfactory. Eighty Units were inspected during the month and morale was found to be exceedingly high. Enthusiasm was shown by all ranks at work under most arduous mountain conditions. British arms were in the process of being distributed down to Battalion level to all units evinced an enthusiastic interest in their new weapons.

8. Representations were made to the Italian Ministry of War regarding the slow delivery of equipment of all types to Carabinieri and a considerable improvement resulted. Carabinieri authorities were desirous of increasing the number of Legions on the grounds that some of the existing Legions are unwieldy as have to cover too much territory. As the scheme would involve considerable additional expenditure and would greatly extend the superimposing

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of a new "Garrison Legion" on already existing groups it is not thought that the scheme will succeed. During the month a considerable improvement was made in the matter of transport. 5000 Beretta pistols were delivered to the Ministry of War and issued to the Carabinieri Corps. A course was started in ROME for the training of a number of men in the use of the mine detector, a consignment of which was received. Recruitment for the Guardia di Finanza is still very heavy, the main causes being poor pay and the uncertainty as to the future of the Corps.

9. The decree providing the compulsory and voluntary retirement of surplus Italian officers is likely to be implemented after 17 September 1946. Officers wishing to retire voluntarily were given three months in which to make application, the three months expiring on 17 September. It was understood that a number would be compulsorily retired before any applications for voluntary retirement would be considered.

PRISONERS OF WAR DIVISION.

10. Repatriation of Italian POW continued; during the month 26,740 POW were repatriated from British Empire and 439 from other sources. Nearly 8,000 Prisoners were returned from I.S.T. during the month, 19% of the original number held in I.S.T. on it repatriation. 1,345 P out of 156,029 remained in the UK. The repatriation from the UK is virtually completed since some hundreds of POW voluntarily deferred their repatriation to assist in agriculture. One ship arrived in NAPLES from AUSTRALIA during the month with 500 sick and wounded cases. Another ship is expected with 600. No further information was received regarding large scale repatriation from AUSTRALIA. All co-operators were returned from MIDDLE EAST on it was expected that the repatriation of non-co-operators would be completed by mid September 1946. The position as regards POW in S. AFRICA and E. AFRICA remained unchanged. It continued to return at the rate of 2000 a month from each country but no plan existed for mass repatriation. With the completion of MIDDLE EAST repatriation it is hoped to speed up this comparatively slow rate. A few I/S arrived through VIENNA from RUSSIA.

I.A.F. FORCES SUB-COMMISSION.

11. The total strength of the Italian Air Force as at the end of August was 26,855. (3,167 officers and 23,688 other ranks.) Two recruiting centres were opened at PISA and NOVI LIGURE. The centres were functioning smoothly and the recruits showed keen spirit and enthusiasm. The morale of the I.A.F. was generally good although quite naturally it was higher in the flying units with a corresponding increase in efficiency. The new education scheme was well received by the various grades of the I.A.F. It will afford them the opportunity to attain a considerably advanced level, and many were taking advantage of the scheme.

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for voluntary repatriation would be completed.

PREPARATIONS OF THE DIVISION.

10. Repatriation of Italian POW continued during the month 26,740 POW were repatriated from British Isles and 4,893 from other areas. Nearly 8,000 Prisoners were returned from LIBYA during the month; 19% of the original number held in LIBYA await repatriation. 1,345 POW out of 158,029 remained in the UK. The repatriation from the UK is virtually complete since some hundreds of POW voluntarily deferred their repatriation to assist in agriculture. One ship arrived in NAPLES from AUSTRALIA during the month with 500 sick and wounded on board. Another ship is expected with 900. No further information was received regarding large scale repatriation from AUSTRALIA. All co-operation was received from MIDDLE EAST and it was expected that the repatriation of non-co-operators would be completed by mid September 1946. The position of remaining POW in S. AFRICA and N. AFRICA remained unchanged. It continued to return at the rate of 2000 a month from each country but no plan existed for mass repatriation. With the completion of MIDDLE EAST repatriation it is hoped to speed up this comparatively slow rate. A few POW arrived through VIENNA from RUSSIA.

AIR FORCES SUB-COMMISSION.

11. The total strength of the Italian Air Force as at the end of August was 26,855. (3,187 officers and 23,668 other ranks.) Two recruiting centres were opened at PISA and NAPLES. The centres were functioning smoothly and the recruits showed keen spirit and enthusiasm. The morale of the I.A.F. was generally good although this naturally is more high in the flying units with a corresponding increase in efficiency. The new pension scheme was well received by the medium ranks of the I.A.F. It will afford them the opportunity to retire on a comfortably substantial income, and many were taking advantage of the scheme.

12. All scheduled courses flights were carried out satisfactorily during the month. Aircraft of the Transport Wing were also used to convey Italian Ministers and Representatives to and from PARIS for attendance at the Peace Conference. Naval flying activity took place during the month but shortage of petrol and maintenance problems restricted flying to an average of 6 hours per pilot per month.

13. The Navigation School at PUNTASINNE was inspected during the month and the general standard of navigation and reconnaissance training was found to be satisfactory. There was no instruction in astro-navigation and in the flying exercises insufficient attention was given to general D.R., search-on and the use of the Rebecca Gebo. These points were brought to the attention of the Italian Air Ministry. Training flying continued during the month

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in the Light Rubber Wing and particular attention was paid to formation flying.

14. A new Italian aircraft and ty Centre was opened at MILAN MALPENSA and now operated successfully. The Italian Aircraft Safety Service has now had considerable experience and is a reliable body. Three new meteorological stations were opened during the month making a total of 142 reporting stations in the Italian network.

15. During the month about 500 I.M.F. prisoners of War were repatriated.

COMMERCIAL LONG DISTANCE.

16. Postal service was reestablished from MESSINA to ITALY on 8 August after temporary suspension. Dispatches from ITALY to MESSINA were reintroduced on 26 August, full authority for the services having been issued by the Hungarian Control Commission. Internal parcel post was also introduced in ITALY on 16 August having been suspended because of handling difficulties.

17. Restoration of normal commercial, personal and government radio operations resulted in several essential additions to Italian radio. During the month authority was given to the Ministry of Posts and Telecommunications to lift the ban on amateur radio operation. The Italian Government was authorized to engage in international broadcasting using [illegible] and frequencies already authorized with a power limitation of 10 KW. This will enable the Italian Government to put across their views and problems to the peoples of other nations.

18. The Italian Ministry of Posts and Telegraphs presented a memorandum to the Allied Commission and the British and American Governments requesting authority to repair the SARDINIA-ITALY and the ITALY-CORSICA submarine cables. The former was approved but the latter is still being considered. The repair of the SARDINIA-ITALY cable has been finally approved. The repair of these cables will enable ITALY to resume direct communication with NORTH AMERICA.

19. Reconstruction of long distance trunk line facilities resulted in a gain of seven long distance circuits during the month. An accord was reached between the Allied Forces and the Ministry of Telecommunications regarding a plan for the hand-over of military long distance telephone lines to the Italian civilian authorities for operation. Italian operation commenced the preliminary experimental one circuit on this basis only.

20. The telephone circuit between MILAN and PARIS was completed but authority to open the circuit was withheld by Control Authorities in [illegible] who have been asked to review their decision. Operation of the [illegible] six-channel radio-telegraph system with ALGIERS was held up due to [illegible] of the Ministry to allot the necessary circuits. A new circuit

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16. Postal service was reactivated from Bari to Rome on 8 August after temporary suspension. Dispatches from ROME to NAPLES were reintroduced on 26 August, full authority for the services having been issued by the Hungarian Control Commission. Internal pouch post was reintroduced in ROME on 16 August having been suspended because of handling difficulties.

17. Restoration of normal commercial, personal and governmental radio operations resulted in several essential additions to Italian radio. During the month authority was given to the Ministry of Posts and Telecommunications to lift the ban on most radio operation. The Italian Government was authorized to open an international broadcasting station using frequencies and frequencies already authorized with a power limitation of 10 KW. This will enable the Italian Government to present their views and problems to the people of other nations.

18. The Italian Ministry of Posts and Telegraphs presented a memorandum to the Allied Commission and the British and American Boundless requesting authority to repair the RACKWELL-ANZIO and the ANZIO-PONZA submarine cables. The former was approved and the latter is still being considered. The repair of the ROME-ANZIO cable has been finally approved. The repair of these cables will enable ITALCABLE to resume direct communication with NORTH AMERICA.

19. Reconstruction of long distance telephone facilities resulted in a gain of seven long distance circuits during the month. Agreement was reached between the Allied Forces and the Ministry of Posts and Telecommunications regarding a plan for the hand-over of additional long distance telephone lines to the Italian civilian authorities for operation. Italian companies commenced the preliminary structural work of circuits as necessary.

20. The telephone circuit between NAPLES and NAPLES TEST was completed but authority to operate the circuit was withheld by Control Authorities in MINISTRY who have been asked to review their decision. Operation of the six-channel H-frequency telegraph system with AUSTRAL was held up due to the reluctance of the Ministry to allot the necessary circuits. A new circuit was opened between VENICE and ROME for the Allied Control Mission.

21. Considerable anxiety was felt at the loss of communications anticipated if the VENEZIA GIULIA area is separated from ITALY after the Peace Treaty. It is practically impossible for an adequate service to be maintained with existing equipment at present. It will be necessary instead for TRIESTE to provide additional carrier and repeater equipment for lines in Italian territory in the vicinity of that area.

Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION

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MONTHLY REPORT

JULY - 1946

Ref: 824/EC

September 1946

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POLITICAL SURVEY

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

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

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

4. Discussions were held between the three major parties regarding the actual structure of the new Government. The Socialists had previously proposed

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

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

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

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

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

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

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

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

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

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

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

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PART I - LIGURIA GROUP REPORTS

LIGURIA REGION.

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

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

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

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

5. Rail connections between CAMPASSO and DIVIO SUCCURSALE and between CAMPASSO and DIVIO NEVAROLO were expected to be in operation on 5 August 46. Digging and masonry work proceeded on tunnels and the doubling of the line between STAZZANO and ARQUATA was approximately 50% complete. The laying of the second line between RECCO and S. MARGHERITA and of the siding at MULINETTI were completed. During the month a total of 341,191 tons was loaded in the station of GENOA, 46353 tons in SAVONA and 179,038 tons in other stations.

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

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5. Rail connections between CAMPASSO and RIVIO SUCCURSALE and between CAMPASSO and RIVIO SERVAZOLO were expected to be in operation on 5 August 46. Digging and masonry work proceeded on tunnels and the doubling of the line between STAZZANO and ARQUATA was approximately 50% complete. The laying of the second line between SECCO and S. MARGHERITA and of the siding at MULINETTI were completed. During the month a total of 341,191 tons was landed in the station of GENOA, 48953 tons in SAVONA and 179,058 tons in other stations.

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

CUNEO PROVINCE.

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

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

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

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

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

11. As the railway does not operate beyond VENTIMIGLIA, communication is maintained between the frontier [illegible], TENDA, SAN DALMAZZO and the railhead by means of trucks owned by the State Railways operating as Couriers. There are two transport companies operating in the valley: one for the transport

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and [redacted].

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

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

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

NAPLES, CAMPANIA, CALABRIA.

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

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

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

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

16. As anticipated, typhoid increased with the hot weather; eighty five cases were reported as against 39 for the previous month. The relief service of free meal provided by the Roman Catholic Church in NAPLES discontinued as is usual until next winter. The E.C.A. (Ente Comunale Assistenza) and the Assistenza Nazionale Partigiani continued to provide meals at low cost.

BOLZANO PROVINCE.

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

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

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

20. There was little change in the industrial position; lack of coal and raw material hampered production. Some of the factories in the area will be

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were responsible. These [illegible] premises; mainly against those cases where the properties did not appear to be fully utilized.

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

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

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

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

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

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

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

26. The bread ration was increased from 200 to 230 grams on the 21 July and the pasta ration increased to 2000 grams. Normal distribution of other foodstuffs continued. During the month two shiploads of wheat totalling 15,275 tons arrived for UDINE. The grinding of wheat proceeded satisfactorily. 20,863 tons have been ground and it was estimated that more than 30,000 tons would be ground before the crop year ended, (the actual target figure was 27,000 tons). On the ration basis of 230 grams there will be a sufficient supply of wheat available to the 11th February 1947. The state of crops was very good and a high yield of potatoes, beans, forage and grapes was expected.

27. The full allocation of 5000 tons of coal was received which materially assisted industrial revival particularly in the cement industry. Export permits were granted to the two cement factories at CIVIDALE.

28. During the month Public Works projects totalling 48,831,775 lire were approved. Unemployment relief by Public Works programmes reached its full volume. Unemployed figures were approximately 54,000, nearly double that of [illegible]. Public opinion was seriously disturbed by the lack of [illegible] facilities and the slow progress in financing public schemes. High [illegible] considerable dissatisfaction.

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

28. During the month Public Works projects totalling 48,831,775 lire were approved. Unemployment relief by Public Works programmes reached its full volume. Unemployed figures were approximately 24,000, nearly double that of VENEZIA GIULIA. Public opinion was seriously disturbed by the lack of emigration facilities and the slow progress in financing public schemes. High prices continued to be the cause of considerable dissatisfaction.

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

30. The total number of cases tried by AMG Courts in the Province during the month was 31 of which 24 were Superior Court Cases. Italian Courts continued to function satisfactorily.

VENEZIA GIULIA.

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

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

32. Heavy demands were made on the Civil Police during the month. During the General Strike (between the 1st and 12 July) called by the UGIS a total of 414 processions were made; 136 civilians were injured and 3 killed. Police casualties numbered 4 killed and 11 injured. Serious injuries were also sustained by Allied personnel. After the Civil Police had been fired upon several times the Corps Commander on 1 July authorised them to carry arms on ordinary patrols during the day. The 12 critical days of the strike were characterised by small and more frequent demonstrations, fights between mobs of opposing factions and attacks by them on their respective party buildings. Frequent use of firearms was made by civilians and several cases of grenade throwing occurred resulting in death to property. Following the declaration of the illegality of the strike the police were very active in preventing transport of foodstuffs from Zone "B" into the occupied territory for the purpose of feeding the strikers. The morale of the Police Force was well maintained due principally to the active participation in operations of Allied officers and armed auxiliary police both American and British who were called out to assist. In VENEZIA GIULIA "ordinary crimes" (i.e. non-political crimes) decreased. Thefts in the marshalling yards in TRIESTE decreased due to the posting of additional guards. Although persistent thefts from wagons in the yard are admitted the alleged thefts of UNRRA supplies destined for JUGOSLAVIA are strongly refuted.

33. Practically all the Political crimes occurred during the first few days of the month particularly while the illegal strike was in progress. They were mostly offences against persons (assaults etc) although there were numerous cases of damage to property. The difficulty with the political crimes was that generally none of the parties concerned would assist the police due to fear of reprisals and sometimes fear of investigation into their own activities. The activities of the Jugoslav elements who abduct people, usually Jugoslavs and take them into Zone B were a cause of grave concern to many people particularly anti-Tito Jugoslavs who were reduced to a state of terror. By comparison with pre-occupation standards the crime figures would be considered [illegible] crimes directly due to the

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newspapers.

32. Heavy demands were made on the Civil Police during the month. During the General strike (between the 1st and 12 July) called by the UAIS a total of 414 arrests were made; 130 civilians were injured and 3 killed. Police casualties numbered 4 killed and 41 injured. Serious injuries were also sustained by 2 Allied personnel. After the Civil Police had been fired upon several times the Corps Commander on 4 July authorized them to carry arms on ordinary duties during the day. The 12 critical days of the strike were characterized by small and more frequent demonstrations, fights between mobs of opposing factions and attacks by them on their respective party buildings. Frequent use of firearms was made by civilians and several cases of grenade throwing occurred resulting in damage to property. Following the declaration of the illegality of the strike the police were very active in preventing transport of foodstuffs from Zone "B" into the occupied territory for the purpose of feeding the strikers. The morale of the Police Force was well maintained due principally to the active participation in operations of Allied officers and armed auxiliary police both American and British who were called out to assist. In VENEZIA GIULIA "ordinary crimes" (i.e. non-political crimes) decreased. Thefts in the marshalling yards in TRIESTE decreased due to the posting of additional guards. Although persistent thefts fro. wagons in the yard are admitted the alleged thefts of UNRRA supplies destined for JUGOSLAVIA are strongly refuted.

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

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

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

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

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

39. The 3 dark moonless nights July showed a 25% increase in fish over June. 250 tons were brought into TRIESTE and further reductions in price were made.

40. Industry during the month was adversely affected by the general strike. The strike, backed by the pro-Yugoslav element was by no means popular and a considerable number of strikebreakers remained at work. Resumption of work on 18 July resulted in clashes between non-strikers and ex-strikers. These clashes became progressively worse and at the CANTIERI OF S. MARCO and MONFALCONE the managements were unable to control the situation. To prevent bloodshed and destruction, the directors of the CANTIERI RIUNITI DELL'ADRIATICO on their own responsibility and without prior reference to AMG closed these two yards on 18 July affecting 10,000 workers. The yard was reopened on 19 July under the control of the Chief Labor Officer and Utilities Officer in charge, assisted by a number of British officers of AMG. Fifty American and fifty British troops were provided for the maintenance of law and order. The workers returned and the yards started work. Allowing for normal absenteeism, attendances were satisfactory [illegible] from the start, workers appeared well pleased

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

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

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

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

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

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

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

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

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PART II

CIVIL AFFAIRS SECTION

LEGAL SUB-COMMISSION

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

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

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

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

PUBLIC SAFETY SUB-COMMISSION

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

5. In UDINE public order was tranquil throughout the month, but in VENEZIA GIULIA serious disturbances occurred almost daily during the first half of July.

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officer was appointed to maintain contact with Italian Courts to help expedite disposition of cases.

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

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

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

DISPLACED PERSONS

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

The second sentence of para 6, page 25 of a/m report reads as follows, "The handover to UNRRA of Displaced Persons Camps is now completed".

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

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

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

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

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I. G. 2 AGRICULTURAL BRANCH

1. The wheat situation throughout July was unusually favorable inasmuch as stocks in hand were considerably above immediate requirements. Receipts from local sources and from imports during the month were much greater than consumption. As a result the month ended with stocks on hand of almost a million and a half tons of wheat or sufficient to support the present bread and pasta ration of 250 grams and 600 grams respectively for 120 days. (Due to the improvement in the wheat situation, the Italian Government restored the pasta ration to 2000 grams per month on 1 July and increased the bread ration to 250 on 10 July.)

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

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

4. Good weather for harvesting and threshing prevailed during July in all parts of ITALY except the extreme Northern Provinces where local rains interfered to some extent with these operations. Seasonably dry weather was experienced throughout central and Southern ITALY and approached drought conditions in so far as the production of green vegetables and fodder were concerned. However there was no serious concern evident. Reports on Wheat yields were very satisfactory although no final figures on production are yet available. The estimated total production is 5,976,220 tons but it will probably be raised to over 6,000,000 tons after all figures are received. Oats (minor) gave promise of a heavy yield due to favorable weather conditions. Hay crops in the Southern Provinces was out and the lifting of green beans commenced. Wheat threshing continued satisfactorily in the Po Valley and in the Northern Provinces deliveries were disappointing. Control measures have been under applied in CENTRAL ITALY and the disappointment felt there over the outbreak results has now resulted in a strong desire to cooperate with the new republican government. Cereal wheat collections for all ITALY for July was 2, 30-,000 tons.

5. No agricultural supplies against Z1 and Y8 or YT requisitions were received during the month. Some ships carrying such supplies were on route and due to arrive early in August.

6. Good progress was made in both UDINE and VENEZIA GIULIA in assessing the new crop of wheat. An extensive plan of multiplant threshing in VENEZIA GIULIA for the [illegible] was prepared.

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5. No agricultural supplies against VA and VB or VT requisitions were received during the month. Four ships carrying such supplies were on route and due to arrive early in August.

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

COMMERCE (FOREIGN TRADE) BRANCH

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

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under which it is to be conducted. One point awaiting clarification was that of Quota Procedure. The Italian Preference System for the areas under consideration remains in force and the Italian Government wishes to know whether the reciprocal system can be maintained.

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

INDUSTRY & UTILITIES BRANCH.

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

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

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

12. No important generating units were restored to service during the month. However, a 12,000 K/ unit at the natural steam plant in the LARDARELLO area and a 10,000 K/ unit at PESCARA are due to be restored and begin production in the early part of August. These machines will furnish power to the CENTRAL and SOUTHERN ITALY grids. Due to an estimated deficit of 13 electric

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TRANSPORTATION & SHIPPING BRANCH

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

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

14. There was a general increase in freight traffic especially at the ports, due to arrival simultaneously of grain and coal cargoes. The average port loadings during the month were 1457 wagons of which 565 were coal and 185 grain. During the last fortnight average daily loadings were 2000 wagons. The demand for wagons far exceeded the supply and the situation was critical.

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

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

CAPTURED RAIL MATERIALS BRANCH

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

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17. The total number of releases of C.M.M. made to the Italian Government during July numbered 141 as compared with 79 in June. Included in these releases was a large Signal Depot in LE MOLE consisting of quantities of Italian and German signal equipment of considerable value. Other releases consisted of 500 M.T vehicles, 39 electric motors, 14 snow ploughs and snow clearing equipment, film processing machinery and thousands of tons of bombs and ammunition.

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PART IV

INDEPENDENT SUB-COMMISSIONS

NAVY SUB-COMMISSION

1. Repatriation of Italian Prisoners of War continued to be the principal occupation of the active units of the Italian Fleet. The cruisers MONTECUCCOLI and DUCA degli ABRUZZI made a combined total of five trips to PORT SAID returning 800 prisoners on each return trip. In addition the transport MIRAGLIA, the SPESTRIERE and CITTA' di ALESSANDRIA were employed in this service. The ex-hospital ship TOSCANA was employed in repatriating Italian civilians from MASSAWA. Italian minesweeping units continued to make progress in clearing the coast of mines and underwater obstructions.

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

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

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

LAND FORCES SUB-COMMISSION

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

6. Release of transport by the War Ministry continued to be unsatisfactory. Figures based on the new reduced War establishment showed that Carabinieri were

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mines and underwater detonations.

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

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

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

LAND FORCES SUB-COMMISSION

5. The total strength of the Italian Army as at the end of July was 244,618 including Carabinieri (64,720). Disbandment of Br - ITI units continued; there were only six remaining at the close of the month. Application for the disbandment of three of these was made. The remainder were employed in guarding Prisoners of War at [illegible]. Disbandment of US - ITI units was slow and behind programme.

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

7. Carabinieri morale probably higher than at any period since the Armistice, as regards their own future. All ranks indicated a clearer and greater appreciation in all quarters and knew all rules as to the future of the Corps.

8. The Medical stores at [illegible] continued to receive stores from Central Mediterranean, MIDDLE EAST and EAST AFRICA Overseas and from [illegible].

REPATRIATION OF WAR.

9. A total of 31,036 POW were repatriated during the month. (30,243 from British lands and the remainder from other sources). Two ships were allocated to repatriate 1,740 sick PW and PW from AUSTRALIA whose early return was requested on compassionate grounds. These ships are scheduled to leave [illegible] arriving Naples 3 August. Further sailings were being made to certain ships in order that more expeditious relief could be

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AIR FORCES SUB-COMMISSION

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

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

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

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

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

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

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16. Four new reporting stations were opened during the month bringing the total of Italian Meteorological stations to 159. The Italian delegation to the International Meteorological Organization Conference in PARIS returned. The main themes developed were the collection and distribution of meteorological information and the standardization of codes.

COMMUNICATIONS SUB-COMMISSION

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

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

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

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

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

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

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

Ellery W. Stone

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APPENDIX "A"

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

MINISTRY	NAME	PLACE OF BIRTH	DATE OF BIRTH	
President	A. DE GASPERI (CD)	Trento	1881	A.DE GASPERI (CD)
Without Portfolio	P. NENNI (Soc)	Faenza	1891	P. Nenni (Soc)
Agriculture	A. Segni (CD)	Sassari	1896	F. Gullo (Com)
Air	M.Cingolani (CD)	Rome	1883	M.Cevolotto(Lab. Dem.
Education	G. Gonella (CD)	Verona	1905	E.Molè (Lab Dem
Foreign Affairs	A. De Gasperi (CD) (Interim)	Trento	1881	A. DE GASPERI(CD
Finance	M. Soccimarro (Com)	Udine	1895	M.Soccimarro(Com
Foreign Trade	P. Campilli (CD)	Frascati	1891	
Industry &Comm.	R. Morandi (Soc)	Milan	1902	G. Grunchi (CD)
Interior	A. De Gasperi (CD)	Trento	1881	R. Romita (Soc.)
Justice	F. Gullo (Com)	Cosenza	1889	P. Togliatti(Com
Labour	L. d'Aragona (Soc)	Cernusco (Milan)	1875	G. Barbareschi (Soc)
Merchant Navy	S. Aldisio (CD)	Gela	1890	
Navy	G. Micheli (CD)	Parma	1896	R. De Courten (Ind)
Posts & Telegraphs	M. Scelba (CD)	Caltagirone	1901	M. Scelba (CD)
Postwar Relief	E. Sereni (Com)	Rome	1907	L.Gasperotto (Lib.Dem.)
Public Works	G. Romita (Soc)	Tortona	1887	L. Cattani(Lib)
Transport	G. Ferrari (Com)	Parma	1887	R. Lombardi (Action)
Treasury	E. Corbino (Ind)	Augusta	1890	E. Corbino (Lib)

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Education	G. Gonella (CD)	Verona	1905	E.Molè (Lab Dem.
Foreign Affairs	A. De Gasperi (CD) (Interim)	Trento	1881	A. DE GASPERI(CD
Finance	M. Soccimarro (Com)	Udine	1895	M.Soccimarro(Com
Foreign Trade	P. Campilli (CD)	Frascati	1894	
Industry &Comm.	R. Morandi (Soc)	Milan	1902	G. Gronchi (CD)
Interior	A. De Gasperi (CD)	Trento	1881	R. Ramita (Soc.)
Justice	F. Gullo (Com)	Cosenza	1889	P. Togliatti(Com
Labour	L. D'Aragona (Soc)	Cernusco (Milan)	1876	G. Barbareschi (Soc)
Merchant Navy	S. Aldisio (CD)	Gela	1890	
Navy	G. Micheli (CD)	Parma	1896	R. De Courten (Ind)
Posts & Telegraphs	M. Scelba (CD)	Caltagirone	1901	M. Scelba (CD)
Postwar Relief	E. Soroni (Com)	Rome	1907	L.Gasperotto (Lab.Dem.)
Public Works	C. Ramita (Soc)	Tortona	1887	L. Cattani(Lib)
Transport	G. Ferreri (Com)	Parma	1887	R. Lombardi (Action)
Treasury	E. Corbino (Ind)	Augusta	1890	E. Corbino (Lib)
War	C. Facchinetti (Rep)	Milan		M. Brosio (Lib)
Without Portfolio	C. Macrelli (Rep)	Romagnolo	1903	E. Lussu (Action)

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HEADQUARTERS ALLIED COMMISSION
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M O N T H L Y R E P O R T

JUNE - 1946

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POLITICAL SUMMARY

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

2. Politically the results of the election have been a great surprise. The Christian Democrats were supported by 35.2% of the voters; the Socialists and Communists came next with 20.7% and 18.9% respectively. The National Democrats, Uomo Qualunque (which perhaps was a surprise packet) and the Republican Party, all obtained a million votes, while the other parties had but negligible success.

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

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

5. Immediately prior to the elections on June 1st, King UMBERTO made a statement expressing sympathy with the voters' desire not actually to do his duty in the crucial and he announced his plan to accept the results of the Referendum calling upon the supporters of the Monarchy also to respect "the decision of the majority without reservation". He also went on to say that should the Referendum show that the majority of the people were in favour of the Monarchy, he pledged his word that as soon as the Constituent Assembly had accomplished its task, the Italian people would again be given the opportunity to express their views on the institutional question in such form as the responsible representatives of the people might think best. By that time feelings would have calmed down and the people would have come to make a mature choice.

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

7. The trouble was that the results of the Referendum, together with appeals, had to be scrutinised by the Supreme Court of Cassation who, by law, were required to finish their labours by June 17th. Indeed it was hoped that it might would have finished by June 6th. Not, however, until June 10th did the Court make any announcement and then produced only an interim report.

8. On June 9th it became known that certain groups of Monarchists had entered protests against the legality of the Republican Election, in accordance to Decree Law No. 98 of March 16th, 1946, the Referendum should be decided on the "majority of votes cast". Thus, for example, if 25 million votes

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2. Politically the results of the election brought a great surprise. The Christian Democrats were supported by 35.3% of the voters, the Socialists and Communists came next with 20.7% and 18.9% respectively. The National Democrats, the Qualunque (which perhaps was a surprise packet) and the Republican Party, all obtained a million votes, while the other parties had but negligible success.

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5. Immediately prior to the elections on June 1st, King UMBERTO made a statement expressing sympathy with the voters' fears and assured us of his duty in the crisis and he underlined his pledge to abide by the results of the Referendum calling upon the supporters of the Monarchy also to respect "the decision of the majority without reservation". He also went on record that should the Referendum show that the majority of the people were in favour of the Monarchy, he pledged his self that as soon as the Constituent Assembly had completed its task, the Italian people would again be given the opportunity to express their views on the fundamental question in such form as the representatives of the people in the future. By this time feelings would have cooled down and the people would have time to make a mature choice.

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

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

8. On June 11th it became known that certain groups of Italians had entered protests against the legality of the Referendum claiming that according to Decree Law No. 98 of March 16th, 1946, the Referendum should be decided on the "Majority of voting electors". Thus, for example, if 25 million votes were cast and 9 million were found to be spoilt or invalid, the majority in the Referendum would nevertheless have to be over 13 million rather than over 12 million. A request was also received by the Allied Commission from the head of the Italian Communist Union for intervention by the Allied authorities to check if not to supervise the work of the Court. The letter was forwarded to the Prime Minister for such action as he might deem appropriate and the writer was so informed.

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9. On June 10 the Court of Cassation made their interim report to the Government on the basis of almost complete returns. The report concluded that the Court would pass final judgment on the protests and claims before complete results of the Referendum were proclaimed. The Council of Ministers thereafter immediately issued a communiqué stating that the Council had taken note of the Court's findings which indicated a majority favouring the Republic, calling upon all Italians to preserve calm and order and declaring June 11 a national holiday in honour of the Republic. The interim report of the Court, however, led to a most unfortunate situation, inasmuch as those members of the Government of Republican tendencies desired the Republic to be proclaimed immediately on the basis of the Court's interim report, while the King was not convinced that it was proper for him to transfer the sovereign powers to the Provisional President of the Republic until the definite findings of the Court had been received. The King proposed the appointment of Signor DE GASPERI as his Lieutenant General since under Decree Law No. 98 Signor DE GASPERI would automatically assume the functions of Chief of State on the final proclamation of the Republic. Under this proposal the King intended to retire to the country until the Court's final decision was known. The Government asked the King to set forth in detail the manner in which he proposed to appoint the Lieutenant General and the powers which he would assign to him. The King's formal reply came on June 12 in a letter to the Prime Minister which was simultaneously published in Roman newspapers confirming his willingness to await the decision of the majority of Italian electors and concluding with the statement that he was sure that he and the Government could continue their cooperation for the sake of Italian unity. The Government, after three meetings during the day, took a different view of the situation and issued a communique early on June 13 in which it adopted the position that the interim report on the Referendum by the Court had automatically established a transitional regime and that as a result thereof, the functions of the Chief of State fell automatically to the President of the Council of Ministers. During these negotiations the King made a sudden and secret decision to leave Italy. He left the ROME airport at 4 o'clock on the afternoon of June 13 by Italian aircraft, joining his wife and children in PESCHIERI the next day. The first news of the King's departure from Italy was received in the Allied Commission by a telephone call from the airport one half hour after the plane took off. The destination was unknown. Shortly after 5 PM the Minister of the Royal Household informed the Chief Commissioner, Allied Commission, that the King had left ITALY. He would not disclose what the King's destination was but stated that a Royal proclamation would be issued that evening. The Proclamation, released that evening, recalled the King's oft-expressed willingness to abide by the decision of the people, but stated that in view of the provisional and partial results made known by the Court of Cassation, the various protests and the question raised as to the manner of calculating the majority, the King has decided to await the official and final decision of the Court of Cassation. The Proclamation went on to say that in violation of the law, the Italian Government had accomplished a "revolutionary" act by causing powers that did not belong to it. Thus, it stated, the King was faced with the alternative of causing bloodshed or enduring violence, and in order not to become an accomplice to the fellow-citizens could but and to spare the people further suffering, he had decided to leave the country. He added that he felt it his duty as an Italian and a King to protest against the violence committed. He called on his followers to abstain from anything that would threaten the unity of the country and released all those who had sworn allegiance to the King from their oath. The King's departure was carefully concealed from the Italian Government and learned of it from other channels. A statement was issued by the Government branding the King's Proclamation as a "spiteful" document and deploring that a difficult situation, which has developed not without dignity had ended on an undignified note. The Prime Minister spoke to the nation on the same day. The Court of Cassation issued its final official report on the Referendum on June 18. According to the Court's final report the Republic received 12,717,923

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of Chief of State on the final proclamation of the Republic. Under this proposal the King intended to retire to the country until the Court's final decision was known. The government asked the King to set forth in detail the manner in which he proposed to appoint the Lieutenant General and the powers which he would assign to him. The King's formal reply came on June 12 in a letter to the Prime Minister which was simultaneously published in the newspapers confirming his willingness to await the decision of the majority of Italian electors and concluding with the statement that he was sure that he and the Government could continue their cooperation for the sake of Italian unity. The Council, after three meetings during the day, took a different view of the situation and issued a communique early on June 13 in which it adopted the position that the interim report on the Referendum by the Court had automatically established a transitional regime and that as a result thereof, the functions of the Chief of State fell automatically to the President of the Council of Ministers. During these negotiations the King made a sudden and secret decision to leave Italy. He left the ROME airport at 1 o'clock on the afternoon of June 13 by Italian aircraft, joining his wife and children in PESCHIEL the next day. The first news of the King's departure from Rome was received in the Allied Headquarters by a telephone call from the airport one half hour after the plane took off. The destination was unknown. Shortly after 5 PM the Minister of the Royal Household informed the Chief Commissioner, Allied Commission, that the King had left ITALY. He would not disclose what the King's destination was but stated that a Royal proclamation would be issued that evening. The Proclamation, released that evening, recalled the King's oft-expressed willingness to abide by the decision of the people, but stated that in view of the provisional and partial results made known by the Court of Cassation, the various protests and the question raised as to the manner of calculating the majority, the King had decided to await the official and final decision of the Court of Cassation. The Proclamation went on to say that in violation of the law, the Italian Government had accomplished a "revolutionary" act by assuming powers that did not belong to it. Thus, it stated, the King was faced with the alternative of causing bloodshed or countering violence, and in order not to become an accomplice to the illegality could not rule to spare the people further suffering, he had decided to leave the country. He added that he felt it his duty as an Italian and as King to protest against the violence committed. He called on his followers to abstain from anything that would threaten the unity of the country and released all those who had sworn allegiance to the King from their oath. The King's departure was carefully concealed from the Italian Government and learned of it from other channels. A statement was issued by the Government branding the King's Proclamation as a "spiteful" document and deploring that a difficult situation, which had developed not without dignity had ended on an undignified note. The Prime Minister spoke to the nation on the same day. The Court of Cassation issued its final official report on the Referendum on June 18. According to the Court's final report the Republic received 12,717,923 votes and the Monarchy 10,719,284. The Court decided that the phrase in the electoral law "majority of the electoral vote" must be interpreted as meaning a majority of the electors who expressed themselves through valid votes. There were approximately one million and a half invalid votes. Immediately thereafter the Council of Ministers approved a decree establishing procedures in view of the change in the institutional form of the state. The Italian tricolor was established provisionally as the national flag without the Savoy coat of arms. The Government also approved a decree dissolving the Senate on the eve of the Constituent Assembly should convene.

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

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

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

13. The Amnesty Decree was approved by the Council of Ministers on 21 June and consisted of 17 articles, granting amnesty for political offences committed between the date of the Italian Liberation, 2 May 1945 and 18 June 1946, for all common offences punishable with imprisonment not exceeding 5 years and a remission of 3 years for longer sentences. It also included political offences committed after 8 September 1943 even if punishable with longer sentences. As for Fascist crimes, death sentences will be commuted to life imprisonment, and lesser sentences will be reduced by one third. The Amnesty will not apply to premeditated murder, criminal conspiracy, corruption of public officials, offences against the Allied Forces etc. It applied to Fascist political crimes and to collaboration with the enemy only if the offenders did not have an "elevated responsibility of civil or military command", and did not participate in massacres, atrocities, murders etc. The question of the application of the Amnesty to offences against Allied Forces is under consideration.

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two sup[illegible] agreements between the United States and [illegible] and the United KINGDOM and IT[illegible] respectively regarding the maintenance of Allied troops in ITALY.

12. With the electione over Foreign affairs - and in particular the deliberations and decisions of the Council of Four in PARIS claimed the anxious attention of the Government, the perhaps too outspoken criticism of the Press, and the deep concern of all thinking Italians. The Prime Minister stated that the Italian community would never be able to endure some of the "conditions" and public feeling ran high over the proposed terms of the Peace Treaty. On June 19 Italians received what was clearly a shock to the majority in the decision of the PARIS Conference to uphold FRANCE's claims on the PIEDMONT border, particularly at BRIGA, TENDA and MONTE ISIO. The Prime Minister called the news bitter and unexpected, an injustice against ITALY and a very great error against Italo-French friendship; he spoke of efforts made to prove to FRANCE that despite the ITALIAN had repudiated Mussolini's aggressive policy - "ITALY renounced her privileges in TUNISIA - undertook to repair ten French ships sunk by Italian waters - signed a commercial agreement extremely considerate of French requirements - and declared that she was ready to give to FRANCE the upper ROYA and VESUBIO VALLEYS, CHAMPORCHER and the STRETTA VALLEY and the LITTLE ST. BERNARD PASS. For MONT ISIO she proposed an Italo-French competition for the common use of water power resources". Newspaper articles were violent and somewhat hysterical.

13. The Amnesty Decree was approved by the Council of Ministers on 21 June and consisted of 17 articles, granting a mesty for political offenders convicted between the date of the Italian Liberation, 8 May 1945 and 18 June 1946, for all common offences punishable with imprisonment not exceeding 5 years and a remission of 3 years for longer sentences. It also included political offences committed after 8 September 1943 even if punishable with longer sentences. As for fascist crimes, death sentences will be commuted to life imprisonment, and lesser sentences will be reduced by one third. The Amnesty will not apply to premeditated murder, criminal association, corruption of public officials, offences against the Allied Forces etc. It applied to fascist political crimes only to collaboration with the enemy only if the offenders did not have an "elevated responsibility of civil or military command", and did not participate in massacres, reprisals, murders etc. The question of the application of the Amnesty to offences against Allied Forces is under consideration.

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PART I - LIAISON GROUP REPORTS.

LIGURIA REGION.

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

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

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

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

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

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

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

LOMBARDIA REGION.

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

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

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9. On 23 June a demonstration took place in the early morning in MILAN at the Camera del Lavoro with the intention of provoking a one hour strike of all workers as a sympathetic gesture towards unemployed war veterans; an additional grievance of the workers was that they were not receiving the usual daily subsidy. Their proposals were not considered so the demonstrators marched to the centre of the city where they were charged by Auxiliary Agents with truncheons. This incident caused such public comment that the Prefect intimated that by 10 July all private concerns must engage unemployed war veterans in the proportion of 8% of their total personnel. The problem of the daily subsidy was remedied by the supply of extra funds. Relations between Allied military and civilians continued to be good. The CC.RR carried out numerous arms raids and recovered considerable quantities of arms and ammunition. Approximately 50 arrests were made in this connection.

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

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

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

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

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

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

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

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

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PIEMONTE MAGIC.

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

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

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

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

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felt regarding the power stations at BRIGA, TENDA and MONCENISIO, and their probable control by the French.

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

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

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

VENEZIA REGION.

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

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

27. The general food situation continued to be reasonably good although the cost of living did not change. The shops continued to be filled with foodstuffs and little effort was made to control the number of courses served in restaurants. The basic bread ration remained at 200 grams and 300 grams of rice or pasta. The general grain situation throughout the Region indicated about a third increase in both production and amassing over last year, the estimated wheat production in 1946 totalling 636,800 tons. Total unemployment figures decreased during the month to 177,896, a decrease of about 20,000 over the previous month. The industrial situation remained uncharged due principally to the lack of coal and raw materials. The woollen mills in

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

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

30. The public health situation remained good.

NAPLES, CAMPANIA AND CALABRIA.

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

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

33. At the beginning of the month grain and flour stocks were so low that they were reported to be sufficient only to maintain the basic bread ration of 9 ozs. over the first week of the month in CAMPANIA, the position in CALABRIA being even worse. The bread ration, however, was not cut and local stocks of grain were sufficient to allow a sharp fall to take place in the price of free, or so-called black market bread in the first period of June. Threshing was well under way and reports indicated a very good harvest. On

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

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

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

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

BARI AND PUGLIE MARCHE.

38. The elections and Referendum took place as scheduled in good order and the subsequent political situation remained calm. There were a few Monarchist demonstrations after the elections but these were free of outstanding incidents with one exceptions when some 36 persons were injured in a demonstration staged by the Communist Party. As a result of the decisions reached at the PARIS Conference public morale was low and public opinion definitely anti-Allied. The general feeling was that the promises made by the Allies during the war to the effect that ITALY might expect better treatment by throwing her lot in with the Allies were not adhered to and that ITALY's co-belligerency and aid given to the Allies against GERMANY were not being recognised; in fact nothing had been gained by assuming the status of co-belligerent.

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

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

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

EMILIA REGION.

42. The elections and referendum passed off in an atmosphere of calm; there was much less excitement evinced than at the local elections in April. Great interest was shown by the population as was evidenced by the heavy

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EMILIA REGION.

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

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

44. The general food situation was reasonably good and there was sufficient grain to last until the harvest which was expected to be very good. The amassing of the 6½ of the producers allowance of the 1945/5 harvest, produced about one-third of the expected amount. There was some agitation for an increase in the bread ration and disputes continued between the land-owners and the farmers which affected the amassing. Other foods were plentiful; fresh fruits and vegetables were in abundance and quantities of fish at prices that fluctuated according to the catch. Meat was expensive. The shops continued to be well stocked with goods, particularly textiles including silk. The position of industry remained unchanged, the shortage of coal and raw materials being the main obstacles to reconstruction.

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

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

47. All Displaced Persons Camps were under Allied Commission control and the work proceeded satisfactorily. At BOLOGNA one camp was being used for students and dissident Yugoslavs, the other had been prepared for a possible influx of refugees from VENEZIA GIULIA. At REGGIO EMILIA one camp held displaced persons of all European nationalities, except RUSSIAN and YUGOSLAV: the other was housing ALBANIANS. There were no outstanding incidents in the camps during the month; health was good and no epidemics were reported. The most prevalent diseases were tuberculosis and V.D.

48. Public Health was good during the month and no serious epidemics were reported. Measles were prevalent throughout the Region, the incidence being highest in FORLI Province. A childrens holiday camp was opened at RICCIONE with a capacity of about 100. The arrangements made will enable children to take a 10 to 15 day holiday at the sea.

49. Railways gradually improved and there was ample road transport with a resulting lowering of haulage costs. Postal telegraph and telephone facilities continued to improve.

50. Italian courts continued to function slowly.

51. Most schools closed for the summer and it is hoped to have repairs completed before the reopening thus allowing a more efficient functioning.

BOLZANO PROVINCE.

52. During the month news and rumours from PARIS almost completely

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BOLZANO PROVINCE.

52. During the month news and rumours from PARIS almost completely overshadowed the Government crisis in ROME. However, the decision to leave the SOUTH TYROL with ITALY was expected and received with dignity by both sides. The German speaking people appeared to realise that their future lies within the framework of ITALY and to this end the powerful Suditirolor Volspartei agreed to cooperate unreservedly with the Italian Government to frame rules for Autonomy. This agreement was confirmed in writing by the President and Secretary General of the S.V.P. The S.V.P. also confirmed in writing their change of programme from that of annexation to AUSTRIA to that of cooperation with ITALY. The German speaking people would have

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preferred Provincial Autonomy to Regional Autonomy, the former embracing territory down to the SALORNO line (the ethnical division) with the addition of the UNTERLAND and the three communes in BELLUNO Province. The Option Committee submitted its recommendations to the Italian Government for the definition of the various categories of citizenship. It was recommendedthat (a) those who opted for GERMANY but did not receive actual forms of citizenship will automatically become ITALIAN citizens unless they confirm their option within two months of the publication of the decree; (b) those who opted for GERMANY and received forms of citizenship but did not remove themselves to GERMANY must renounce their option in writing within two months of the publication of the decree or their option will be enforced and they will automatically become aliens; (c) those already in GERMANY must apply in writing to the Ministry of Interior within two years of the signing of the Peace Treaty with ITALY. Each individual application will be examined by a Committee formed of one Judge, six German-speaking and six Italian-speaking members in BOLZANO. Much work has been done to further the interests of the German people during the last six months; autonomy has been granted, citizenship regularised, dual language authorised, courses of instruction run for German-speaking Communal Secretaries, schools organised for instruction in both languages. All Italianisednames changed into their original form, re-employment of discharged Forestry personnel and arrangements made for the reception of South Tyrolean POW's.

53. Carabinieri acquitted themselves well during the month and increased confidence in this body was noted. The crime situation remained generally the same although there was a definite decrease in major crimes. Gaols in the area continued to be overcrowded. Numerous complaints were received of theft of chickens, fruit and other farm produce, and the accusations were directed againstItalian troops in the area.

54. It was hoped to find a market for fruit in SWITZERLAND, but difficulties were foreseen as SWITZERLAND has a very good crop this year. However, the local Chamber of Commerce intends to export quantities of fruit and wines to Allied troops in AUSTRIA. Contracts worth 200 million lire were made for the export to SWITZERLAND of South Tyrolean wines. Arrangements for export to SWEDEN were also made. The industrial situation remained precarious owing to lack of liquid and solid fuel and a shortage of raw materials. It was anticipated that some of the factories in the area would be compelled to close down. The food situation in the Province was satisfactory but crops in general are very late this year on account of the weather conditions. Heavy rains during the month caused some decrease in the fruit crop especially in the ADIGE VALLEY. The fodder situation was very good. Unemployment increased, the unemployed numbering 3,200. Arrangements were made by the Chamber of Commerce for a number of these to go to SWITZERLAND to work in hotels; the conditions of salary, etc. were favourable.

55. Public Health was good and the medical supply situation was excellent.

56. Orders were received to the effect that the Displaced Persons Camp No.19 was to be handed over to the Italian Government by 21 July. There were 1,188 Displaced Persons in the Camp of whom 1,161 were GERMANS. Discussions regarding their return to GERMANY were in progress. 1022

57. Italian Courts functioned slowly due to a lack of personnel, especially those with bi-lingual qualifications.

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ABRUZZI and LAZIO.

58. The elections were carried out in all Provinces in an orderly and serious fashion; the results of both the elections and the Referendum were calmly accepted by all parties and the population generally. The election of DE NICOLA as President of the Republic was favourably commented upon. Meetings of the Big Four in PARIS created much interest and a general depression on the part of the people was evident at the decisions reached.

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59. Although political events during the month required the attention of a large part of the Police Forces, crime did not show any appreciable increase and the situation was satisfactory.

60. Harvesting and threshing were in full swing and were yielding good results. The conferring of grain to the "ammassi" proceeded well. Shortage of coal, electric power, raw materials and high production costs hindered the recovery of industry. However, there was a slight decrease in unemployment figures. Public Works were being furthered to the full extent of funds allotted, thus relieving the unemployment situation considerably.

61. Public health was generally good, measles being the only cases showing any considerable numbers.

62. Transport and communications showed a steady improvement. In ANCONA the city tram system was partially rehabilitated and fast trains to and from ROME were reinstated. In PERUGIA the city bus lines recommenced to operate and in ASCOLI PICENO the railway line ASCOLI-PORTO d'ASCOLI was reopened to traffic.

ROME CITY AND PROVINCE.

63. Polling during the elections was notably heavy and the people showed great interest, conscientiousness and public spirit, many waiting for hours to cast their vote for up to periods of six hours. The results of the Referendum and the elections were received calmly. The conflict between King UMBERTO and the Government on the legality of the Referendum results gave rise to a delicate situation but the King's departure restored the balance. The verdict of the Supreme Court of Cassation banished any doubts as to the results of the Referendum and the population showed a genuine desire to relegate politics to the background and get on with their jobs. The amnesty decree was interpreted as a definite step towards more normal conditions and the establishment of good feelings in the new Republic.

64. Criminal activity was kept under control in spite of the widely spread economic uneasiness. Many cases of suicide were reported.

65. Unemployment continued to present a very difficult problem; the increasing numbers of "reduci" and ex-POW's swelled the ranks of the unemployed. Prices remained high and in some cases increased. Factories were handicapped by a lack of raw materials and insufficient coal thus preventing increased production and therefore employment.

66. A very good cereal crop is expected and threshing commenced during the month. There was, however, a lack of farm implements, petrol and fertilisers and there were numerous disputes between landowners and tenants. The cost of farm implements was high and improvements and reorganisation by farms proceeded very slowly. POL allocations to farms were insufficient and delayed operations thus forcing farmers to buy petrol on the black market as the work could not be postponed. Prices fixed by the Granai del Popolo and bonuses for early delivery while showing a sizeable increase over last year's figure were still not considered high enough and it was expected that there would be considerable evasion of the law. Government control appeared to be very slack but lack of adequate transport and insufficient personnel made close supervision very difficult. There was an abundance of fresh fruits and vegetables in the markets and the

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67. Transportation in the City was much improved and was almost back to normal although an increase in the number of vehicles to transport workers from the outskirts of the City to the centre was needed. The OSTIA LIDO railway line commenced operations during the month making it possible for approximately 50,000 people to be transported daily to the sea. This service was being supplemented on holidays allowing for an additional 30,000. There was little work done on roads.

68. No infectious diseases were reported during the month and public health was generally good.

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AMG UDINE PROVINCE

69. As elsewhere, the general election and the referendum on the Monarchy on the 2nd and 3rd of June took place in conditions of tranquillity. Arrangements for the elections were well organized and no incidents of any kind were reported. The poll was remarkably high except in one or two communes in the VAL CANALE where Slav and Austrian minorities did not vote. Although figures on the Referendum were in many cases very close, the results were received throughout the Province in a calm and orderly manner. Since the elections, party politics tended to fade into the background and attention was focussed chiefly upon the international situation, particularly as it affected Italian interests both in UDINE and VENEZIA GIULIA. Genuine anxiety was expressed over the possible fate of TRIESTE and VENEZIA GIULIA; this was increased during the month by a number of incidents provoked by Slav or pro-Slav elements throughout the Province, some of which had repercussions chiefly in the CIVIDALE area. Polling during the elections was particularly high in these areas to which the Slavs lay claim.

70. Some anxiety was felt by officers and men of the Carabinieri as to their position under the Republic, but they continued to carry out their duties loyally and satisfactorily. The economic situation as regards Carabinieri was materially improved by the increase of the "carovita" (cost of living bonus). The uniform and clothing situation left much to be desired. The prison situation was much improved; there were 300 detainees and this figure was expected to be reduced considerably as a result of the recently proclaimed amnesty. There was a slight increase in the number of armed robberies, but an encouraging number of good arrests were made. Resolute and efficient action was being taken by all police forces to combat crime. Some hidden arms were recovered during the month but there was little doubt that a large amount continued to be concealed throughout the Province.

71. Regular distribution of all rationed foodstuffs continued and all sick people received the normal supplementary rations as did heavy workers. Wheat amassing progressed satisfactorily and reached the figure of 3500 tons. Violators of the amassing laws were being denounced with wide publicity given in the local press. Food prices generally remained at the same high level nor was there any indication of any fall in prices in the near future. The general agricultural situation was highly satisfactory: a great increase was expected in the potato crop and the prospects as regards vines and fruit trees were promising. The serious position of coal supplies was alleviated by the arrival of 1500 tons. Tyres for vehicles continued to be in short supply. Industry, generally, reached an average of 43% normal production and the number of workers was approximately 58% of normal.

72. Public Works approved by the the Magistrato totalled 517 million lire, 60% of the programme authorised by the Ministry. Severe storms during the month caused much damage to roads; in one storm alone some 15 million lire worth of damage was done to Route 13 (L of C to UDINE and AUSTRIA).

73 A total of 1380 refugees passed through the Refugee Centre of which 1162 were Italians. The remainder included Poles, Russians, Jugoslavs, Hungarians, Austrians and Roumanians.

74. Although Public health was generally good there were a number of infections diseases throughout the Province, measles being most prevalent.

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AMG VENEZIA GIULIA

75. A number of disturbances and political incidents took place during the

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1021

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75. A number of disturbances and political incidents took place during the month. These began with the Italian elections and Referendum on June 2nd and culminated in the stoning at FIERIS on 30th June of the "Round Italy" bicycle race. Public agitation was maintained at a high pitch throughout the month by the protracted PARIS discussions on the fate of VENEZIA GIULIA and TRIESTE. The predominant feature was the violence of Italian extremists who felt that POLA and FIUME were lost and that the BIDAULT plan for VENEZIA GIULIA would be adopted. While official expression on both sides condemned the BIDAULT plan for an international state, more moderate elements agreed that the plan might be workable provided it includes a larger part of VENEZIA GIULIA. A popular suggestion was that the plan should include all territory between the ISONZO and the WILSON LINE. Other Italian groups favoured the BIDAULT plan but felt it should provide for a plebiscite to take place

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in about 5 or 10 years' time. Jugoslav Officials in VENEZIA GIULIA stated that their nation would not renounce its demands for complete annexation of TRIESTE to JUGOSLAVIA. The general impression gained from political circles on both sides was that if the present plan for internationalization of TRIESTE is promulgated both sides will continue to hope for and work towards eventual annexation of the territory comprising the new international zone. This would partly explain Italian bitterness as POLA and ISTRIA would be forever lost to ITALY being out of the proposed International Zone and also UAIS agitation in GORIZIA and MONFALCONE.

76. Civil Police were fully employed actively engaged during the month in dealing with the many demonstrations, processions, meetings and political incidents: leaves and rest days had to be suspended. Morale of the Force was maintained principally by active participation of Allied officers during this critical time. Crime returns showed a slight increase but this may be accounted for by greater efficiency in the keeping of records and an increased tendency on the part of the public to report crimes to the police. With effect from 7 June the control of wheat amassing commenced. In the MONFALCONE Area the AMG Order was disregarded by many farmers. On 24 June a crowd of demonstrators forced the main gate of the Prison at MONFALCONE with the intention of setting free the detainees. They did not succeed. In the GORIZIA Zone Finance Guards operated successfully against Black marketeers. Conduct of Allied troops was generally good, there being no cases of serious misconduct in public. Prison population showed a slight increase and there existed considerable excitement amongst the inmates of the prisons because the General Amnesty, conceded recently by the Italian Government does not apply to VENEZIA GIULIA.

77. Summary Courts tried 262 accused, a sizeable decrease from the figures for The number of pending cases also showed a considerable drop. Ordinary Civil Courts functioned with reasonable satisfaction.

78. Advances on cost of living increases to pensioners were authorized pending issue of a General Order. A thorough examination of Police finances was in the course of completion. During the month it was finally decided not to reactivate the State Lotteries. The source of revenue from Consumer Tax increased and there was more cooperation from some of the Jugoslav Communists while others remained rebellious.

79. The Italian decree for desequestration of Allied owned property was being implemented and a decree was anticipated from the Italian Government releasing control of AUSTRIAN property and treating Austrians as other nationals. Final instructions were given for release of bank accounts and securities of JEWS which were confiscated by the Germans.

80. The economic situation in POLA was very serious. Contractors were reluctant to make bids on Public Works which is the main source of employment. Most contractors demanded 100% payment before making commitments. Italian capital was virtually not available in POLA for short term enterprise and many of the merchants and industrialists were making every effort possible to move their assets out of the area. This situation increased unemployment figures. The removal of plants and machinery to TRIESTE was prohibited by AMG. A widespread feeling of hopelessness pervaded throughout the Italian section of the population of POLA. Large numbers of people signified their intentions of leaving the area and the stream of refugees continued daily, transporting as much of their furniture and belongings as was possible. Economic life was at a standstill; even the rehabilitation of the town itself had stopped.

81. Normal rations were issued during the month with the exception of pasta which had to be cut from 2000 to 500 grams. Imported stocks of grain were exhausted on 26 June. One ship scheduled with 8000 tons of flour failed to arrive but by speeding up the amassing only a small quantity had to be borrowed from British Army

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by many farmers. On 24 June a crowd of demonstrators forced the main gate of the Prison at MORMALCONE with the intention of setting free the detainees. They did not succeed. In the GORIZIA Zone Finance Guards operated successfully against Black marketeers. Conduct of Allied troops was generally good, there being no cases of serious misconduct in public. Prison population showed a slight increase and there existed considerable excitement amongst the inmates of the prisons because the General Amnesty, conceded recently by the Italian Government does not apply to VENEZIA GIULIA.

77. Summary Courts tried 262 accused, a sizeable decrease from the figures for The number of pending cases also showed a considerable drop. Ordinary Civil Courts functioned with reasonable satisfaction.

78. Advances on cost of living increases to pensioners were authorized pending issue of a General Order. A thorough examination of Police finances was in the course of completion. During the month it was finally decided not to reactivate the State Lotteries. The source of revenue from Consumer Tax increased and there was more cooperation from some of the Jugoslav Communes while others remained rebellious.

79. The Italian decree for desequestration of Allied owned property was being implemented and a decree was anticipated from the Italian Government releasing control of AUSTRIAN property and treating Austrians as other nationals. Final instructions were given for release of bank accounts and securities of JEWS which were confiscated by the Germans.

80. The economic situation in POLA was very serious. Contractors were reluctant to make bids on Public Works which is the main source of employment. Most contractors demanded 100% payment before making commitments. Italian capital was virtually not available in POLA for short term enterprise and many of the merchants and industrialists were making every effort possible to move their assets out of the area. This situation increased unemployment figures. The removal of plants and machinery to TRIESTE was prohibited by AMG. A widespread feeling of hopelessness pervaded throughout the Italian section of the population of POLA. Large numbers of people signified their intentions of leaving the area and the stream of refugees continued daily, transporting as much of their furniture and belongings as was possible. Economic life was at a standstill; even the rehabilitation of the town itself had stopped.

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82. With the seasonal movement of farm products and increased coal shipment from ARSA mines transportation showed an overall increase in traffic. Due to the shortage of POL only a few of the numerous requests for bus services could be granted. Warehouse traffic was normal; Cargoes received in the Ports and Warehouses totalled 35,834 tons. Commodities transported by Schooners Fleet totalled 20,420 tons. The Rail Section moved a total of 133,825.5 tons.

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83. Efforts were made by political agitators during the month to organize the tenant farmers under Sindaci Unici. The farmers were ordered by these organizers to leave their grain in the fields and not have it threshed unless the farm owners signed contracts making a 75% - 25% division instead of the 50% - 50% division. However, a firm stand was taken by AMG and most of the threshing machines were again in operation. The fruit crop generally was about 50% better this season. Hay harvest also showed an increase although it is still far below requirements. A large forestry and pasture project was prepared for study and approval; 6000 workers could be employed for 110 days and an additional 1200 during autumn for tree planting. Fish prices continued low as a result of good catches and efficient distribution. Fish canning was held up due to difficulties in procuring cans and olive oil in sufficient quantities.

84. Industrial activities throughout the territory with the exception of POLA remained calm. Initial steps were taken to secure a proportion of any orders which may be placed in ITALY by the British Board of Trade for utility furniture. A limited gas service was maintained throughout the month and the electricity situation was adequate. In the shipbuilding yards no orders for new construction of any magnitude were secured during the month. CRDA's (the shipbuilding firm) proposal to build 3 tugs for sale on completion was approved. The RONCHI Cotton Mill resumed production and industries supplying building materials bricks, tiles, timber, cement etc. were meeting local requirements. Steady progress was made on port reconstruction and urgent military jobs.

85. The sale of cloth manufactured in the GORIZIA Mills progressed 50,000,000 lire worth having been sold to date. This plant was operating to full capacity.

86. The financing of the Communal housing programme was approved. This programme calls for the construction of 800 low-rental apartments. Marine salvage work, mine disposal and dredging increased and the work on Bonifica and hydraulics showed good results not only in improving the unemployment situation but in actual increase in agricultural production. The number employed on Public Works increased, the total being 12,665. Of 41 bridges destroyed in the territory 12 have been rebuilt and 20 were in the process of being rebuilt.

87. Labour Offices continued to perform excellent work. There was an increase of 1,446 in unemployment figures in the whole of VENEZIA GIULIA. Categories mainly affected were clerical, maritime, and metal workers. During June, food costs for a standard family reached the lowest index since January both in TRIESTE and GORIZIA. Meetings both public and private (on industrial premises) reached a record level during the month. This increased activity intended mainly to provoke agitation was coupled with a more untractable attitude of the "Sindaci Unici" and suggested that the political machine behind the Sindaci Unici was paving the way towards a climax.

88. Public Health during the month was good. Typhoid in TRIESTE showed a slight increase. The Comitati Assistenza Post-Bellica (Welfare organization) functioned satisfactorily and was organising numerous childrens' holiday camps.

89. There was no appreciable change in figures of Displaced Persons; 1735 arrived and 1715 departed. Refugee movement from POLA increased.

90. Politically Italian schools comported themselves well. The PNOO School section intensified its attacks on the school administration of the Territory. Unauthorized text books were confiscated in SLOVENE schools of S.GIOVANNI and MUGGIA. The PNOO School Section called a meeting of AMG teachers and instructed them that they would be required to go to Jugoslavia for training during the summer months. However, AMG has established a summer refresher course in Slovene language and educational methods and attendance will be a prerequisite to employment during

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90. Politically Italian schools comported themselves well. The FNOO School section intensified its attacks on the school administration of the Territory. Unauthorized text books were confiscated in SLOVENE schools of S.GIOVANNI and MARCOLA. The FNOO School Section called a Meeting of AMG teachers and instructed them that they would be required to go to Jugoslavia for training during the summer months. However, AMG has established a summer refresher course in Slovene language and educational methods and attendance will be a prerequisite to employment during the coming school year. Slavic schools have been continually interrupted by nationalist and political upheavals during the past year. They have been engulfed in political indoctrination visible in the text books which FNOO has attempted to impose upon a great part of the population. Teachers have been intimidated and often forced to disregard the instruction given by recognized school authorities and use instead, the directions of FNOO.

91. A check of sub-post offices showed that all were functioning and only 3 were thought to be under the influence of FNOO. No wire thefts were reported during the month.

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92. All printed material pertaining to the electoral rolls was delivered during the month and many communities were working on their preparatory lists.

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PART II.

CIVIL AFFAIRS SECTION.

LOCAL GOVERNMENT SUB-COMMISSION.

1. A close technical study of the election procedure was made by the Sub-Commission in ROME, NAPLES and MILAN. (Please see Appendix A). Public order was good, the numbers of voters remarkably high and the procedure prescribed by law was properly followed. In view of the allegations made prior to the elections that electoral certificates were being deliberately with held from voters, particular attention was paid to this point. The number of certificates remaining undelivered at the close of the polls was 5.2% of the registered electorate. Numerous complaints were made to the Allied Commission alleging that the elections had been irregularly or fraudulently conducted and requesting that AC should intervene. The policy adopted by Allied Commission was to refuse to receive such complaints and refer the complainants to the remedies under the Italian law which are considered adequate. The Chief Commissioner called upon the Italian Minister on 21 June and expressed on behalf of the United States and British Governments their congratulations on the orderly manner in which the elections were carried out.

LEGAL SUB-COMMISSION.

2. Allied Military Courts, Superior and Summary were in session in VENEZIA GIULIA and UDINE Province during the month. Italian Courts functioned with reasonable satisfaction. No General Court cases were tried. The numbers of pending cases continued to decrease.
In UDINE a number of Proclamation offences of lesser importance were handed over to the Italian Government. The Court of Appeal of Naples continued to be concerned with its ever-present material and personnel problems. The various courts disposed of 211 cases involving 319 defendants for crimes against the Allied Forces. In VENEZIA GIULIA the Ordinary Court of Assize recessed for vacation but as there were 13 cases pending trial a request was directed to the Court Officials to institute a special term of court to dispose of some of these cases in July.

PUBLIC HEALTH SUB-COMMISSION.

3. Very little incidence of communicable disease was reported during the month. The only disease of any import was smallpox and figures were the lowest for many months. The total for the whole of Italy was 40. Deaths from all forms of tuberculosis totalled 169 as compared with 202 in April.

1019

PUBLIC SAFETY SUB-COMMISSION.

4. Good order prevailed during the two days of the elections and Referendum on the 2nd and 3rd of June. This tranquility prevailed for a few days until the first published results. Demonstrations involving crowds varying from a few hundred to several thousands took place without any serious results until 11 June. That evening a large Monarchist demonstration consisting of several thousand people collected outside the Communist Headquarters in NAPLES demanding that Republican and Communist flags be removed. Strong action was necessary to disperse the crowd who fired on the Police and threw hand grenades. 7 persons were killed and 64 civilians and Police wounded. In VENEZIA GIULIA demonstrations took place in TRIESTE on 12th and 30th June. On the former date there was an

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Carabinieri carried out their duties very well during the elections. The Amnesty helped to ease the problem of prison overcrowding but the release of so many criminals at the same time is expected to have its natural repercussion in future months.

DISPLACED PERSONS SUB-COMMISSION

5. During the month the re-shuffling of displaced persons between UNRRA and DPRSC Camps was completed. At the end of June UNRRA had taken over the responsibility for feeding the Camps in SOUTHERN ITALY and were endeavouring to get stock piles in position for the Camps in NORTHERN ITALY which will continue to be supplied by the military until the SACMED/UNRRA Agreement is signed. As a result of extensive fruitless endeavours to obtain clearance for the German nationals in BOLZANO, AFHQ considered it impracticable to effect the closing of the Camp by first evacuating the Germans accommodated therein. Unless the Italian Government agree to take over the responsibility it will be necessary to close the Camp and disperse the inhabitants.

6. It was not possible at this stage to make an estimate of the number of POLES who will remain in the Centre at FARLETTA and TRANI at the completion of the movement of 2 Polish Corps to the UK. The number was expected to be considerable. No illegal Jewish entrants into Italy through the RESIC PASS were reported.

7. On the 4 June the M/V "EZAHAIMATS" of 320 tons flying the flag of the PANAMA REPUBLIC arrived in GENOA from NEW YORK. The vessel called in GENOA to put a member of the crew ashore who was sick. She then sailed to SAVONA where certain repairs were carried out. Reports stated that nightly trucks with civilian drivers came alongside the vessel and loads were placed on board. These proceedings aroused the suspicion of the authorities of SAVONA who suspected that the ship was about to embark clandestine passengers. On 16 June the Captain of the vessel asked the Harbour Master of SAVONA for sailing orders to PORT SAID and at 2100 hrs that day the ship left SAVONA. Public Safety Agents noticed that the vessel, instead of sailing due south for PORT SAID, took a westerly course and anchored soon after off the shore of VADO LIGURE. The officers immediately left for VADO LIGURE and arrived just in time to be present at the arrival of a number of civilian trucks which discharged 1250 Jews who were immediately taken on board the vessel by the boats belonging to the "EZAHAIMATS". The Jews had no documents and declared that they had come from various concentration camps. Attempts were made by Finance Guards to prevent the Jews boarding the ship but were unsuccessful owing to their small numbers. Consequently the Jews got safely on board, the ship's moorings were cut and the vessel sailed.

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7. On the 4 June the M/V "BEAUHARNAIS" of 320 tons flying the flag of the PANAMA REPUBLIC arrived in GENOA from NEW YORK. The vessel called in GENOA to put a member of the crew ashore who was sick. She then sailed to SAVONA where certain repairs were carried out. Reports stated that nightly trucks with civilian drivers came alongside the vessel and loads were placed on board. These proceedings aroused the suspicion of the authorities of SAVONA who suspected that the ship was about to embark clandestine passengers. On 16 June the Captain of the vessel asked the Harbour Master of SAVONA for sailing orders to PORT SAID and at 2100 hrs that day the ship left SAVONA. Public Safety Agents noticed that the vessel, instead of sailing due south for PORT SAID, took a westerly course and anchored soon after off the shore of VADO LIGURE. The officers immediately left for VADO LIGURE and arrived just in time to be present at the arrival of a number of civilian trucks which discharged 1250 Jews who were immediately taken on board the vessel by the boats belonging to the "BEAUHARNAIS". The Jews had no documents and declared that they had come from various concentration camps. Attempts were made by Finance Guards to prevent the Jews boarding the ship but were unsuccessful owing to their small numbers. Consequently the Jews got safely on board, the ship's moorings were cut and the vessel sailed.

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FOOD AND AGRICULTURE BRANCH.

1. The wheat situation, which appeared to be very critical at the beginning of the month, improved rapidly towards the middle of the month due to unexpected progress made in gathering and delivering the new harvest. The estimate or target figure for June Arrivals was 15,000 tons but actual wheat deliveries reached 30,000 tons by the 20th June. Temporary bread famines were reported in a few localities at the beginning of the month but these were rapidly met by the prompt transfer of flour from other Provinces. Small arrivals of foreign wheat were the lowest in June of any month since 1945 and would have resulted in acute shortages of flour had not the new harvest been available. Total imports for the month were 130,000 tons. The prediction reduction of the bread ration proved to be unnecessary. However, the suppression of the pasta ration was extended through June in order to conserve flour stocks as much as possible. Estimated stocks as at 1st July were 445,000 tons. Sugar, fats and dairy products were in short supply during the month. Fresh fruits and vegetables were plentiful in nearly all provinces and were relatively cheap. A satisfactory plan was worked out by the Italian Government for the repayment of food advanced by the Allied Forces for Displaced Persons and for Allied Mess of civilians employed by Allied Military Units; cash progress was made during the month in making substantial repayment and in setting up a supply programme against future needs for Displaced Persons. Two ships arrived in AMG Territory during the month carrying miscellaneous foodstuffs.

2. Good weather conditions for harvesting and threshing prevailed generally throughout Italy during the month. As a result nearly all the excellent crops of cereals were harvested and threshing was well under way. Most vegetables maize crops and pastures were in need of more moisture and heavy hail caused some damage mainly in VENETO and PO VALLEY especially to corn and sugar beet. Wheat yields were with few exceptions notably higher than were predicted, (187,000 tons more than was forecast in May). Yields of other cereals were also proving to be good, but hay cuts varied. In Sardinia at this time the crop harvests of 1946. Rice showed an unhealthy condition on 20 June. Heavy rains and low temperatures made rooting and vegetation, particularly in case of the principal rice growing areas. The production of potatoes is expected to be double that of 1946. Grape vine cankers in some Provinces by strong winds but in general fruit was reasonably plentiful and of good quality.

3. The only supplies received during the month against MA,MB and MT requisitions were nitrogen fertilizers, ploughs, tractors and spare ploughs.

COMMERCE (INTERNATIONAL) BRANCH.

4. During the month discussions were held with the Ministry of Foreign Trade regarding trade between ITALY and the OCCUPIED TERRITORIES. ITALY is anxious to resume her trade with her former colonies in the raw materials and food available in these areas. Conversely, ITALY has many things which are needed in these areas. The question of ITALY's need for industrial sugar remained to be solved if an enormous quantity of fruit is not to be wasted. Allied Commission suggested three possibilities: (A) temporary imports, (B) Loans from other countries, (C) sub-allocations from UNRRA. The first was finally adopted, the second (B) is under consideration, the third (C) appears to be impossible, UNRRA stating that deficiencies in their imports is due solely to non-availability of the sugar. Import of POL products by private enterprise must now be done through C.I.P.

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CONTROL (FOREIGN TRADE) BRANCH.

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5. The Trade Agreement between Zones A and B VENEZIA GIULIA was still under discussion.

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INDUSTRY & UTILITIES BRANCH.

6. The general industrial situation was again overshadowed by the non-arrival of coal, the actual receipts being less than 50% of what was expected and the latter figure being only 30% of normal pre-war consumption. Stocks, however, were augmented but little expansion of the basic industries can be expected until these figures are considerably improved.

7. Some progress was made during the month in the derequisitioning of industrial properties; these included a food processing plant, tobacco curing warehouse, and a textile plant, all of which were handed back to their owners' control. The important firm of ANSALDO FOSZUOLI (ship builders) was partly derequisitioned by the British Army and will be completely vacated in 3 months time. There exists, unfortunately the threat of requisition by the US Navy Foz/stone and dockyard. This has been taken up with AFHQ and an answer is awaited. Polish Corps vacated several smaller premises in the ANCONA/LECCE Area. There was little change in the NAPLES District. Elsewhere the month of June was fairly successful in the matter of derequisitioning of industrial premises.

8. The Timber Plan agreed by AFHQ and implemented by the Italian Government appeared to be functioning in a satisfactory manner. Additional shipments for the sawmills will be produced for the third quarter of the year.

9. During the month of July the use of household gas will be extended from 1½ to 2½ hours daily, as a result of a larger allocation of coal to the gas companies. Sardinian coal production was 77,575 tons in June. This was a decrease of approximately 11,000 tons as compared with May. The decrease was occasioned by the diversion of manpower to the harvest and the anti locust campaign. Production of lignite continued to about 100,000 tons a month.

10. Heavy motor lubricating oil was in short supply both for civilian and Italian Military vehicles. However, advice was received of recent shipments which should relieve the situation on arrival. Deliveries of fuel oil from VENICE and GENOA kept pace with the increased demand of North Italian industries. These increased demands were due to conversion from coal to fuel oil in many plants and to the general activity in the sugar refining and canning industries.

11. Transformer work at the GENOA sub-station north of MILAN will permit an additional 10,000 KW of power to be transported from NORTH ITALY to Central Italy which will show total increase only 130,000 KW. The first 8,500 KW unit of the GENOA plant was switched to service during the month and will be connected to the S. CENTRAL ITALY grid. (Since work discharged in May 1944). Power allocations for July for S. CENTRAL and NORTH ITALY were kept unchanged. Some slight allocations will be allowed for industrial operations in S. CENTRAL ITALY.

12. The Ministry of the Treasury took an adverse position on the proposed 1½ million lire automobile project between ANSALDO and ALFA/SUD. The matter is being considered.

TRANSPORTATION & SHIPPING BRANCH.

13. Rail passenger traffic remained very heavy during the month and the shortage of passenger stock was severely felt, particularly after 15 June when passenger services which had been suspended due to shortage of coal, were resumed. Internal freight traffic also was curbed, the main but Port traffic was re-

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11. Transfer of work at the OMTE sub-station north of MILAN will permit an additional 12,000 KW of power to be transported from [illegible] to Central Italy which will thus total approximately 170,000 KW. The first 6,500 KW unit of the TURBIGNA plants was planned to be put into use during the month and will be connected to the SUBIACO [illegible] grid. (These were deployed in May 1944). Power allocations for July for 3 CITIES and [illegible] remained unchanged. Some increased allocations will be allowed for industrial operations in [illegible] MILAN.

12. The Ministry of the Treasury took an adverse position on the proposed 11 million lire autostrade project between TURIN and MILAN. The matter is being considered.

TRANSPORTATION & SHIPPING BRANCH.

13. Rail passenger traffic remained very heavy during the month and the shortage of passenger stock was severely felt, particularly after 15 June when passenger services which had been suspended due to shortage of coal, were resumed. Internal freight traffic likewise was heavy the month but Port traffic was reduced only to decreased supplies of coal.

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14. On the 13th June traffic on the TARVISIO-UDINE line was interrupted due to heavy rain. However traffic was established on the 16th again. The bridge at ARTEGNA between TARVISIO and UDINE was destroyed on the 14 June; it is hoped that repairs will be completed by the 10 July. At the beginning of the month the electric line between ESTE and VILLA DEL BONO was completed and the 18th saw the completion of the VENICE-PORTOGRUARO electric line. Electric traction was also established between ESTE and MONTE SELVA, and MESTRE-CHIOGGIA

15. Information was received that RMAO was to be abolished and replaced by a special office under the Ministry of Transport. Repairs to road surfaces and bridges proceed satisfactorily.

CAPTURED EQUIPMENT AND STORES.

16. Releases for the month totalled 79 as compared with 93 during May. There were many releases outstanding, most of these are two large vehicle dumps in the North. The administration side of AMGR showed definite improvement, proof of this being the acceleration in signed acceptance notes. Releases in the North were of a general nature, and in the South were composed of assorted vehicles, assorted road making machinery, light ferrous metal, telephone and high tension cable, industrial gas cylinders and wooden telegraph poles; all representing considerable cash value. There remained a large amount of undeclared C.E.E. in the BOLZANO area and 2 representatives were sent up with a view to listing and handing over materials to the Italian Government. All AMGR files were handed over to the Archives Branch, Allied Commission.

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PART IV

INDEPENDENT SUB-COMMISSIONS

NAVY SUB COMMISSION

1. The Italian cruisers "Scipione Africano" and " Abruzzi", in addition to several smaller vessels, continued to repatriate Italian POW from the Red Sea and the LEVANT Area during the month. The ex hospital ship "Toscana" arrived in MASSAWA to embark about 1500 Italians nominated for repatriation.

2. Minesweeping continued in all light areas where Italian M/S Groups are operating. A further small M/S Group consisting of Motor Fishing Vessels was being constituted at RIMINI.

3. The cable ship " Rampino" completed her refit in SPEZIA and began cable repair work on the CAPRERA (SARDINIA) - TALAMONI cable.

4. On 6th June the " Abruzzi" departed from Naples for LISBON with the Queen and members of the Royal Family on board.

5. A large quantity of stores and equipment recovered in NORTHERN ITALY of naval origin was turned over to the Ministry of Marine for the maintenance of the Italian Navy. Enemy ammunition torpedo parts and other material of a potentially offensive nature was ordered to be destroyed or scrapped.

6. Arrangements were made during the month to supply the Italian Navy Mine Sweepers operating from GENOA with suitable coal made available by UNRRA Coal Branch. The quantities of coal supplied will be redeemed by UNRRA from Italian Naval Coal stocks at LEGHORN. As the supply and maintenance of Italian Warships in the Mediterranean is a British responsibility, the Royal Navy was authorised to make payments on behalf of the Italian Navy for supplies and services rendered to Italian warships by the FRENCH Authorities in NORTH AFRICA. These payments will be redeemed by the Ministry of Marine in the lire equivalent.

LAND FORCES SUB-COMMISSION

7. The strength of the Italian Army as at 1 June was 217,641 including Carabinieri (64,554).

8. For the first fortnight of the month, training at the various schools was interrupted by the absence of recruits and permanent staff on security measures required for the election and referendum period. The outcome of the referendum was greeted with great disappointment by many of the officers whose initial thoughts favoured resignation of their commissions. Training, however, recommenced and progressed favourably.

9. Of the classes recently recalled for military service, 1,350 returned and were in service with the Carabinieri Corps. It is anticipated that by the 15th July the effective strength of the Carabinieri will be approximately 64,200. Recruitment exceeded wastage (due to retirement, non re-engagement etc.) by appreciable margin. The position as regards arms and ammunition appeared to be satisfactory.

10. Equipment maintenance stores continued to be issued to the Italian Army from Allied surpluses. Releases of suitable vehicles armaments, tyres and spare parts having been provided in principle were taking a long time in practice with a certain amount of inefficiency resulting. The sorting out of accomodation as between the Italian Army, the Allied Army and Displaced Persons and refugees proceeded slowly and exchanges took place according to plan. Issues of Allied ammunition for Allied

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PRISONERS OF WAR DIVISION

11. Italian POW repatriated during the month totalled 43,717. (20,981 from British hands, 22,736 from other sources).

COMMUNICATIONS SUB-COMMISSION

12. Civilian long distance telephone circuits were increased by 22 during the month and military telephone carrier equipment of no further immediate use

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to Signals is to be loaned to the Ministry and will be set up where most needed to increase the numbers of civilian circuits. A 10% increase in the cost of all International telephone calls will come into effect next month owing to a devaluation of the lira with respect to the International Gold Franc.

13. Two additional frequencies were allotted to Italcable for working a second Radio Telegraph link to USA. This will be working to MacKay Radio.

14. The Italcable Service of US Troops telegrams between FOGGIA and GORIZIA AFO's and USA was extended so that telegrams are sent by electric means all the way.

15. A new Airmail service to SOUTH AMERICA was introduced at the beginning of the month. Correspondence is despatched 3 times weekly from NAPLES to AMSTERDAM for onward transmission by the British Service.

16. VENICE became the office of Exchange for despatches to ALBANIA, JUGOSLAVIA, AUSTRIA, BULGARIA, CZECHOSLOVAKIA, POLAND, ROUMANIA, RUSSIA and HUNGARY. MILAN became the Office of Exchange for SWITZERLAND.

17. The Ministry of Posts and Telegraphs propose to re-introduce Internal Parce Post Service with effect from 16 August 46. A request has been made for the derequisit of the NAPLES PETROVIA SORTING OFFICE presently being used as an AMO.

AIR FORCES SUB-COMMISSION

18. The early part of the month saw little flying activity due to the contin of shortage of fuel, and ground training was predominant. With the arrival of fuel flying activities were increased.

19. The Italian Government was authorized to establish offices on Allied controlled airfield in order that greater control may be exercised in enforcing Italia customs immigration laws. Authority was obtained for the Italian Government to purcha 20 surplus C 47 aircraft provided that the aircraft are not flown until proper authori is obtained; that all instruments of war be removed, and that the aircraft be allotted to civilian aviation.

20. Plans were begun for a new seaplane base at AUGUSTA and the derequisitioni of the Seaplane Base at S. ARCANGELO by the Royal Navy was completed.

21. The heads of the Italian Meteorological Office left ROME to attend an International Meteorological Conference in PARIS which opened on 14 June. The main purpose of the conference was the simplification and standardization of synoptic codes. A Conference was held at the Italian Air Ministry on the 4 June between British, Americ and Italian Meteorological representatives to discuss the facilities provided by the Italian Meteorological Service especially with regard to the demands of British and American Aviation.

22. Total strength of Italian personnel was 26,436 Italian Air Force, 1772 Italians working for the RAF and 1413 Italians working for the USAAF. Every effort was being made to bring the total strength down to 26,000.

23. The stolen SM 79 aircraft from LITTORIA airfield MILAN (reported last month was flown to BELGRADE from GORIZIA airfield by Slav pilots escorted by two Slav fighters.

24. Arrangements were in hand for initiating the proposed regular service between MILAN and BOLZANO. Authority was given for the use of aircraft to spray fruit with insecticide. The undertaking was of an experimental nature and if

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24. Arrangements were in hand for initiating the proposed regular service between MILAN and BOLZANO. Authority was given for the use of aircraft to spray fruit and crops with insecticide. The undertaking was of an experimental nature and if successful, plans for a large scale campaign will be put forward.

25. Demolition work continued, including the breaking down of 14 Messerschmidt fuselages thus completing the destruction of all German Aircraft in NORTHERN ITALY.

26. About 600 POW were repatriated during the month.

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27. The Fighter Wing assembled 3 cased aircraft for UNRRA to be used for anti-malarial spraying in ITALY, GREECE and ALBANIA. Within 4 days of starting work the first aircraft was assembled and ready for air test. The fitting of spraying equipment was also undertaken by the Fighter Wing.

ELMER V. STONE
Rear Admiral, USNR
Chief Commissioner

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ZLATKIS T. STONE
Rear Admiral, USNR
Chief Commissioner

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HEADQUARTERS ALLIED COMMISSION
APO 794

MONTHLY REPORT

MAY - 1946

Ref.: 824/EC

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MONTHLY REPORT

MAY - 1946

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POLITICAL SUMMARY.

1. The month was notable mainly for the abdication of King Victor Emanuel III in favour of his son Prince UMBERTO on May 9th. King Victor Emanuel signed the instrument of abdication and, according to custom, left ITALY as a voluntary exile. The President of the Council stated to the press on the same evening that the essential point was that any change should not affect the solemn and unequivocal pledge given by the Crown to entrust its fate to the decisions of the referendum and the Constituent Assembly. He said he had no reason to doubt this. The King's abdication was the subject of bitter comment in the Left Wing press, particularly the Communist organ; the Royal Family was accused of having violated the truce on the Institutional question.

2. At its meeting on May 10th, the Council discussed the situation arising out of King Victor Emmanuel's abdication and Signor de GASPERI read to the assembled ministers a letter from the new King UMBERTO II in which he confirmed that his father's action in no way altered the constitutional powers exercised by him (UMBERTO) in his capacity as Lieutenant-General; nor did it modify in any way the pledge he took concerning the referendum and the Constituent Assemb

3. Signor de GASPERI proposed that in view of these assurances the Council of Ministers should accept King UMBERTO's succession. Signor TOGLIATTI formerl protested against what he termed a "violation of the institutional truce". Eventually after many hours of discussion, the Council approved a decree law of one single article providing that all the regulations on the limits of the powers of the Crown in accordance with Decree No. 98 of March 6 1946 should remain in force and that decrees and judgements should be issued in the name of "UMBERTO THE SECOND, KING OF ITALY" only. On the same day the new King made a proclamation to the Italian people in which he swore before God that he would loyally respect the fundamental laws of the State as renewed and perfected by the people's will and he confirmed his pledge to respect, like all other Italians, the free decisions of the imminent elections which he was certain would be taken bearing in mind the best interests of the country.

4. King VICTOR EMANUEL's abdication was inevitably the cause for numerous demonstrations all of which passed off without serious incident.

5. The abdication was generally interpreted, especially in Left Wing political circles, as an astute move on the part of the Monarchist Party to improve its chances in the forthcoming elections. Certain sections of the communist supporters campaigned vigorously for a postponement of the elections, or at least of the holding of the referendum, on the grounds that the country had not been allowed sufficient time to settle down in order to take a calm decision on this important matter and that, moreover, many hundreds of thousands of Italians would be unable to express their opinion on June the 2nd. This campaign took the form of approaches to various Allied officers, including the Chief Commissioner Allied Commission. In order to remove any form of misconception on the responsibility of the Allies in this matter a statement was published in the press to the effect that no communications or petitions requesting Allied Commission intervention would be received by the Allied Commission.

6. Political activity reached its peak during the month and every party entered the ring with energy and vehemence. The gloves were truly down and political polemics filled the pages of every newspaper. Not until May 25th was the Italian Government officially informed that the Allied Governments regarded the institutional truce as terminated but long before that both

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6. Political activity reached its peak during the month and every party entered the ring with energy and vehemence. The gloves were truly down and political polemics filled the pages of every newspaper. Not until May 25th was the Italian Government officially informed that the Allied Governments regarded the institutional truce as terminated but long before that both Ministers and other supporters of the Monarchy and Republic had been attacking each other hammer and tongs in preparation for the referendum. It was remarkable how quickly and extensively the Monarchists developed their campaign and the betting changed from long odds against the Monarchy at the beginning of the month to even chances and indeed short odds for the Monarchy during the last week. The KING himself was the principle protagonist in this eleventh hour rally of his supporters. He was ubiquitous, and comporting himself everywhere with dignity and energy, did much to swing a great number of voters towards the Monarchist cause. It was, however, generally realized both by him and his followers that the Monarchist campaign had opened too late and with insufficient organization and stimulus to achieve victory at the polls.

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7. Throughout the month there was a constant flow of rumours that a coup d'etat would be attempted before or during the elections. It was pointed out that the political parties would take advantage of the enormous amount of arms and ammunition illegally held by the population and diverted into political channels to gain their ends by force rather than by the will of the people. It was reported that Communists had organized their coup to gain down to the last detail including the arrest of members of the Royal Family and of their political opponents. The supporters of the Monarchy were equally accused of intentions to use force rather than suffer defeat. The Socialist Minister of Interior was said to have at his disposal a vast number of arms and armoured cars which he intended to distribute amongst the civil police agencies supported by partigiani as auxiliary police in order to overcome the allegedly Monarchist CC.RR. and so sway the will of the people, if not to usurp the power for the Republicans. As election day came nearer, so the reports became more numerous and more colourful and a perusal of them might have led a stranger to believe that there would be no free elections and that June 2nd and the days following would see widespread disorders, extensive arrests, with coups d'etat by several of the parties and certainly little chance of free elections. Enquiries made, however, by the Allied Commission from their Liaison Groups throughout the country proved that these reports, as is so often the case in Italy, were without real foundation. It appeared that some members of each of the main parties, in their anxiety and in their suspicion of their opponents' intentions to resort to force, had prepared defensive measures. These measures were sometimes little more than plans based on paper but which had little chance of implementation even if there was any real desire amongst the leaders of the parties who considered them. It seemed to the Observer that a certain number of the Italian political hotheads would not believe that countrymen could go to the polls and peacefully elect a Constituents Assembly and give their choice for their institutional future. This climate of rumour died down during the last days of the month when it became apparent that at any rate the elections would be held.

8. Numerous important political speeches were made, notably one by Sig. de GASPERI in ROME on May 11th. He appealed for greater unity within the Christian Democrat Party and expressed his belief that in spite of the present crisis and disaster, Italians would save themselves and would save ITALY.

9. On the same day, Signor NENNI spoke in MILAN; he called again for the maintenance of the alliance between the Socialists and Communists. He referred to the dangers of any foreign policy which aimed at attaching ITALY to any so-called bloc of great powers.

10. Sunday, May 12th, was noted for numerous political speeches throughout the country. The President of the Council spoke in TRENTO where he disclosed that there had been attempts to induce the Government to postpone the election but that while on the other hand exaggerated fears had been expressed on the subject of a possible coup d'etat. These difficulties, he said, had been overcome without affecting the formal pledge on the part of the KING and the nation to submit to the arbitration of the people on June 2nd. Signor de GASPERI emphasised again the importance of the presence in the Constituent Assembly of a mature group of men who stood for liberty, order and progress as well as for the maintenance and defence of spiritual, Christian traditions. The rest of his speech at TRENTO was devoted to a study of the local ethnic problem. He hoped that common sense would prevail and that it would be possible to reach a loyal agreement between the two ethnic groups in the ALTO ADIGE based on equity, justice and democracy. Speaking later in the day at ROVERETO, Signor de GASPERI dealt with the Colonies and declared that Italians could [illegible] at their expense.

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11. During the month the Council of Ministers transacted a certain amount of business other than that arising out of the abdication and the preparations for the holding of the national elections. At their meeting on May 10th, Signor de GASPERI made a full report on his mission to PARIS. He stated that the JUGOSLAV representatives had adopted an extremely rigid attitude. He, for his part, had made it clear that no democratic Italian Government could accept the loss of TRIESTE and he had refused the RUSSIAN offer of colonial compensations. He had also expressed the hope that ITALY might be allowed to retain her Navy as an international force in the services of the UNO. As regards the Colonies he had suggested a form of mandate in which ITALY would take part as soon as she was admitted to the UNO.

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12. Meeting on May 15th, the Council of Ministers discussed public order in relation to the forthcoming elections. At the end of the discussion the Council formally reconfirmed its determination to hold the political elections and the referendum on June 2nd. The request of King UMBERTO for the publication of an amnesty decree was examined and approved. The amnesty decree will not be published until after the elections of June 2nd. A draft statute for the SICILIAN REGION which provides for a very wide autonomy of the Island with a large measure of decentralization within the framework of the United State was examined and approved and a similar statute for SARDINIA was also in preparation.

13. A declaration was approved at the Council's meeting on May 23rd regarding public order during the elections in which everyone was called upon to respect the decision of the referendum and stating that the Government was firmly determined to forestall and repress any acts of violence or intimidation.

14. It became known on May 16th that the four Foreign Ministers, having failed to reach agreement on the conclusion of a peace treaty with ITALY had agreed on an immediate revision of the armistice terms. The revision included the abolition of the Allied Commission and the creation in its place of a military commission attached to the Mediterranean Military Command; the drawing up of civil affairs agreements between GREAT BRITAIN and the UNITED STATES OF AMERICA on the one hand and ITALY on the other; the immediate repatriation of all ITALIAN POWs; the confirmation of the declaration that the armistice would leave ITALY's territorial position unprejudiced; an undertaking on the part of ITALY to hand over war criminals; an undertaking on the part of the Italian Government and of the Allies to allow free elections. There was no forecast as to when the revised armistice would be signed.

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was firmly determined to forestall and repress any acts of violence or intimidation.

14. It became known on May 16th that the four Foreign Ministers, having failed to reach agreement on the conclusion of a peace treaty with ITALY had agreed on an immediate revision of the armistice terms. The revision included the abolition of the Allied Commission and the creation in its place of a military commission attached to the Mediterranean Military Command; the drawing up of civil affairs agreements between GREAT BRITAIN and the UNITED STATES OF AMERICA on the one hand and ITALY on the other; the immediate repatriation of all ITALIAN POWs; the confirmation of the declaration that the armistice would leave ITALY's territorial position unprejudiced; an undertaking on the part of ITALY to hand over war criminals; an undertaking on the part of the Italian Government and of the Allies to allow free elections. There was no forecast as to when the revised armistice would be signed.

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PART I - LIAISON GROUP REPORTS

LIGURIA REGION.

1. The month was fraught with rumours of every sort resulting in a "war of nerves" among the political parties and infecting the general public who were so dazed that calm prevailed. In the early stages of the electioneering, the Communist Party flooded the countryside with posters and the usual writings on the walls. The Socialist Party was not far behind in this respect with the Christian Democrats a very bad third. Towards the end, the Monarchists came very much to the fore with meetings and propaganda. Since the abdication of Victor Emanuel and the assumption of the crown by Umberto, the Monarchist Part showed much greater activity. (These were their first public meetings). A surprise visit to GENOA was made by King Umberto II at the end of the month. He received a mixed reception and minor scuffles occurred although there was nothing of a serious nature. All political parties behaved excellently throughout the month. Many electoral speeches were made in each Province, all without disorder.

2. Railway traffic was suspended on the Italian French frontier for 3 days following a refusal by the Italian authorities to extend a permit to a French railway inspector to remain in ITALY. French railway personnel protested to the Italian authorities and afterwards returned to FRANCE. Apparently the Italians ejected the French inspector for political activities on the frontier. However, the difficulties were sorted out reasonably quickly and rail traffic was resumed.

3. Public Safety was satisfactory in view of the prevailing difficulties and Police Agencies functioned well against the obstacles of political interference and lack of public faith. The CC.RR. were efficiently equipped, better disciplined than any of the other agencies and did excellent work. Guardia di Finanza, although handicapped by lack of motor patrol boats for work in the harbours of GENOA, SAVONA and LA SPEZIA, performed their duties very well. Crimes violence and serious offences decreased and public order was excellent in spite of the polamics and politics of the month. The prison situation was satisfactory and no incidents were reported. The number of clandestine Casinos which have sprung up increased. Fishermen complained of the lack of fuel for their fishing craft and quoted the numbers of luxury cars and motor coaches which came considerable distances to serve the Casinos. The Italian Authorities were aware of this situation and so far have taken no action.

4. Unemployment in the Region increased, there being 29,867 unemployed, 5,948 of whom were women. The total showed an increase of 6,502 over April figures. There were in addition several thousand non-registered unemployed.

5. The food situation remained unchanged. Black market bread was noticeably scarce, but vegetables and fresh fruits were plentiful as was fresh fish; these have helped the poorer classes to eke out their rations. The general shortage was reflected in the fact that thousands fed at the Mensa Popolare in spite of the generally poor quality and small quantity of the food. There were sufficient flour stocks to maintain the bread ration until 11/12 June at which date a grain ship was expected. The excessive rainfall for the past few weeks was of benefit only to the vegetable and forage crops. Grain crops, except those

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6. The handover of 71 Displaced Persons Camp in GENOA to UNRRA was completed. General health in the Region was extremely good, the only instance of prevalent diseases being measles.

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7. Rail movements for the month dropped below those of April, partly due to the diminished number of vessel arrivals. Movements into 13 Corps Area and the rest of ITALY were not successfully and without difficulty. Work on the doubling of the line between RIVIO POLCEVERA and MIGLIAREGO was commenced; this is one of the most important lines leading to the North. Doubling of the track on the GENOA-LA SPEZIA line between LAVAGNA and RIVA TRIGOSO was completed. During the first 20 days of May only 6 colliers arrived in the ports of GENOA and SAVONA carrying a total of 49,051 tons of UNRRA coal. This resulted in practically a complete stoppage of labour. The usual varied items of cargo continued to arrive with an increase over April. The warehouse situation was again critical and complete cargoes of cotton were back-piled on the docks. Every effort was being made to obtain storage space away from the port areas and contracts were drawn up with the Italian Military Authorities to lease barracks not in use by the Army.

8. A total of 190,067 tons for Genoa and 151,885 tons for SAVONA were handled during the month.

9. Reinstallations and repair of telephone and telegraph facilities continued satisfactorily.

LOMBARDIA REGION.

10. On the eve of the national elections a complete calm was maintained all over LOMBARDIA, and no incidents whatsoever occured during the electioneering. The electoral campaign, mainly posters, was not so intense as that for communal elections. It was reported that the amount spent by the different parties for such propaganda was only half that spent for the elections in March and April. The delivery of electoral certificates took place satisfactorily. In MILAN a special office was opened for distribution of undelivered certificates. The average percentage of which throughout the whole Region was calculated from 3 to 5%.

11. The re-organization of the MILAN Questura proceeded quietly but satisfactorily. In all the provinces the auxiliaries were being systematically reduced. So far as the CC.RR. were concerned there was a decided improvement in the situation as regards clothing, weapons and transport. There was still however a great shortage of personnel. The morale of the CC.RR. was good but the poor rate of pay was causing dissatisfaction. The Guardia di Finanza functioned almost normally but were badly handicapped by a serious shortage of clothing, transport, arms and ammunition. In every province the CC.RR. showed both zeal and initiative in searching for hidden arms. Two big dumps were found in the mountainous region of SONDRIO. One was buried under 6 feet of earth and the other was underneath the cement bottom of an irrigation channel. Two other substantial deposits were found in the mountainous region of PAVIA. These were under the control of an auxiliary Agente di P.S. who was arrested. He stated that the deposits were formed under the express direction of two men who were local Communist party candidates in the national elections. In all, the CC.RR. made 47 raids and the items found include 90 machine guns, 79 sub-machine guns, 126 rifles, 754 grenades, 293 cases of ammunition, 3037 detonators, 2528 Kilos of explosives and numerous other such articles. The agenti of P.S. made 15 raids (9 in MILAN CITY) with successful results. The crime situation was satisfactory and in some areas there was a decrease in recorded crimes.

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12. Food prices showed a certain decrease, mainly due to the seasonal production. 73,400 quintals of wheat were expected to be consigned in LOMBARDIA to the Ammassi in the period before the new crop. A dispute regarding wages between the "Associazione Produttori Agricoli" and the "Mondariso" seemed to be seriously affecting the coming rice harvest; this situation already caused some damage as the harvest is usually already commenced at this time of the season.

13. In order to help the critical financial situation still present in the heavy industries of NORTH ITALY, the Government granted a loan of 3 billion Li

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to be divided among the most important plants of which: 550 million went to BREDA and 200 million to ISOTTA FRASCHINI.

14. In MILAN Province a plan of public works was approved (civil buildings, roads, etc.) for an amount of 790 million lire. The Ministry of Post-War Relief granted an amount of 50 million to the Province of SONDRIO for the reconstruction of living houses burnt by the Nazi-fascists for reprisal.

15. Owing to lack of coal, 38 trains from and to MILAN had to be withdrawn during the Holidays.

PIEMONTE REGION.

16. The national elections in PIEMONTE, as in the rest of ITALY, spurred the politically minded to feverish activity. Meetings of all parties were held during the month and in most cases the speakers were heard with patience, if not always with enthusiasm. There was, however, a continual refusal to afford "free speech" to the Uomo Qualunque candidates and the clever left wing device of identifying, in the public mind, this movement with Fascism prevented the party from making much propaganda. The abdication of Victor Emanuel caused a swing towards the Monarchy, and the visit of King Umberto II to TURIN during the month made a strong appeal to the sentiments of the loyalists. The last minute proclamation offering another referendum after the establishment of the Costituente was probably responsible for attracting many waverers from the Republic to the Monarchy. The situation in the border towns of BRIGA and TENDA, remained stationary, with the inhabitants a little tired of waiting for a decision as to their future status. The AOSTA Valley was quiet during the month and there was no repetition of the violence of two months ago, due doubtless to the energetic action taken by the CC.RR. at that time. Rumours of French claims on MONCENISIO caused a certain perturbation in the VAL DI SUSA and strong demonstrations of protest were staged in SUSA itself. There were no disorders and the situation was satisfactory. Despite the activity of the politically minded, the mass of the population appeared to be much more concerned with the cost of living and the immediate day-to-day problems than with politics. There were no signs of Neo-Fascist activities. Some concern was expressed over reports from PARIS as to the intentions of the Allies with regard to the Italian fleet and the Italian Colonies. Local Government functioned reasonably well and the lately elected local municipal officials appeared to be giving a good account of themselves.

17. The situation with regard to Public Safety continued to improve There was a complete absence of political crime during the month and no disorders or demonstrations involving violence. There were a few isolated cases of highway robbery and police were taking energetic means to deal with these and other crimes. Public confidence in the police was much improved. A considerable improvement was effected in Carabinieri equipment but some groups were still badly in need of transport and uniforms. The morale of the CC.RR. maintained a steady improvement, but such could not be said of the Agents of Public Security whose morale was very low, the overall cause being the poor economic conditions under which they serve. Both regular and auxiliary police desperately need greatly improved conditions before they can be relied on to perform their duties satisfactorily and with enthusiasm.

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18. The cost of living remained approximately the same with a slight decrease in the price of bread, pasta, flour and vegetables in the more agricultural provinces. The price of fruit remained very high and was the cause of much unfavourable comment. Rationed bread was said to be of very poor quality, but despite regulations and restrictions, white bread could be freely bought and sold - especially in small towns. Heavy rains retarded the harvesting of hay, delayed the ripening of corn and grain and caused considderable damage to fruit. It is anticipated that the harvest will be about a month later than in normal years, this month having been the wettest May in many years. Chemical fertilizers were more plentiful but were said to have arrived too late. Some delay was caused in rice cultivation by wage disputes among the agriculturalists and the rice workers.

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After prolonged discussions wage rates were settled and work proceeded. There was an increasing amount of unemployment. Industrialists complained bitterly of the continued demands of the workers for increased wages; the workers on the other hand stated that the increased wages were more than absorbed by the increased cost of living. A certain amount of goods were exported, notably wines and liqueurs, plastic utility goods and some cloth goods. The home market was, however, practically stationary and factories and shops remained full of manufactured articles awaiting purchasers.

19. Heavy rains were responsible for retarding public works, flooded rivers in some parts carrying away bridges and interfering with road movement. Cement was more easily available and enabled certain works to be carried out. Transportation and distribution of cement was one of the principal difficulties. In the zone of BRIGA and S.MAURIZZO DI TENDA work commenced on rebuilding the bridge over the ROJA River which will cost 10,770,000 lire. Work on bridges and other projects of a like nature proceeded slowly. The abundance of water relieved all anxiety in the hydro-electric installations which functioned at full spped.

20. The Displaced Persons Camp IT 17 at TURIN was taken over by UNRRA during the month.

21. No serious epidemics were reported during May in the Region but some anxiety was expressed by the authorities regarding the increasing incidence of diseases arising from malnutrition and particularly tuberculosis. This was noticeable in prisoners returning from GERMANY. These diseases however, were not confined to "Reduci" but were manifesting themselves in the Agents of Public Security, who had to be out in all weather, underfed and badly clothed.

22. Telegraph and telephone services continued to improve rapidly. There was considerable dissatisfaction voiced regarding the refusal of UNRRA to accede to the abolition of circulation permits for automobiles and the unrestricted use of motor fuels. There was still obviously much mis-use of petrol etc. and hundreds of vehicles circulated without permits, finding their petrol on the black market.

23. The pace of legal processes continued to be very slow, numbers of prisoners in the jails having been awaiting trial for six months. The shortage of judicial personnel was the cause of this.

VENEZIE REGION

24. In the early part ofMay most newspapers and public attention was focused on the PARIS Peace Conference, with particular emphasis on the future disposition of the Italian Fleet. The situation in this area finally climaxed with the demonstration instigated by members of the Italian Royal Navy in St. Mark's square VENICE on 9 May 46 during a band ceremony staged by the British Navy in the presence of Lieut. Gen. Harding, Admiral Kinahan and other Allied Officials. The band ceremonies were admirably executed and completed in perfect order but immediately thereafter the demonstrators closed in on the reviewing party and considerable disorder but no violence occurred. Each political party accused the others of being responsible for the demonstration. However it was

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parties.

25. The crime situation throughout the Area was normal. Questura and CC.RR. made quite a number of good arrests in connection with armed robberies and the collection of arms. There was a considerable decrease in the number of cases of Military telephone lines being cut. Relations between the civilians and Allied Military were reasonably good with only a few isolated incidents being reported. The prisons were still crowded both with prisoners convicted as well as those awaiting trial. In VERONA 771 political prisoners were still being held awaiting trial. The difficulty lay in the courts not having adequate personnel to try the cases. Inadequate equipment for all civilian police agencies continued to create a problem. 1000 bush shirts dyed green were issued to auxiliary agents of the Public Safety Units in VENICE and PADOVA. The Mobile Battalion of Carabinieri stationed in PADOVA with the detachment of 200 stationed at TREVISO were well trained and armed. Recently, after many inquiries, they received ammunition for use in their armoured car weapons. They are under the control of the Legion Commander in PADOVA, but may not be utilized without orders from ROME.

26. Due to plenty of rain and warm weather all crops throughout the Region were good. The wheat crop was estimated to be near normal and was ripening so rapidly that most of the grain will be cut by the 15th of June. Fruits of all types were in abundance and growers were making every effort in cooperation with UNRRA to transport the crop to other sections of ITALY and even to AUSTRIA and GERMANY. The food situation during May was reasonably good with prices remaining approximately the same as those of April. It was estimated that visible wheat stocks would be exhausted in this Region by the 10th June and UNRRA is doubtful whether they could supply any additional grain or flour. Sugar rations were cut to 100 gr. most of which came from local sources. An additional shipment of sugar is due in from LEGHORN about June 10th. Oil and fat supplies continued scarce and were uncontrolled. The Regional Inspector of Alimentazione stated that no fats would be available for issue to the public during June. Total requirements of fats and oil for this region on the basis of 180 gr. per person would amount to 7000 qls. per month. However the "black market" will continue to supply oils and fats to those who can pay prices of 700 lire per Kg. Coal allotments were received and while the amount was far from sufficient yet there was enough coal on hand to meet allocations for the next thirty to sixty days. The general labour situation did not improve, there being 190,000 persons unemployed during April in the eight provinces of this Region as against 195,000 at the close of May. While extensive public works projects were approved there appeared to be considerable delay in getting under way with construction. There were a few scattered strikes and demonstrations for higher wages but generally the labour situation remained quiet. The silk industry anticipated a considerable increase in production this year due to the good weather and favourable growing conditions.

27. The Genio Civile of all provinces were active in submitting projects and a high percentage were approved in ROME but there continued to be a delay in actual construction, which seemed to be due to lack of materials in many cases. The construction of "popular houses" was getting well under way in most provinces. The majority of projects consist of road repair, bridges, hydraulic works, repairs to Public buildings, slum clearance and Port improvements.

28. The refugee camp at PORTA S. GIORGIO near VERONA had 468 refugees, mostly from VENEZIA GIULIA, GREECE and TUNISIA. The number was 47 less than

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29. Public Health remained good. The T.B. situation has always presented quite a problem in this area and due to the destruction of many Sanatori there is a lack of adequate facilities to care for the patients. The UNRRA anti-malaria campaign was well under way and no great malarial problem is anticipated.

30. The Bridge over the PO at FERRARA was scheduled for completion on May 1st but due to defects in construction it will not be opened for traffic

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until about the middle of June. The lack of direct Railway Service between VENICE and BOLOGNA seriously handicapped the transportation service of NORTH EAST ITALY. Military control was relinquished over the VERONA-BOLOGNA, and the PADOVA-PIACENZA Lines. Total tonnage moved by trucks continued to increase throughout the Region; Uffici Autotrasporti moved 215,977 tons and Truck Pools moved 6,611 tons. POL allocation was quite satisfactory. Inland water transportation moved 23,173 tons for industry and 2,664 tons of foodstuffs. Tonnage entering the port of VENICE showed a considerable decrease for May over the previous months. Coastwise schooners for BARI and ANCONA continued to increase their tonnage. A new telegraph line was completed between PADOVA and VENICE and another between VENICE and FERRARA. Telegraph service was re-established on 22 May between VENICE and TRIESTE. A total of 4 telegraph Offices were re-opened within the Region during the month, with 6 additional scheduled for re-opening in June, bringing the numbers practically up to the pre-war level. Seven long distance telephone circuits were added during the month, including three from VERONA to BOLZANO. Prior to the war the TELVE Company had 31 telephone exchanges and the TIMO 197 exchanges in operation in this area. TELVE is now back to normal with 31 exchanges and TIMO has 103 with 9 more to be opened in June.

31. The courts continued to be over burdened with cases and understaffed with personnel, all of which prevented the administration of speedy justice, discredited the goals and created a general disrespect for law in the minds of the average citizen. The fault appeared to lie in the antiquated court system which badly needs modernization.

REGION OF CALABRIA-CAMPANIA AND NAPLES.

32. The big event of the month was the abdication of King Victor Emanuel III on the 9th of May. He left NAPLES the same evening on the Italian cruiser DUCA DEGLI ABRUZZI for EGYPT. There were no demonstrations and city life was normal. The King's presence in NAPLES during the past year has given rise to no incidents. Political activity increased with the approach of the national elections. Numerous meetings were held by leaders and outstanding personalities of the various parties. The new King Umberto II visited NAPLES on the 19/20 and the Monarchists held meetings and a procession. Good order was maintained throughout except in one case on the 15th involving clashes between several parties, including Communists, and 2 small hand grenades were thrown which caused a panic resulting in injury to 30 persons. In the country districts there were also many meetings, with a few minor incidents but no disorders.

33. Public Safety conditions remained normal but cases of theft were very high. There were nine cases involving Allied personnel in clashes with civilians against eight the previous month. Apart from the clash in NAPLES between the various electioneering factions, the election campaign, though it produced much debating, was remarkably free from violence. CC.RR. Mobile Squads were active and worked well.

34. There was extensive rain during the month but no rust has been reported in the wheat crop and prospects are good for the coming harvest. In NAPLES Province the official estimate for the wheat crop is 18 quintals to the hectare. Stocks of flour for CAMPANIA were reported to be low with only sufficient to maintain the rations for the first week in June. The position in CALABRIA was about the same.

...judgment by Allied Forces decreased.

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[illegible] long distance telephone [illegible]
three from VERONA to BOLZANO. Prior to the war the TELVE Company had 31 telephone exchanges and the TEMO 197 exchanges in operation in this area. TELVE is now back to normal with 31 exchanges and TEMO has 103 with 9 more to be opened in June.

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35. Owing to redeployment of units, employment by Allied Forces decreased. Exclusive of the RAF, civilians employed by the Allies in the NAPLES Area amounted to approximately 40,000.

36. A strike of CIP workers took place end by the 15th May was nation wide. It ended on the 16th with an assurance of increased wages. There were other minor stoppages and a grain ship was delayed for a day as a result of a strike in a general warehouse against the dismissal of two workers.

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37. Public Health remained good and winter epidemics of small-pox and measles subsided.

TOSCANA REGION.

38. With the exception of the political situation there were really no major changes noticeable in conditions, in TOSCANA, for May, from th se reported in April. After a lull of some weeks, following the local administrative elections, political activities re-opened throughout TOSCANA on about the 15th of May. From the 15th of May to 1st of June every means of political propaganda and guile was used to influence the public, and to garner votes. The Region was literally covered with posters and leaflets; public meetings and parades were held. Every caffe and trattoria was the scene of political discussion and Loudspeakers and sound trucks were plentiful. All of which made for an intensive, but nevertheless, informative campaign. Until Saturday evening, the first of June, the excitement and tension on the part of officials and party leaders, in particular, and of all the population, in general, was very noticeable, but there were no serious disorders.

39. A continued improvement in law enforcement was noted in TOSCANA. The local prisons were in a disgraceful condition. D.D.T. was badly needed for the vermin which in most cases were out of control.

40. Unemployment continued to be a pressing problem, but the situation was no worse during the month. Optimism prevailed regarding all crops, but there did exist some apprehension over the possibility of too much rain; fertilizer remained scarce. The maintenance of the cereal ration scales depends on th. success of the amassing campaign and on the extent of UNRRA imports. Other foodstuffs became more plentiful, but still were priced beyond the reach of those who need the extra food the most. Prices were definitely on a downward trend; even food prices lowered during the month. Progress in industrial and commercial rehabilitation was necessarily slow.

41. Public works continued to progress and headway was made in the clearing up of the Port harbors; the water supply was sufficient, except in LIVORNO and the electric supply improved during May.

42. In transportation and communications improvement was under way and results were noticeable.

43. Public Health was normal for this season of the year except that there was an increase of T.B. and V.D.

44. The courts functioned capably, but very slowly; Italian Tribunals officials, excepting Pretori, did not appear to work very hard or put in many hours.

BARI AND PUGLIE MARCHE REGION.

45. Great interest in the elections was shown by all Parties. There were no disturbances, although at TARANTO when Togliatti, the Minister for Justice and leader of the Communist Party made a speech, he was hooted down by the Italian

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46. The Public Safety situation greatly improved and there was no trouble during the month. On two occasions a small crowd of Veterans assembled outside the Prefettura BARI demanding employment. The CC.RR. and Civil Police showed a steady increase in efficiency and turnout.

47. Harvesting began at the end of the month. The locusts which were reported in T.R.PUTO, BARI and FOGGIA Provinces at the beginning of the month were brought under control and no extensive damage was done. Fuel and lubricants, were generally insufficient for agricultural needs but a good production of wheat and other cereals is expected, also of leguminous plants. Production of fodder was satisfactory. The condition of tobacco in LECCE Province was excellent and a good production of wine and olive oil is also expected.

48. Two ships with 53,24 tons of wheat arrived during the month. 100 grms of sugar and 200 grms of olive oil were distributed in May. No pasta was distributed; the price of pasta on the black market increased (250 lire per kilo at the end of May). An exhibition of wines and liquors manufactured in APULIA and LUCANIA Regions took place in BARI and created considerable public interest.

49. Further premises were dorequisitioned during May including 95 apartments and 8 W/houses.

50. Public Health was satisfactory in BARI Province and generally speaking the population in this area looked well fed and fit. 59 cases of smallpox were reported during the month.

51. Traffic both by rail and road was still on the increase and the railway organisation steadily increased in efficiency. Tyres were very scarce, this being the main reason why road transport could not progress to any appreciable extent.

52. The delays to cases under trial showed no improvement for the same reasons as before, a lack of Magistrates on the Tribunals.

53. Cases of unemployment were still high. Every effort was being made by the Prefect th employ as many "reduci" and veterans as possible, but there continued to be a strong tendency on the part of these people to select their jobs and not to take what was offered.

54. 285 millions lire was granted for Public Works in BARI Province, 80 millions for TARANTO. More and more road repair was to be seen throughout the area and an increase in general repair work was also in evidence.

55. No. 1 Transit Camp was handed over to UNRRA on the 15th May. During the first fortnight of May, 1035 persons arrived in the Camp and 340 left BARI.

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ISLAND OF SICILY

56. Political excitement was increased in the last few days of the month by visits from ORLANDO, DE GASPERI and the King, all of whom had very good receptions. TOGLIATTI on the other hand was whistled at almost continuously at PALERMO. Chief interest appeared to be in the institutional question rather than the party situation; for the Sicilians have a strong leaning towards the Monarchy and were trying to poll every monarchist vote possible in order to counter-balance northern republican votes. On the party issue the strongest parties were the Democratic Christians (easy first), followed by the UDN, Sicilian Independence, Uomo Qualunque and Socialists. Electioneering was more bitter in the PALERMO area than in the east of the Island and there were a few minor clashes without, however, grave consequences. Great anxiety was felt by the Authorities in PALERMO for the days immediately following the announcement of the result of the referendum and the usual rumours of insurrections and violence all without proof were rife. The distribution of election certificates varied considerably; in ENNA and CALTANISSETTA Provinces over 96% were distributed whereas in PALERMO the distribution was less than 90%; the PALERMO authorities blamed this on deaths, removals etc.

57. Public Safety conditions varied a great deal. In CAMARINA, ENNA and SYRACUSA there was little serious crime and no banditry was reported; in PALERMO and TRAPANI banditry flourished: in AGRIGENTO and CALTANISSETTA there were a lot of crimes in the sulphur mine areas, and also banditry: in MESSINA the general state was good but there were still a few small bands of brigands in the hills. The police everywhere were grossly overworked and cannot be blamed for the prevalence of crime. Firstly the police have had to work very long hours, with very few men in reserve to control political meetings, processions and elections for several months, and have not been able to concentrate forces against the bandits; secondly the food ration of 200 grams of bread is insufficient for SICILY, where the diet of the people does not include meat, fish, rice, butter, polenta etc., as in the North, and in fact forces many men to crime in order to obtain sufficient money to feed their children on the black market. The police will be further handicapped in the new drive against banditry by the fact that they are just starting the amassi season for wheat.

58. Agricultural prospects were uniformly good, though the wheat crop was about ten days later than usual. Estimates on the wheat crop varied enormously. The acreage sown was down but the best land has been chosen. Estimates varied from 7 million to 5 million quintals (the latter a more reasonable figure based on acreage - an average production of eight quintals per hectare). Grasshoppers threatened the crop in CATANIA but thanks to help from UNRRA the danger appeared to have been averted.

59. The situation in the sulphur industry was not good. The production is on primitive lines and if the owners pay reasonable wages they cannot hope to compete in the world market with others. This industry was in need of capital and modernisation in technique; it has the advantage of producing very high quality sulphur close to Europe. The workers were dissatisfied with the present wages and food scales, and the position gave continual anxiety to the Public Safety Authorities. Cotton prospects were slightly improved by a rise in prices, and there was optimism in AGRIGENTO. If the soap trade in MESSINA could reopen it would largely solve the province's unemployment problem; the PALERMO Authorities have not allowed them to use the necessary fats. The cost of living rose very steeply owing to manipulation of the bread black market in some provinces. Official figures could only be treated sceptically, as in [illegible] for example bread increased 5 lire a kilo a day to the new height of [illegible] The one thing certain was that the cost

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60. Progress was being made with proposals for new aqueducts, a great deal of work in this field remains to be done before SICILY can be anything except a poor Island.

61. Illegal emigration of Displaced Persons continued by night along the Eastern and Southern coasts.

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62. Public Health remained remarkable good in view of the obvious under-nutrition of large sections of the population.

63. Transport and communications were not bad. The railways functioned well and were very good in distributi . quickly any wheat or other UNRRA supplies. There was a shortage of freight trucks, but for essential deliveries UNRRA gave valuable help. The telephone services were improved.

EMILIA REGION

64. Political activity during the month increased in intensity as the elections in which all classes took the greatest interest approached. As before, the meetings of Communists, Socialists and Republicans were the more numerous; such attempts as were made by other parties were frequently interrupted. During the only attempt of the Monarchists to hold an open air meeting, the speaker was shouted down and a Socialist leader who afterwards addressed those assembled stated that it was not undemocratic to prevent the Monarchists from speaking. A Monarchist meeting at IMOLA was also abandoned in similar circumstances. However, as far as the meetings were concerned, there were no violent incidents or serious disorder. A definite "war of nerves" was conducted during the month, and there were strong rumours, that the extremists were prepared to carry out a coup d'etat, if the referendum should be in favour of the Monarchy. Three incidents of an obviously political character were reported during the month; on 24 May at RAVENNA, two hand grenades were thrown into the premises of Italian Partisan Association; on 16 May at S. MARCO, RAVENNA Province, five hand grenades were thrown through the windows of a house in which were the secretaries of the local Communist and Socialist Parties; on 31 May in BOLOGNA, two bombs were thrown, one near the Camera del Lavora and the other one at the entrance of the Casa del Popolo. Some damage was done but no one was hurt. The abdication of King Victor Emanuele was expected and caused little comment beyond the fact that it was considered to be well timed. Some disappointment was expressed at the lack of progress towards a Peace Treaty with ITALY. Provincial administration continued to be fairly satisfactory The financial position of the Communes continued to be bad.

65. The month showed little change in the Public Safety situation. While there was a reduction in the number of armed robberies, holds-up, extortions etc., the number of murders for both political and non-political reasons increased, in fact, it was the highest since November 1945. There were 17 murders, woundings and attempts for political reasons, 17 murders, woundings and attempts for non-political reasons, and 69 armed robberies and attempts. The work of the CC.RR. improved during the month. There was nothing fresh to report about the Questure and other police agencies. The Questure remained as inefficient and unreliable as ever; Questori were all faced with the same difficulties, untrained personnel, unreliable ex-partisan elements, and the "go slow" policy of most regular officials and agents who were all to a greater or lesser degree comprised during the Fascist/Fascist Republican period. The Questure appeared to be as corrupt as they were under Fascism and much less efficient. During the month there was complete absence of escapes from the prisons in the Region.

66. The grain situation in the Region did not improve during the month, but the bread ration was maintained. There was no distribution of pasta rations in some Provinces. The requisitioning programme yielded some 33,000 quintali of grain up to the end of May. This was not considered to be satisfactory by the Prefects. Undoubtedly, there was still a fairly strong black market in grain and flour, despite the firm action of the Prefects and police agencies in stopping vehicles and impounding such grain. Pasta and bread was still on sale in all civilian restaurants. There was plenty of meat - at high prices; indeed, every form of food could be bought by those who had the money. Cheese of all varieties,

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some damage to crops caused by strong winds and hail storms. A very good grain crop is expected, provided the weather remains good until the harvest.

67. There was an increase in the amount of money released for public works, and some progress was made. Delay was still occasioned however, by the lack of raw materials; a good deal of building was being carried out in the Provinces of FORLI and RAVENNA. Water and electricity supplies were satisfactory. The gas position remained the same as previously reported, due to shortage of coal.

68. There were 1,698 Displaced Persons on hand on 20 April and an intake during the month of 1,691; evacuations during the month totalled 2, 52. Following a conference in ROME it was decided that all camps in this Region would become A.C. Before this decision was made, refugees were being moved about a good deal and a clash occurred in REGGIO EMILIA between two different groups of people resulting in two deaths and bloodshed. Jews were moved to other camps in MILAN and ROME, and REGGIO EMILIA camp is now empty. The health in all the camps was excellent, there was some whooping cough among children, and the prevelant diseased continued to be venereal and tuberculosis.

69. Generally, public health in the Region was good. Measles were prevelant in all Provinces and there was some whooping cough. Hospitals were getting supplies of medicines and no further complaints were received on that score.

70. In transport and communications the improvement already reported continued. Despite a shortage of POL, transportation appeared to be adequate.

71. Italian Courts operated as slowly and laboriously as ever. It was noted that as the elections approached there was a very definite slowing up in the fixing of trials of persons with definite political attachments. This applied particularly to the trials of Communist partisans for such offences as murders armed robberies etc. This appeared to have been the policy of the Procuratore Generale in BOLOGNA who has since been replaced.

BOLZANO

72. On every Sunday during May the South Tyrol Party held meetings in various centres either demanding the annexation of the South Tyrol to Austria or protesting against the decision of the Big Four not to discuss their question. All meetings were orderly and the three speakers were usually Baron STERNBACH, Dr. F. VOLGGER, and Dr. V. GUGGENBERG; the meetings were so arranged that the speakers could address each meeting in turn. The first shock came when the Austrian Government asked for a "slight modification" of their frontier to include the PUSTERIA VALLEY (Brunico Area) and EISACK VALLEY (Brenner and Bressanone Area) in order to join the North and East Tyrol by rail. The S.T.V. replied at once by sending a telegram to PARIS protesting against the proposed frontier rectification and asking that representatives of their party might be heard to plead for the complete annexation of the South Tyrol to AUSTRIA. The dwindling hopes of the German speaking population were, however, revived by the speech of Field Marshal SMUTS and the support of their pleas by the "TIMES". As CHURCHILL supported them in Parliament by suggesting a plebiscite, their fading hopes of annexation again revived. The report of the Option Commission to decide the laws of citizenship was sent by the Prefect to the Italian Government. The S.T.V. still remains outside the Autonomy Commission and the Prefect endeavoured to contact certain members of the Hans EGARTER-Group without success. Signor DE GASPERI's speech in TRENTO in which he blamed the German speaking population for non-cooperation received adverse comment in the Press the line of attack being

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BOLZANO

72. On every Sunday during May the South Tyrol Party held meetings in various centres either demanding the annexation of the South Tyrol to Austria or protesting against the decision of the Big Four not to discuss their question. All meetings were orderly and the three speakers were usually Baron STERNBACH, Dr. E. VOLKGER, and Dr. V. GUGGENBERG; the meetings were so arranged that the speakers could address each meeting in turn. The first shock came when the Austrian Government asked for a "slight modification" of their frontier to include the PUSTERIA VALLEY (Brunico Area) and EISACK VALLEY (Brenner and Bressanone Area) in order to join the North and East Tyrol by rail. The S.T.V. replied at once by sending a telegram to PARIS protesting against the proposed frontier rectification and asking that representatives of their party might be heard to plead for the complete annexation of the South Tyrol to AUSTRIA. The dwindling hopes of the German speaking population were, however, revived by the speech of Field Marshal SMUTS and the support of their pleas by the "TIMES". As CHURCHILL supported them in Parliament by suggesting a plebiscite, their fading hopes of annexation again revived. The report of the Option Commission to decide the laws of citizenship was sent by the Prefect to the Italian Government. The S.T.V. still remains outside the Autonomy Commission and the Prefect endeavoured to contact certain members of the Hans EGARTER-Group without success. Signor DE GASPERI's speech in TRENTO in which he blamed the German speaking population for non-cooperation received adverse comment in the Press the line of attack being that it was easy to discuss principles of democracy and freedom when it affected the Italian Government, but when it affected the South Tyrol, no mention was made of the incorporation into TRENTO Province against their will of the 11 German speaking communes of the "Unterland" etc.

73. Security throughout the Province was satisfactory. The CC.RR. worked well; there were only 21 members of the CC.RR. who could speak both Italian and German. Some 200 others were located serving in other parts of ITALY and are shortly to be transferred to this area. Recruiting was opened to the South Tyrolians and some 32 applied for enrolment. A certain number of South Tyrolians recently escaped from POW-Camp in TARANTO and reached their homes. On instruction from ROME they were being arrested and are now languishing in the local jails as transport was not available to send them to the Camp at LATERINA (Arezzo).

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74. The recently concluded export agreements between ITALY, SWITZERLAND and AUSTRIA have not yet been carried out. Wine and harvest prospects for 1945 are excellent. The fruit crop in SWITZERLAND was expected to be abundant this year. This affects the possibility of exporting the fruit from SOUTH TYROL to SWITZERLAND and the Chamber of Commerce was trying to formulate plans for the exportation of wine and fruit to DENMARK and BRITAIN. The food situation in the Province was satisfactory. Fertilizers and insecticides were required, but on the whole the agriculture situation was above the average. There were 2,685 unemployed in the Province. Arrangements were being made to send hotel servants to SWITZERLAND and small groups of labourers were sent to the south for work in the rice fields.

75. General health was satisfactory except for V.D.

76. There were 1,131 D.P.'s in the Camp No. 19 (formerly No. 23) of whom 1,080 were Germans awaiting repatriation. The Camp Commandant received orders from AMGE not to accept more D.P.'s.

77. Conditions in hydro-electric works were very satisfactory with an abundance of water. The industrial zone was handicapped for lack of raw materials and its output was only some 30%.

REGION OF ABRUZZI & LAZIO

78. During the month there was a progressive intensification of the electoral campaign which was conducted vigorously by all parties. Everywhere the Prefects, mainly owing to the collaboration willingly extended by all political leaders, succeeded in maintaining control of the situation avoiding serious friction and excesses, and no disturbances of public order of any importance was reported.

79. The state of law and order except in the Province of FROSINONE where there continued to be frequent cases of highway robberies, showed a further improvement, due to the slow but steady process of reorganization of the Police Forces.

80. There was a further slight increase in the cost of living. The order for the conferring to the "ammasi" of a further 6% of cereals was carried out with varying results which were particularly gratifying in the Provinces of ANCONA (6,000 qls) and PERUGIA (11,219 qls.) The bread ration was maintained at 200 grs. throughout the month, and all other rations, except sugar were distributed on the same reduced scale as last month. Shortage of coal continued to affect the recovery of industry while the unemployment situation slightly improved owing to the increase in agricultural work. In the Province of ANCONA the capture by YUGOSLAVIA of several Italian fishing-boats caused a serious contraction in the fishing industry.

81. Public Works proceeded satisfactorily within programmes, and public utilities were slowly recovering.

82. No appreciable change was noted as regards Displaced Persons; refugees were assisted in all centres and whenever possible repatriated.

83. Public Health was generally good. The measles epidemic in TERNI Province decreased (305cases in the Province, 206 of which were in the city of TERNI, were notified during the month). 72 cases of measles were reported also in the Province of MACERATA and a few cases in RIETI Province.

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ROME CITY AND PROVINCE

84. Considerable activity was noted throughout the area as the political campaign progressed. Some incidents were reported, the most serious being at ARICCIA where a hand grenade was thrown by the Communists during a Monarchist meeting. A number of other incidents of interference by extreme leftists were also reported. Some traffic in electoral certificates was observed and several arrests made. Numerous demonstrations and public meetings were held during the month; the majority of these were of an orderly nature. Numerous articles appeared in the press and many complaints were voiced concerning non-receipt of electoral certificates and the distance of polling stations from residences of

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voters. A special office was opened in ROME CITY to deal with these complaints.

85. The crime situation deteriorated slightly during the month due to the fact that a large percentage of the Police Forces was obliged to concentrate its activities on the electoral campaign to the exclusion of its normal duties. Black market activities continued to flourish and was insufficiently checked. Numerous street accidents indicated that the traffic control situation was far from satisfactory. The supervision of illicit buying and selling comes under the Municipal Guards which in turn come under the Sindaco of ROME; this Corps (800 men) is inadequate and is being reorganized. The strength is expected to be increased to 2,500. A steady improvement was noted in conditions for Carabinieri and Finance Guards; their armaments were increased and considerable uniforms and clothing were allocated during the month. Four Flying Squads were created and proved quite efficient in checking crime, but in the maintenance of public order during the electoral campaign their lack of training was evident in the tactless way they carried out their duties. On the whole however, Police organizations appeared to have done their best during this difficult period.

AMG UDINE PROVINCE.

86. Political activity was intense immediately prior to the Elections, and every form of propoganda was employed. With the exception of one or two very minor incidents, all meetings were conducted in a most orderly way. The very active and intelligent propaganda by the Democratic Christians, under the direction of the ex-Prefect, was responsible for the great apparent increase in the support of that Party. Intensive monarchist propaganda was noticeable in the past three weeks. A further appeal by the Sindaci of the NATISONE Valleys against annexation by YUGOSLAVIA was received, and any suggestion that a part of this Province should be ceded to the Slavs aroused the strongest resentment throughout the Province. Slav and Pro-Slav propaganda continued in conjunction with c rtain sections of the Communist Party. There was general disappointment at the Failure of the Foreign Ministers to agree on the Trieste question. Unemployment was responsible for some discontent in the Province, although the recent financing of some 200 million lire's worth of public works projects relieved the situation to some extent. After protracted negotiations with the Labour Section of the Allied Control Commission for AUSTRIA, agreement was eventually reached and 600 Italian bricklayers and kindred tradesmen left for AUSTRIA. This had a marked effect throughout the Province, where it was hoped that it might be the beginning of emigration, on which the unemployed problem, (in this Province). hinges. Though the general political situation was calm, there was some uneasiness as to the outcome of the Boundary problem.

87. The promised increase in the strength of the CC. R. was most welcome, but high cost of living and the low wages had a detrimental effect on this body. Clothing was still urgently required; military trucks assigned to the CC.RR. were being fully utilized and contributed considerably to the morale of this force. There was little change in the crime records for the month and of the few armed robberies some were believed to have been commited by criminals from outside the Province. The 1st of May celebrations were very quiet. Guardie di Finanza were reasonably efficient; they were however, in need of pistols and barrack equipment. In common with other public services, they complained about the difficult economic conditions. Conditions in Udine Gaol were much improved, but the reduction in wages of auxiliary guards affected their morale. More career guards were needed to replace these auxiliaries. The general public safety situation was good.

88. Regular distribution of all rationed foodstuffs continued; present stocks of flour on hand will enable the ration to be continued until 16 June,

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88. Regular distribution of all rationed foodstuffs continued; present stocks of flour on hand will enable the ration to be continued until 16 June, but the planned distribution of 500 grams of pasta for May was cancelled on instructions from ROME. The free issue of 500 grams of sugar to residents of UDINE CITY up to 18 years old, given by IRELAND, was gratefully received. The final results of the livestock census gave a total of 192,356 head of cattle. Food prices generally were still high and did not show any tendency to fall. Essential commodities for both industry and commerce were satisfactory except for imported coal, tyres and fuel oil. The tyre situation was unsatisfactory and the coal shortage was acutely felt throughout the Province; only 3,300 tons out of a minimum requirement of 6,000 tons was received. Medical supplies, totalling approximately five million lire, were received. Statal employees were on strike between the 6th and 11th May. The Labour Attache of the British

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Embassy arrived shortly after and made recommendations to the Italian Government which so far has given no decision.

89. Heavy rains and further deliveries of fertilizers greatly improved agricultural prospects. Wheat cultivation in the Province showed a 20% increase on 1945, rice a 50% increase and barley a 35% increase. Sugar beets showed a 24% increase, while there was a decrease of 21% for potatoes and 7% for maize. Vines have not suffered by disease, and a good crop is foreseen. A total of 49 new cases of foot and mouth disease were reported, bringing the total number up to 95. In consequence, the export of livestock from the Province was forbidden without a veterinary certificate.

90. The cash position of the Bank of Italy for the month showed an increase of approximately three quarters of a million lire over last month, bringing the total of currency to over two and a half thousand million lire. The decline in the lire was very noticeable during the month, particularly against gold. Some eight million lire were authorised for communal expenses and approximately 483 million lire was authorised for the second quarter to meet statal and parastatal budgets. Military road projects were financed to a total of 10,700,000 lire.

91. Public works projects totalling approximately 206,000,000 lire were prepared by the Genio Civile of the Province. Elaborate preparations for the resurfacing of military roads came to a standstill for the lack of bitumen of which approximately three thousand tons were required. This will have the effect of delaying work on the less important military roads until the promised shipment arrives.

92. During the month, a total of 2,322 refugees passed through the Centre, of which 723 were aliens, Greeks and Yugoslavs being in the majority. One half of the displaced persons arrived from VENEZIA GIULIA, and the balance from ALTO ADIGE and UDINE area.

93. In a variety of ways, Welfare Office continued to give ample support throughout the Province, and was largely responsible for the provision of an ambulance for the BELLUNO T.B. Hospital. The Ministry of Post-War Assistance provided some seven million lire towards the electric lighting scheme for the communes of the PIAVE Valley. No increase in the number of UNRRA rations for the poor and needy of the Province was authorized, though claims from many communes were received. The general health of the Province was good, but 178 cases of measles and 21 cases of diptheria were reported.

94. There was ample transportation in the Province to meet all ordinary requirements, except for the passenger-carrying vehicles, which were urgently required by statal and para-statal employees and professional classes. The POL allocation was insufficient to meet requirements and the tyre situation was still unsatisfactory; an increase in the monthly allocation is most necessary. A further five million lire was deposited in the AFA account by the sales of ex-enemy vehicle scraps.

95. The Italian Courts worked satisfactorily and the Special Session of the Court of Assize tried 18 cases and dismissed 4, leaving 101 awaiting trial.

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96. The failure of the PARIS conference to come to an agreement over VENEZIA GIULIA and the suggestion that the Powers may accept the French line as a solution caused the morale of the Italian population to sink. This was particularly noticeable in POLA where the energies of the trades peoples are bent more in the direction of getting material and property out, than attempting to increase industrial and commercial activity. The month opened with a large and well-organised pro-Yugoslav demonstration ostensibly to celebrate "Labour Day". The demonstration was hissed and spat upon by Italians and uniformed Partisans in the procession came in for much of the abuse. The Allied Military Parade on the 2nd May was a great success and all political parties for once agreed by instructing their followers to support the parade. After this the city settled down to a period of apparent calm although the discontent and apprehension on the part of the Italians was coupled with a marked resurgence of anti-Slav feeling. The

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Next demonstration took place on 1[illegible] May; this was supposed to be a sports meeting but resulted in violent pro-Communist and pro-Yugoslav manifestations which however passed off without incident. The anniversary on 24 May of Italy's entry in World War I was celebrated by a Mass at the cathedral and the laying of wreaths on the War Memorial. The month closed quietly with political parties awaiting anxiously the re-opening of the PARIS Conference on June 15. During May two additional communes were subjected to General Order No. 11: DOLEGNA DEL COLLIO and DEBECCHA both in GORIZIA area. DEBECCHA is the first totally Slav Commune in which it was possible to implement G.O. No. 11. DOLEGNA DEL COLLIO is inhabited by Italians and Slovenes in approximately equal numbers.

97. In spite of increased activity on the part of the rival Yugoslav and Italian factions during the May Day celebrations, from the Police standpoint May was a reasonably quiet month. Advantage was taken of this 'breathing space' to improve efficiency and conditions in all branches of the Force. The May Day celebrations constituted a 'heavy' period, especially in TRIESTE CITY for the Civil Police, and police resources were extended to the utmost. Nevertheless, although several incidents occurred, the situation throughout was kept in hand and at no time was it necessary to request the military to assist in the restoration or maintenance of public order. During the last few months the Police Force has been thoroughly tested and has so gained the confidence of the higher command and the general public, that increased duties have been delegated to it. In view of this and the fact it must anticipate further public disorder resulting from the general uncertainty surrounding the Peace Conference, it is the intention to increase the force by 1350 bringing the total to 5000. Crime returns were low having regard to the general social conditions and to the population figure. Figures for May showed that a total of 249 crime complaints have been received by all branches throughout the Area, and 169 arrests or denunciations made. The most serious crimes reported during the month involved the death of six persons - two of the deaths being the results of road accidents, the four remaining deaths appearing to be cases of murder. There was no notable increase in serious crime in the TRIESTE Zone during the month although there was a slight increase in the number of reported cases of robbery accompanied by violence. There was a decrease in the number of political crimes reported but many of the reported crimes were still in this category. There was indication of an increase in the number of persons improperly carrying firearms. The uttering of forged Italian currency continued. In the GORIZIA Zone crimes reported showed a decrease as compared with last month and there were no crimes of violence. Eight cases of burglary and many cases of simple larceny were successfully investigated. Apart from a few cases of drunkenness the conduct of troops was good; no case of serious misconduct in public came to notice. There was little change in the prison population; in TRIESTE prisons there were 618 and in other prisons 335.

98. Normal rations were distributed to the whole population during May with the exception of pasta, which had to be cut due to the threatened failure of scheduled wheat flour shipments due to arrive. If possible deficiencies will be made up in June. Two steamers arrived during the month with miscellaneous foodstuffs and a steamer with approximately 8,000 tons of flour is due to arrive on 15 June of which 3,400 tons are for VENEZIA GIULIA and 4,600 tons are for ZONE B Province. Until further notice, owing to the wheat situation, pasta rations will be reduced.

99. Incoming shipping during the month totalled 23,930 tons and outward shipping totalled 20,04[illegible] tons. Rail movement totalled 39,240 tons. The total [illegible] rail and road was 143,629. A few addition-

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99. Incoming shipping during the month totalled 23,930 tons and outward shipping totalled 20,04[illegible] tons. Rail movement totalled 99,240 tons. The total tonnage moved during the month by sea, rail and road was 143,829. A few additional 1st and 3rd Class bus services and temporary summer services were authorised. Certain existing services were intensified and other concessions were withdrawn where supply and demand justified the action. A new system was adopted whereby a more strict control can be placed upon the rationing of new tyres.

100. The 1946 grain collection programme was under way, with police assistance promised. Records were being taken of acreage planted by farmers. The price has been fixed at 2250 lire per quintal, with special premiums for early amassing. The quota of wheat to be collected in the Territory is 20,000 quintals. Trials of evaders during the past season will take place before the 15 of June as a deterrent to this year's contraband operations. The Barcola afforestation project was initiated and bids taken for the work. Although trees will not be

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planted until autumn, fencing off, digging of holes, building of roads and walks, etc., will be carried out throughout the summer. More than 200 people are to be employed. Two projects, employing a total 15,000 persons were being projected to take care of reforestation between MONFALCONE and TRIESTE. TRIESTE Comune project was using several hundred people, but work will continue throughout the summer especially in the nurseries at VILLA GIULIA and BASOVIZZA, which are being developed and enlarged to take care of subsequent planting in VENEZIA GIULIA Territory in general, besides the TRIESTE project. The personnel of the Forestry Corps was being increased due to the pressure of work and the increased number of projects. Production of fish continued to increase monthly with further increases expected till late September. Control measures designed to regulate the flow of fish to the population were suspended in il autumn, as otherwise too many fish would be concentrated at central collecting points. Prices dropped and meat prices were lower too, as a result of competition from fish as a substitute. Fifteen tons of fish were being produced daily from combined ports in VENEZIA GIULIA.

101. The extension of the debris clearance scheme to include industrial premises had a good moral effect. A plan in detail for the rehabilitation of six major industrial establishments in TRIESTE was completed. The acute despondency engendered in POLA by the strong impression which has gained ground that the "French line" will be accepted brought all industrial rehabilitation plans to an abrupt end. The wish of POLA industrialists appeared to be to leave as quickly as possible and remove as much as possible of their belongings. The position of individual industries showed little change during the month. Textiles and building materials showed the greatest activity and arrangements were completed for constructional timber to be imported in logs and dressed here. This will enable a large saw mill to reopen. The Cantonieri Riuniti dell'Adriatico, owners of MONFALCONE shipyards secured an order for a second 9000-tons cargo steamer from Norwegian owners, and negotiations for repairs to the "Arrayabank" continued with the M.O.T. The "Empire Mac Gabe" left during the month, the owner's representative and Captain expressing themselves well-satisfied with the quality of work put into the reconversion. Electricity and gas supplies were normal and care was exercised in screening demands for fuel and POL on account of the current shortage. Rehabilitation of the port continued satisfactorily but constant supervision was necessary on account of the large volume of work on hand, to keep the Magazzini Generali and Contractors up to scratch. The destroyer "Sebenico" was floated and, but for the collapse of a large patch, salvage would have been completed by the end of the month.

102. The first lot of cloth to be produced from Imported Cotton (200,000 m - value about lire 36,000,000) was on sale. The stock of finished cloth was about 300,000 metres. The planned quantity is about 2,200,000 metres. Owing to the coal strike in the United States no shipment of coal was received in May and the position regarding imported stocks was very serious. Against coal allocations accepted for delivery during the first 6 months of 1946, 60,064 tons were received, the allocation being 119,400 tons. The balance of imported coal in stock (as of 1 June) was 534 tons, of which 293 was allocated to TRIESTE Area. The requirements of GORIZIA and UDINE for the month of June have been secured.

103. The repair of public buildings was well in hand; practically all those which were slightly damaged have been or are under repair and work was commencing on those which have been heavily damaged. The repair of private housing progressed very satisfactorily. Normal work was at its summer peak with over 3,000 men employed in repairing roads and bridges. During the month negotiations were completed with the Italian Government for the building, subject to ARGO approval

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102. The first lot of cloth to be produced from Imported Cotton (200,000 m - value about lire 36,000,000) was on sale. The stock of finished cloth was about 300,000 metres. The planned quantity is about 2,200,000 metres. Owing to the coal strike in the United States no shipment of coal was received in May and the position regarding imported stocks was very serious. Against coal allocations accepted for delivery during the first 6 months of 1946, 58,064 tons were received, the allocation being 119,400 tons. The balance of imported coal in stock (as of 1 June) was 534 tons, of which 293 was allocated to TRIESTE Area. The requirements of GORIZIA and POLA for the month of June have been secured.

103. The repair of public buildings was well in hand; practically all those which are slightly damaged have been or are under repair and work was commencing on those which have been heavily damaged. The repair of private housing progressed very satisfactorily. Normal work was at its summer peak with over 3,000 men employed in repairing roads and bridges. During the month negotiations were completed with the Italian Government for the building, subject to AFHQ approval, of the VILLACH-AUSTRIA autostrada. The Italian Government agreed to complete its part of this road in four years starting during the coming summer. Repairs were in progress at PORTO NUSO, GRADO, DUINO, MONFALCONE, SISSIANA and POLA. These ports although not playing a big part in international trade, are essential for local coastal shipping. The bonifica work was being pushed in all areas; when projects are completed they will provide sufficient farm produce to make VENEZIA GIULIA independent of outside sources. The Navy turned over to A.M.G. the disposal of mines off shore, and around the docks; to do this work the Navy released their civilian crews to A.M.G.

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104. The Economic situation deteriorated considerably owing to uncertainty as to future status of the territory. Strenuous efforts to institute large scale and long term public works projects, and to rehabilitate industry became necessary to avert complete economic paralysis. Efforts were made during the month to work out schemes for improving the situation and a requisition was prepared for the rehabilitation of the half dozen main industries in the territory, namely ILVA Steel Works, TRIESTE, AQUILA Oil Refinery, TRIESTE, S.I.A.P. Oil Refinery, TRIESTE, GAGLIETTI Oil Seed Pressing, TRIESTE, TRIESTINA SPREMITURA Oil Seed Pressing, MONFALCONE, SOLVAY Chemical Works, MONFALCONE. The largest industry in the territory, CANTIERI RIUNITI DELL'ADRIATICO was not included, as orders for new ship construction and reconversion come from overseas and arrangements for the supply of necessary material from abroad are part of the contract negotiations. Prospects of obtaining repair work from BRITAIN for the shipyards of TRIESTE were not, very hopeful, though there was a possibility of some orders for new ship construction being obtained. A contract for the building of two ships for Norwegian owners was obtained with the assistance of the Italian Government. A number of Compensation Deals took place with countries with whom ITALY had Trade Agreements. The GORIZIA Cotton Mill is in a position to work to its full capacity on the basis of its normal Commercial contacts, though A.M.G. is maintaining control over its exports. A contract is in process of preparation whereby it is contemplated that the mill will weave, cloth for the United States Government for use in the FAR EAST.

105. The incidence of measles continued to be high especially in GORIZIA. Work will soon commence on the extension of the CAROFOLO childrens' hospital and when completed this will double the present number of beds. A further 20 tons of drugs and dressings arrived during the month and a price-control committee to standardize prices and sales was set up.

106. Movement of Displaced Persons into Zone "A" of VENEZIA GIULIA continued; a total of 1,852 DPs arrived and 1,909 departed. Work by the British Red Cross representative among refugee and local inhabitants continued. 200 tubercular children from war-damaged districts of YUGOSLAVIA were taken to SWITZERLAND by the British Red Cross representative. Two more attempts at illegal entry by Jewish refugees were made during the month. The first party of 18 was arrested by Security, the second party of 20 was turned back at the frontier. During the month one party of 91 Italian POW's arrived in TRIESTE from YUGOSLAVIA. Their physical state as well as their clothing was deplorable.

107. Total credits issued since A.M.G. took over the administration of this territory aggregated about 12,000,000,000 Lire, one third of which represents expenditures on public works. The next major item was 900,000,000 Lire paid for occupation expenses. Allied owned properties under formal control amounted to 379 whilst 93 were released. 18 German properties were sequestered. The lack of security in the free port continued owing to the shortage of Finance Guards and recent reports indicated that drastic steps must be taken without delay.

108. During May a total of 450 accused were tried on 505 charges in Summary Courts. These figures were higher than normal due to a special effort during May to bring the Court calendars, particularly in the area of TRIESTE, up to date; this was accomplished by holding extra Summary and Superior Courts. During May total of 80 accused were tried on 115 charges in Superior Courts again due to the special effort to make Court calendars

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109. The Labour Office had a very intensive month particularly in view of the many difficulties which "The Sindacati Unici" have been creating. The "Ispettorato del Lavoro", which calls for complete reform conducted its usual

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business doing no more than what is a bare minimum. Unemployment increased; records for VENEZIA GIULIA as a whole showed an increase of 3325. In TRIESTE area alone there was an increase of 2842. Dismissals during May in conformity with C.O. 106 amounted to 3738. The Public Works payroll showed a slight decrease in employment, as compared to April. There was only one occasion on which work was suspended during May and that was in the Shipyards of MONFALCONE where the clerical workers abstained from their work on the afternoon of Saturday 25th in order to protest against the fact that the reduction of time table from 48 to 40 hours was not made to apply in the case of clerical employees. The system of addressing workers on the factory premises still continued and the Sindacati Unici staged five important meetings during May. The difficult of fixing "piece work" rates in the C.R.D.E. still continued in view of the intractable attitude of "Sindacati Unici" which refused to allow the "Camera del Lavoro" to enter in the joint negotiation while at the same time insisting that the Management and incidentally A.M.G. were to blame for the impasse. The attitude of the "Sindacati Unici" mentioned above is merely a preview of a continued policy of sabotage calculated to precipitate conditions of industrial unrest. In view of this line of action, the advisability of promulgating legislation to regulate Trade Union affairs in general, and joint negotiations in particular, now becomes a necessity, unless A.M.G. is prepared to accept a situation in which a virtual monopoly is tacitly granted to the "Sindacati Unici" to the exclusion of the "Camera del Lavoro".

110. Italian schools under the administration of A.M.G. will close the 1945-46 school year in June, the Slovene schools in July. The School Section of PWBO through its mouthpiece "PRIMORSKI DNEVNIK" continued in a rather mild way to attack education policy in this Territory. Schools will not be recognized where the teachers are not employed legally, where schools have refused to use AMG text books, insist on using forbidden texts, and are not following the Allied Military Government programme of study; students completing their work in non-recognized schools will be authorized to enter recognized schools only upon examination as in the case of any students from private schools. The complete issue of Slovene elementary school text books (those so far completed) has been subsidized and they will be distributed free to the school children of the Territory.

111. Wire thefts continued in the vicinity of OPICINA, and now in the MUGGIA area. On 20 May the Civil Telegraph Service was opened up to the Services for British personnel at concession rates for U.K. and the British Empire. Telegraph services were opened during the month to VIENNA and MILAN and VENICE Stock Exchange.

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PART II

CIVIL AFFAIRS SECTION

LOCAL GOVERNMENT SUB-COMMISSION

1. The Decree prescri ing the procedure for voting upon the Institutional Referendum was published on 3 May. The Referendum ballots and those for the election of Deputies to the Constituent Assembly will be delivered to the electors simultaneously. The Referendum ballot contained a symbol for the Monarchy consist of the arms of the House of Savoy and a symbol for the Republic consisting of a female head wearingalaurel crown. The voter makes a mark against the symbol of hi choice. The Decree made a detailed provision for integrating the voting and count of the votes for the Referendum with the corresponding procedure for the election Deputies to the Constituent Assembly. The period of voting was extended to 1200 h on Monday 3 June to allow adequate time for dealing with the two ballots. The lis of candi" tes nominated in the 31 election districts or colleges published late in the month showed 4,7?o nominations for 573 seats: leading men have however been nominated in 2 or sometimes 3 districts. The number of competing parties varied f 2 in the VAL d'AOSTA up to 23 in the NAPLES-CASERTA district and 27 in the distri of ROME-FROSINONE-LATINA-VITERBO.

2. On 21 May a directive was issued to all Allied Commission Liaison Officers to their conduct in observing the elections on 2 and 3 June. As in the case of th local elections, Liaison Officers were instructed to behave as inconspicuously as possible and not to enter polling stations or places where votes were counted.

3. The few communes outstanding all completed their lists by mid-May. A number of special difficulties were investigated and reported upon, including (a) Sectio lists in Rome. Owing to the fact that numbers of electors were assigned to sectio distant from their homes, the Italian Government granted additional time for applications to be made for transfer and opened a special office for the purpose. (b) Registration of troops. It transpired that large numbers of troops had been i service so long that their original registrations had disappeared and they could n vote. The Italian Government arranged for such cases to be registered in the comm where the men concerned were stationed.

4. The last day for the delivery to the electors of their certificates of registration was 2 May. Shortly thereafter it appeared that large numbers of certificates remained undelivered, especially in the city of ROME. Investigation showed that this was partly due to inherent practical difficulties and partly due to inaccurate work by junior officials. In all communes however electors could apply personally for certificates up to and including 3 June. Instructions were therefore issued to Liaison Officers to report from time to time information as to electoral certificates remaining undistributed in their areas. Arrangements were also made with the Ministry of Interior to obtain similar information from their Inspectors General. The information as obtained showed that by the end of the month the certificates remaining undelivered was in the overwhelming majority of provinces less than 5% of the number entitled to receive them - a satisfactory figure.

LEGAL SUB-COMMISSION

5. Allied Military Courts were in session in VENEZIA GIULIA and UDINE Provin Superior and Summary Courts were held during May in both VENEZIA GIULIA and UDINE. In VENEZIA GIULIA, a total of 86 accused were tried on 115 charges in Superior

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Tribunals of LIVORNO disposed of 20 penal cases involving 50 defendants, 11 of whom were acquitted. PISA Province also reported active prosecution of Allied interest cases. The number of inmates of the jail in LIVORNO decreased. The number detained being 334, of whom 295 are males and 39 females. The number of serious crime in the entire TOSCANA region is constantly decreasing.

PUBLIC HEALTH SUB-COMMISSION

6. The situation in ITALY as regards communicable diseases remained satisfactory. Small-pox and poliomyelitis were again, as in the previous month, the only two infectious diseases requiring notification. There were 65 cases of small-pox in May, all of them occurring in SOUTHERN ITALY. The highest incidence took place in the Province of BARI, which registered 37 cases as against 39 in April. Practical all cases of poliomyelitis have occurred in NORTHERN ITALY. 81 cases were reported in May, as against 40 in April, but there were localised outbreaks worthy of note. The provinces of MILAN, VENICE and BERGAMO registered the highest number of cases, the figures being 10, 10 and 9 respectively. Vital statistics for the month of April are as follows. Population of ROME Commune 1,5[illegible],274. Total number of births 2,587. Deaths 1,267. Deaths in children under one year of age 188, which gives an infant mortality rate of 72.3 as against 66.9 in March and [illegible]4.8 in February. In the same Commune deaths from all forms of tuberculosis during April were 202 compared to 188 in March. Out of this figure, 159 deaths were due to pulmonary tuberculosis.

PUBLIC SAFETY SUB-COMMISSION

7. Apart from Election and Referendum fever by the various political parties, the month of May was very quiet. Although numerous meetings and demonstrations were held, no serious incident occurred. As previously reported, the condition of the Police Forces continued to improve and the CC.RR. are now becoming an efficient Force. The Pubblica Sicurezza also showed signs of improvement. The prison situatic remained unsatisfactory but efforts were being made by the Italian authorities to regularize the position of the Guards and improve the condition of the prisons. The serious outbreak in the MILAN Prison during the latter part of April undoubtedly caused the authorities to appreciate the urgency of the situation.

DISPLACED PERSONS AND REPATRIATION SUB-COMMISSION

8. During the period under review UNRRA took over the Camp Group in North-West ITALY viz: MILAN, TURIN, and GENOA. The hand-over to UNRRA of Displaced Persons Camps is now completed. The final result of the screening, which was carried out with the purpose of determining the eligibility to UNRRA assistance of all Camp inmates showed a total of 9,922 ineligibles plus 7,000 Poles. It was anticipated that this figure would continue to increase due to the fact that many persons were being refused camp care by UNRRA and would therefore apply for admittance into Displaced Persons Camps. In view of the fact that practically the whole of the population of certain Camps turned out to be ineligible for UNRRA assistance, it wa decided that D.P.R.S.C. should take back the responsibility and administration of such Camps. At the end of the month D.P.R.S.C. had 15 Camps under control. A new policy was drawn up in conjunction with UNRRA with regard to the nationality designations of the Camps. This policy will govern the re-shuffling of the population between UNRRA and D.P.R.S.C. Camps. A new Camp was set up at BACNOLI n NAPLES mainly for the purpose of accomodating Displaced Persons from MODENA Camp which was required for Italian Army purposes. This new Camp was also to provide accomodation for other Displaced Persons from UNRRA Camps who would be found to be outside UNRRA Charter. It was not decided what the final disposal of the Camp in BOLZANO would be, as clearance for the last batch of Germans (now numbering over [illegible] repatriated to Germany had not been obtained from BERCON. It was

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PART III - ECONOMIC SECTION

FOOD AND AGRICULTURE BRANCH.

1. The cereal situation deteriorated further in May. Total stocks, including working stocks as well as stocks in port warehouses, as of 1st of May were 140,000 tons or about 15 days supply. By the 31st of May it was estimated that stocks would amount to only about 50,000 tons or about 6 days supply. It was believed that estimates would be higher than those quoted because the distribution of the full pasta ration was not made in May. The reduction in the cereal stocks arose from the fact that arrivals from abroad - 154,000 tons - plus amassing were far below the consumption of the country. Because arrivals during the first half of June were expected to be poor and because the new harvest will not become an important source of grain until the latter end of June, an extremely grave situation was expected to arise in the middle of June. Stocks became so low that on May 24th UNRRA approached the Allied Commission with a view to acquiring a loan from Allied Military stocks of up to 20,000 tons of flour to be repaid in 30 days. The matter was referred to AMG who were unable to agree. Although no official cut was made in the rations, the Italian Government decided to postpone the May pasta issue of 500 grammes. However a number of cities, including ROME, issued the pasta ration in defiance of the Government's policy. In instituting the emergency amassing programme which was designed to meet the serious cereal situation, the Italian Government reduced the goal from 150,000 tons recommended by UNRRA to 88,560 tons. However, to the 31st of May only 33,685 tons of cereals(excluding rice) or 38.1 % of the goal had been amassed under the emergency programme. The emergency decree was so written as to require delivery of cereals by 31st of May. However, it is expected that receipts will continue into June. There are a number of reasons for the failure to reach the goal set in the emergency amassing programme. Although the decree required producers to surrender only 6% of their annual retentions of 2 and 1.5 qls., the decree came late in the crop year and the 6% reduction in retention amounted to perhaps 25 or 30% of the retention remaining unconsumed. Moreover, the reduction in the retentions (equivalent to a cut in the producer's ration) came at a time when agricultural life is strenuous and the workers are hungry. Another reason for the failure of the emergency amassing measure was the fact that although it almost tripled the official price paid for grain it still left the official price about 1/3 of the black market price. The local enforcement of the decree was perhaps handicapped as well by the fact that the Central Government decree was not published until the 25th of May, the provinces having instituted the emergency measure in provincial decrees based on telegraphic instructions from the Ministry of Agriculture.

2. It was reported previously that the country had large stocks of powdered milk, dehydrated soup and dried eggs. The Italian Government recommended to UNRRA the use of 6,000 tons of powdered milk by mixing it with flour for bread-making at the rate of 4-5%. The proposal was still under study by UNRRA at the end of May. The Italian Government likewise intended to make a special distribution of 500 grs. dehydrated soup per month in PIEDMONT, LIGURIA and VENETO Compartments. To encourage the movement of dried eggs the Government reduced the price at the warehouse from 534 lire to 400 lire per Kg.

3. There was a great shortage of dried vegetables in Italy, practically all stocks having been exhausted in May. Due to such shortage the May ration requirements of dried vegetables were not met in all cases. The Italian Army as well as other groups apparently will have to find substitutes for dried vegetables in the ration during the next few months.

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loan from Allied Military stocks of up to 20,000 tons of flour to be repaid in 30 days. The matter was referred to AFHQ who were unable to agree. Although no official cut was made in the rations, the Italian Government decided to postpone the May pasta issue of 500 grammes. However a number of cities, including ROME, issued the pasta ration in defiance of the Government's policy. In instituting the emergency amassing programme which was designed to meet the serious cereal situation, the Italian Government reduced the goal from 150,000 tons recommended by UNRRA to 60,560 tons. However, to the 31st of May only 33,685 tons of cereals(excluding rice) or 49.1 % of the goal had been amassed under the emergency programme. The emergency amassing decree was so written as to require delivery of cereals by 31st of May. However, it is expected that receipts will continue into June. There are a number of reasons for the failure to reach the goal set in the emergency amassing programme. Although the decree required producers to surrender only 6% of their annual retentions of 2 and 1.5 qls., the decree came late in the crop year and the 6% reduction in retention amounted to perhaps 25 or 30% of the retention remaining uncompleted. Moreover, the reduction in the retentions (equivalent to a cut in the producer's ration) came at a time when agricultural life is strenuous and the workers are hungry. Another reason for the failure of the emergency amassing measure was the fact that although it almost tripled the official price paid for grain it still left the official price about 1/3 of the black market price. The local enforcement of the decree was perhaps handicapped as well by the fact that the Central Government decree was not published until the 25th of May, the provinces having instituted the emergency measure in provincial decrees based on telegraphic instructions from the Ministry of Agriculture.

3. It was reported previously that the country had large stocks of powdered milk, dehydrated soup and dried eggs. The Italian Government recommended to UNRRA the use of 6,000 tons of powdered milk by mixing it with flour for bread-making at the rate of 4-5%. The proposal was still under study by UNRRA at the end of May. The Italian Government likewise intended to make a special distribution of 500 grs. dehydrated soup per capita in PIEDMONT, LIGURIA and VENETO Compartments. To encourage the movement of dried eggs the Government reduced the price at the warehouse from 524 lire to 400 lire per Kg.

3. There was a great shortage of dried vegetables in Italy, practically all stocks having been exhausted in May. Due to such shortage the May ration requirements of dried vegetables were not met in all cases. The Italian Army as well as other groups apparently will have to find substitutes for dried vegetables in the ration during the next few months.

4. Although the Italian cereal situation became more and more serious in May, it was not reflected in black or free market prices. From the end of April to the end of May there was a rising tendency in the prices of bread and pasta, but the increase was not great and a reduction actually occurred in the price of pasta in ROME. In other foods, reduction in prices were just as common as increases. The absence of greater reflections in prices of the serious cereal situation is probably explained by the fact that in May large quantities of locally produced foods, particularly potatoes came on the market.

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5. Arrangements were successfully concluded with the Italian Government for the payment in kind to the British Army of outstanding debts as of 31st March (except flour) incurred through Midshift Meals and Displaced Persons issues. The grain shortage prevented the Italian Government from repaying the flour debt.

6. There were sufficient cereals in VENEZIA GIULIA and UDINE to last until the middle of June. A shipment of 8,000 tons of flour was promised to arrive 15 June and will carry the above area for an additional month. Because of the world cereal shortage, the pasta ration in VENEZIA GIULIA was reduced to 500 grs. monthly, putting it on the same basis as UDINE and Italian Government territory. To maintain the usual differentiation in POLA, necessitated by its economic isolation, it was recommended to AMG 15 Corps that the POLA ration be reduced from the former 2,500 grs. to 1000 grs. The reduction in VENEZIA GIULIA pasta ration was effective in May. In May VENEZIA GIULIA distributed all of its rations, although the 500 grs. of pasta distribution was not completed until June. Sugar was distributed at 200 grs. instead of the reduced basis of 100 grs. adopted in the rest of ITALY. UDINE distributed all supplementary rations and rations to Special Classes. A free issue of 500 grs. of sugar, donated by UNRRA, was also distributed to children 0-18 years in UDINE CITY.

AGRICULTURAL SECTION.

7. The rains which broke the long drought during the last few days of April, continued throughout the month of May, benefitting greatly cereals, pastures and gardens but interfering somewhat with the harvest of the first cutting of hay. Only at FOGGIA did recent reports indicate that it was still "seriously dry". On the other hand "excessive moisture" which caused some damage to crops and interferred seriously with field work, was reported from PIEMONTE. On the whole, both rainfall and temperatures were unusually favorable for May, a month which in Italy is frequently too hot and dry. Stimulated by abundant moisture and favorable temperatures, the cultivations of practically all agricultural crops registered notable gains during May. As a result recent estimates of the 1946 harvest made by the Istituto Centrale di Statistica, were with few exceptions, larger than the original forecasts made in January.

8. Reports of new infestations of grasshoppers were received almost daily during May. Although most of the new outbreaks involved relatively small areas of pasture and hay lands, they were very properly regarded by local authorities as the threat of devastating hordes that would cause serious damage to agricultural crops; hence many requests were received by the Minist of Agriculture for material and equipment with which to combat the menace. Up to 27 May, infestations were reported in sections of SARDINIA (238 of the 281 communes), SICILY, CALABRIA, LUCANIA, PUGLIA, CAMPANIA, LAZIO, VENETO In SARDINIA the infestation was reported to be the most serious encountered in 30 years. Fortunately much of the wheat was too mature to be completely destroyed although the destruction of its leaves will reduce the yield to approximately 70% of that which was expected a month ago. A valiant effort was being made in areas where the infestations were most severe to save the crop, but the shortage of poisons and bran b:it made effective control virtually impossible. The frequent rains were of inestimable help in mitigating the damage since moisture favors both growth of parasites on the hoppers and the growth of grass and weeds which the insects prefer to most agricultural crops.

9. Hail damage was experienced in scattered areas of the PO Valley during the first half of May; there was also a prevalence of a fungus (fusarium, [illegible] of the chest of the CAMPIDANO plains in SARDINIA. Lastly, while

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9. Hail damage was experienced in scattered areas of the PO Valley during the first half of May; there was also a prevalence of a fungus (fusarium) on much of the wheat of the CAMPIDANO plains in SARDINIA. Lastly aphids caused some damage to fava fields in SOUTHERN ITALY. However all of these unfavorable factors, including the grasshoppers are not to be compared in importance to the severe drought which blasted crop prospects a year ago.

10. New potatoes were available throughout the country at prices but little more than half those prevailing at planting time. Both yields and quality were very satisfactory. Tomatoes were being harvested in SICILY and were available in NAPLE but at prices too high for general use. The

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season for fava, peas and artichokes was considerably extended by the cool moist weather. Green beans were in large supply and of exceptionally good quality.

11. The wheat harvest of SICILY will be approximately 15 days later than usual this year, because of the late planting brought about by insufficient moisture last autumn. The new harvest will start in CAMPANIA and PUGLIE where cutting is expected to be in full swing by 10 June. Reports indicated that harvest operations will be started in practically all provinces by 15 June; hence, new wheat should be available everywhere early in July.

12. The 90 Fiam tractors and 97 additional boxes of spare pts pending in Requisition RA-201 were unloaded in GENOA about 1 May. These tractors and 66 machines received in February were finally delivered to farmers, after a delay of nearly three months, during which the Italian officials were deciding what agencies and at what prices machines should be sold. Supplies of fertilizer against RA-MB and MT requisitions were received during the month and the manufacture of domestically produced fertilizers was struggling to rapid recovery and gave promises of being able to attain from 60 to 70 % of their pre-war production during the year beginning July 1 1946.

13. The emergency assessing decree directing the delivery of not less than 6 per cent of all authorized withholdings of cereals brought in 33,685 tons of grain (excluding rice) during May or 49 per cent of the established goal. Plans and prices for assessing the wheat of 1946 harvest were announced. Prices including substantial bonuses for early deliveries, were approximately 2½ times those prevailing in 1945 and coupled with a harvest estimated at 40% larger should secure deliveries very much greater than those a year ago.

14. An inspection was made during May of forestry equipment imported in 1944 under RA requisition and still in warehouses in the NAPLES area. It was found that the principal items on hand were axes, cross-cut saws, files for sharpening saws and web belting. Although distribution was much slower than was anticipated, it was the opinion of the Consortio Nazionale Approvigionamento Industrie del Legno, that they will be absorbed by the timber industry at a reasonable date. Storage and method of accounting appeared to be satisfactory.

COMMERCE (FOREIGN TRADE) BRANCH.

15. Subsequent to the handing over by AC of its last remaining foreign trade function, a Working Group was established to advise the Italian Government on foreign trade matters. The Committee, which is advisory, contains representatives of various Ministries such as Foreign Affairs, Industry and Commerce and Foreign Trade, and representatives of the British and American Embassies, UNRRA and AC. Three meetings have been held; the first dealt with the structure and functions of the Committee, and it was decided that the Committee should be informed, and its functions, consultative and of a co-ordinating nature. Meetings were held weekly at the Ministry of Foreign Trade.

16. About the middle of this month AC passed over to the U.S. Embassy the care of the negotiations initiated with the representatives of the U.S. Military Government in BERLIN.

17. Attempts were made to put trade between ITALY and TRIESTINIA on an easier basis, and to this end, initiated negotiations (see last month's report) between the representatives of both TRIESTINIA and the Italian Government. It was agreed that a system be set up to expedite communication

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the month and the manufacture of [illegible] ing a rapid recovery and gave promises of being able t[illegible] attain from 60 to 70 % of their pre-war production during the year beginning July 1 1946.

15. The emergency planning decree directing the delivery of not less than 6 per cent of all authorized with holdings of cereals brought in 33,605 tons of grain (excluding rice) during May or 49 per cent of the established goal. Plans and prices for amassing the wheat of 1946 harvest were announced. Prices including substantial bonuses for early deliveries, were approximately 2½ times those prevailing in 1945 and coupled with a harvest estimated at 40% larger should assure deliveries very much greater than those a year ago.

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17. Attempts were made to put trade between ITALY and TRIPOLITANIA on an easier basis, and to this end, initiated negotiations (see last month's report) between the representatives of BMA TRIPOLITANIA and the Italian Government. It was agreed that a system be set up to expedite compensation deals. After this had been agreed, information was received from [illegible] which defined the procedure for trade between ITALY and her ex-colonies (occupied territories.) This procedure was submitted to the Italian government for its comments and a reply is awaited for onward transmission to British Military Administration, TRIPOLITANIA. The effect of the new system, is that normal trade between ITALY and occupied territories (ERITREA, CYRENAICA, TRIPOLITANIA) may be carried on between traders resident in these areas and ITALY, provided settlement is effected in sterling through LONDON. Future trade will not therefore be based on compensations. There

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is no doubt that from the moment that the new system is introduced, trade between ITALY and these areas, will have a much better chance to operate. Up till now the dual shackles of barter and bureaucratic control have resulted in little or no trade.

18. In connection with the proposed opening up of private trade on a normal value basis, the question of visits of business men between ITALY and the occupied territories was pursued by AC with AFHQ and by this latter HQ with TRIPOLITANIA. It is hoped that Brit. TRIPOLITANIA will modify their attitude on the question of permitting the entry of business men and property owners from ITALY.

INDUSTRY AND UTILITIES BRANCH

19. Numerous requests were received for de-requisition of industrial premises. The worst areas affected were NAPLES, LEGHORN and the area from ANCONA to VENICE. Not much success was evidenced in connection with the first two mentioned areas where the British and American armies have their main base installations. However, with regard to the Ansaldo Plant at NAPLES, the Director of Ansaldo and NAVY and Ordnance have been in conference and it appeared likely that further sections of the works will be handed back to the owners, this will probably help the unemployment situation in this area.

20. The revised timber plan was approved by AFHQ and the Italian Government instructed to implement the scheme, a loan of 50,000,000 lire was advanced by the Italian Treasury to the Timber Federation to enable them to continue work until payment by the Military Authorities for timber supplied could be effected. A large saw mill and a molasses and syrup plant in the FOGGIA area were released by the British Authorities, and with the withdrawal of 2 Polacres the vacation of many other premises is promised.

21. Little progress in industrial activities was possible due to the coal shortage. It was not possible to re-start the BAGNOLI blast furnace and coke ovens and with the non-arrival of American pig iron the situation was not promising, this material together with coal is the basis of all engineering industry. It is hoped that the resumption of shipments of American coal will improve matters, but it can hardly be expected that the benefit will be immediate as backlogs have to be made up and priority users supplied.

22. Imported coal discharged in ITALY including SICILY during the month of May totalled 330,000 tons. Sardinian coal arrivals totalled 57,000 tons during the same period. Sardinian coal production for May was 88,854 tons; this was a decrease of 1,536 tons. Production of lignite during the month was approximately the same as the previous month 160,000 tons.

23. Bulk products of POL continued to be released by the Military in a satisfactory manner and by end of May all bulk quantities due against gasoline, kerosene and fuel oil were released in full. Information was received during the month that crude oil from ARABIA would be available for export to ITALY for refining locally.

24. The Northern Italy Advisory Committee discussed the matter of standardisation of frequency and transmission and distribution voltages. It will require several years to complete the programme.

25. The Central and Southern Italy joint meeting discussed standardisation of frequency and rationing plans for the coming autumn and winter. It is

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25. The Central and Southern Italy joint meeting discussed standardisation of frequency and rationing plans for the coming autumn and winter. It is not expected that frequency standardisation will be accomplished by the end of 1946 due to necessary mechanical changes to be made on some customers' equipment. Some power rationing will be necessary in CENTRAL and SOUTHERN ITALY during the coming autumn and winter, but it is not expected to be as serious as that experienced during the past winter. Coal for gas plant operation would be of great benefit in relieving the electric system of domestic heating and cooking loads.

26. The SILA Reservoirs for SOUTHERN ITALY show storage of 232,000,000 KWH or about 60% of full capacity; not much more filling is expected. The reser-

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voirs started off last year at full capacity; however, the deficiency will be offset to some extent by restored generating plants and power coming from CENTRAL ITALY and NORTHERN ITALY. The storage reservoirs' position in NORTHERN ITALY is expected to be satisfactory. Those supplying the power for VENEZIA and EMILIA areas are now filled. Those supplying the balance of NORTHERN ITALY are just starting to fill from the melting snows in the Alps. No improvement has been experienced in the storage position in CENTRAL ITALY. Very little change was made in the power allocations for June as compared with May. Such changes as were made were due to seasonal variations in load.

27. The question of contract for wholesale power between FRANCE and ITALY is now under discussion in PARIS. No information is available as yet on the outcome of negotiations. Arrangements were completed for transferring of electrical materials to British Ministry of Supply and Ministry of Public Works. The Italian Government's request for permission to implement a housing programme in VENEZIA EMILIA to relieve unemployment and housing was not deemed necessary at the present time by AMG XIII Corps.

28. Utilities Division AC, was requested by the Directorate of Hirings and Disposals (Fixed Assets) C.M.F. to assist in the negotiations on turning over to the Italian Government All Bailey bridges in ITALY, which are still in position and which were installed by the British Army. Agreements satisfactory to all parties concerned were completed.

TRANSPORTATION AND SHIPPING BRANCH.

29. 91% of the total network of the railway system was in operation. However, the percentage of electric traction was only 64% and the double track available for service only 55% compared to the 1938 figures. The locomotive situation for April showed an improvement over March as there were fewer locomotives awaiting repair. 55% of the tractive power compared to 1938 was available and only 2,442 steam locomotives available compared to 4,277 in 1938. A total of 7,235 passengers made use of the international train services during April compared to 5,826 during March.

30. A total of 2600 motor vehicles were put in circulation during the month of April 1946. As of 31 December 1945 there was a total of approximately 313,700 motor vehicles in operation compared to a total of 630,928 as of 31 December 1939. 1901 new vehicles were manufactured during the month of April.

31. A total of 190,477 tons of coastwise shipping moved during the month of May. This figure showed an increase of 46,576 tons over the preceding month and an increase of 141,871 tons over May 1945. 95 ships with UNRRA, Italian Programme, Army and Swiss Account Cargo, carrying a total of 749,012 tons, arrived in Italian Ports during May.

CAPTURED ENEMY MATERIALS BRANCH.

32. Releases during the month totalled 93 as compared with 269 during April; the main depots, dumps and stores of captured enemy material have now been released for handover to the Italian Government. The releases still to be made appear to be that of material held by units and installations which becomes surplus on their redeployment and disbandment.

33. There were 890 assorted vehicles released in the South, these com-

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needed indirectly at the present time by the XIII Corps.

28. Utilities Division AC, was requested by the Directorate of Mixings and Disposals (Fixed Assets) C.M.F. to assist in the negotiations on turning over to the Italian Government all Bailey bridges in ITALY, which are still in position and which were installed by the British Army. Agreements satisfactory to all parties concerned were completed.

TRANSPORTATION AND SHIPPING BRANCH.

29. 91% of the total network of the railway system was in operation. However, the percentage of electric traction was only 34% and the double track available for service only 52% compared to the 1938 figures. The locomotive situation for April showed an improvement over March as there were fewer locomotives awaiting repair. 55% of the tractive power compared to 1938 was available and only 2,412 steam locomotives available as compared to 4,277 in 1938. A total of 7,255 passengers made use of the international train services during April compared to 6,946 during March.

30. A total of 2600 motor vehicles were put in circulation during the month of April 1945. As of 31 December 1945 there was a total of approximately 319,700 motor vehicles in operation compared to a total of 650,928 as of 31 December 1939. 1901 new vehicles were manufactured during the month of April.

31. A total of 198,477 tons of coastwise shipping moved during the month of May. This figure showed an increase of 46,576 tons over the preceding month and an increase of 141,871 tons over May 1945. 95 ships with UNRRA, Italian Programme, Army and Swiss Account Cargo, carrying a total of 749,012 tons, arrived in Italian Ports during May.

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32. Releases during the month totalled 95 as compared with 269 during April; the main depots, dumps and stores of captured enemy material have now been released for handover to the Italian Government. The releases still to be made appear to be that of material held by units and installations which becomes surplus on their redeployment and disbandment.

33. There were 690 assorted vehicles released in the South, these comprised trucks, buses, cars, trailers and motor cycles and were classified as unusable. 92 scrap vehicles of various types were released in the North and the total of 982 were passed over to A.M.A.F.

34. The material from the Ammunition dump of VADO and RAVENNA and at MONZA was in the course of breakdown at the factory of RIVALTA SCRIVIA (Ansaldo & Co.) An inspection of the factory will be carried out with a view to controlling the use to which the breakdown components are being put. AMAF released 10 lorries to U.N.R.R.A. (Unione Lavorazione Munizioni Esplosivi Residuati) to help in the transportation of ammunition from the dumps to the factories.

35. The Italian Government accepted the release of 200 vehicles which had been reconditioned in the O.M. Works, BRESCIA and agreed to accept all liabilities of the cost of reconditioning and repairs. The balance of the vehicles, 119, will be taken over by AFAR during next month.

36. In the BOLZANO area there were still a considerable number of C.E. vehicles in circulation. It is hoped to make an arrangement with AFAR and the Italian Army to collect these vehicles and have them listed. There was still a portion of the Sanitarpark, TRIESTE, MERANO to be released to the Italian Government; it is hoped that the military command will release this in June for handover to AFAR. Lists of CMI timber were compiled and 3 District requested to give release instructions. Lists of CMI material at MONTECATINI PLANT, CASTELBELLO were forwarded to 3 District for release. The R.U.H. files together with the staff were moved from BOLZANO to ROME on the 11th May 46. The setting up of the files for easy reference was completed prior to the end of the month and the work of classification, investigation etc. is now continuing.

37. From available information from 3 District and AFHQ it would appear that the release figures of this month will remain much the same during the next four to six weeks plus a certain number of store releases in the North which were being consolidated.

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PART IV.

DEPENDENT SUB-COMMISSIONS.

NAVAL SUB-COMMISSION.

1. During the month the Italian Government assumed responsibility for maintaining food supplies for the Italian Navy thus making the Italian Government responsible for the subsistence of all her Armed Forces excepting US-ITI and BRIT-ITI troops. The transfer was carried out satisfactorily.

2. In addition to the supply of the mine sweeping stores recommended by the President of the Mediterranean Zone Mine Clearance Board, some German minesweeping equipment was transferred to the Italian Navy. This equipment, together with the other minesweeping stores which were supplied from NAMTA will ensure the efficient operation of the Italian minesweeping service and, in particular, of the British minesweeping trawlers transferred to the Italian Navy.

3. The end of May saw the completion of a full programme designed to repatriate all the 56,000 Italian POW in FRENCH NORTH AFRICAN CAMPS at the beginning of the year. There remained only a few sick in hospital in ALGERIA.

4. King Victor Emmanuel and Queen Helena of Italy embarked in the Duca degli Abruzzi for Alexandria after the King's abdication. The cruiser was escorted by the destroyer Granatiere.

5. The Ministry of Marine reported the JUGOSLAV seizure of ten Italian fishing craft together with their crews. The report was later confirmed.

6. All eight Italian M/S Groups began work in earnest to secure an expeditious clearance of mines in Italian waters. Almost all the 32 minesweepers lent to the Italian Navy were operational and took part in these operations. Work proceeded off LIVORNO, SPEZIA, CIVITAVECCHIA, PORTO VENTRIA, CAPE MIZZONI, BRINDISI, ANCONA, VENICE, ALGHERO and CARLOFORTE.

7. The Italian Navy was represented at the meeting of the International Mine Clearance Board at the end of the month.

LAND FORCES SUB-COMMISSION (ITALY).

8. The total strength of the Interim Italian Army including Carabinieri as on 1 May 46 was 210,144 against a ceiling of 215,000.

9. C.I.C., C.M.F. authorized the refund of all outstanding weapons and equipment for the Italian Army. Issue is proceeding.

10. The primary training of the conscripts of the first post-war call-up was completed at the end of April. Advanced training is now proceeding at both CIRs (Italian Territorial Training Centre) and Central Schools.

11. All training was suspended during the latter part of May as a result of both recruits and formations being fully employed on election duties.

12. Recruiting of Carabinieri within the additional 10,000 authorized by AFHQ did not come up to expectations, only 1,000 having volunteered for enlistment as opposed to an anticipated 2,000. The authorities nevertheless

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will ensure the efficient operation of the Italian minesweeping service and, in particular, of the British minesweeping trawlers transferred to the Italian Navy.

3. The end of May saw the completion of a full programme designed to repatriate all the 98,000 Italian POW in FRENCH NORTH AFRICAN CAMPS at the beginning of the year. There remained only a few sick in hospital in ALGERIA.

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7. The Italian Navy was represented at the meeting of the International Mine Clearance Board at the end of the month.

LAND FORCES SUB-COMMISSION (MMIL).

8. The total strength of the Interim Italian Army including Carabinieri as on 1 May 46 was 210,144 against a ceiling of 245,000.

9. S.A.C.M., C.M.F. authorized the release of all outstanding weapons and equipment for the Italian Army. Issue is proceeding.

10. The primary training of the conscripts of the first post-war call-up was completed at the end of April. Advanced training is now proceeding at both C.Rs (Italian Territorial Training Centre) and Central Schools.

11. All training was suspended during the latter part of May as a result of both recruits and formations being fully employed on election duties.

12. Recruiting of Carabinieri within the additional 10,000 authorized by AFHQ did not come up to expectations, only 1,000 having volunteered for re-enlistment as opposed to an anticipated 8,000. The authorities nevertheless remained confident that the necessary men would volunteer when election results were known and recruiting propaganda gained momentum.

13. Automatic carbines up to half entitlement and adequate ammunition both for small arms and unarmed care were issued in case of trouble during the election period.

14. The morale of both Army and Carabinieri continued to rise and relations with the public improved.

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15. The Medical Depot at TRIPOLI continued to receive stores from MILANO, but part of the FLORENCE plant was occupied by EDILEA which hindered efficient working. The matter was in hand between the Medical Directorate and the Ministry concerned.

16. Repatriation of PW from FRENCH NORTH AFRICA was completed; 75% of PW in UK and 50% of PW in INDIA have been repatriated. 45,816 PW were repatriated during the month.

AIR FORCES SUB-COMMISSION.

17. Flying training was only possible during the first half of the month due to the petrol strike which grounded all aircraft after the 14th. Here intensive ground training was substituted.

18. Two new laws were being passed to reduce the officer and N.C.O. strength of the I.A.F., Army and Navy. It was anticipated that 769 Generals and Senior Officers and 7,000 N.C.O's would be released from service. Released officers will receive two years allowance in the rank they held on being released plus 5 years pension allowance, a special pension allowance and a special monthly allowance.

19. Owing to the delays caused by the High Commissioner for SARDINIA and in view of the fact that the Vatican Relief do not wish to be involved in political wrangles, also because the price of fish and foodstuffs generally were lower than when the scheme was originally mooted last November, the whole project of transportation of non-rationed foodstuffs by air from SARDINIA was cancelled. The facts of the matter were being brought to the attention of the Italian Prime Minister.

20. The British Air Ministry authorised the handing over to the I.A.F. of 57 SPITFIRE IX aircraft from SARDINIA in addition to all spares, ground equipment etc. available in ITALY.

21. On May 27 an Italian SM 79 aircraft was stolen from LIDATE Airfield by five unidentified men, believed to be ex-members of the I.A.F. The aircraft belonged to the school at PRESERIN and was due to return to its base on the evening of the theft. Information was received later that the aircraft landed at MONFALCONE (near GORIZIA) but was not expected by the JUGOSL. S. A full investigation was being carried out in MILAN by Italian Air Ministry Officials.

22. ALFA ROMEO, MILAN carried out tests and overhauls of aircraft engines with an output of 50 per month. FIAT of TURIN was working on designs for the G 46 training aircraft and studies were also being made of types G 22 - 24 and G 26 - 44 for future civil aviation.

23. A record number of 1,300 I.A.F. ex-POW passed through NAPLES during the month.

24. An agreement was obtained with the British Air Ministry to the supply of certain aircraft, marine craft and signals equipment and to a limited number of English-speaking Italian personnel being given certain courses in the UK with a view to improving the standard of training in various Italian Air Force Schools.

COMMUNICATIONS SUB-COMMISSION.

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strength of the I.A.F., Army and Navy. It was anticipated that [illegible] and Senior Officers and 7,000 N.C.O's would be released from service. Released officers will receive two years allowance in the rank they held on being released plus 3 years pension allowance, a special pension allowance and a special monthly allowance.

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COMMUNICATIONS SUB-COMMISSION.

25. Civilian telegraph and telephone traffic increased steadily especially in N.W. ITALY where in some cities such as GENOA and TURIN, long distance telephone traffic handled were in excess of pre-war.

26. Release of circuits by Allied Military Forces and constructions and repairs by the Ministry of Posts and Telecommunications resulted in a few additional circuits being made available on main routes.

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27. Telephone service for troops in ITALY to the U.S.A. was inaugurated from MILAN, TRIESTE, ROME and NAPLES.

28. Radio-telephone and radio-telegraph services were opened with MEXICO, CANADA, BRAZIL, ARGENTINA and several other SOUTH and CENTRAL AMERICAN countries.

29. Direct air mail service to the U.S.A. was increased to three times a week and direct air mail service was commenced with HOLLAND and the DUTCH EAST INDIES.

Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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Rear Admiral, USN
Chief Commissioner

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UDINE

MONTHLY REPORT

ALLIED MILITARY GOVERNMENT

UDINE PROVINCE

997

SEP 10 1946

UDINE

MONTHLY REPORT

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MONTHLY REPORT

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AUGUST

1946

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Ref: PC/2/AUG

AUGUST 1946

ALLIED MILITARY GOVERNMENT
UDINE PROVINCE

Subject: Report No:15 - Month of August, 1946.

To : Headquarters,
ALLIED COMMISSION,
Rome.

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1. POLITICAL REACTION AND POPULAR OPINION

Once again uncertainty as to the future of Venezia Giulia, and particularly the Eastern Boundary of this Province, has preoccupied the attention of most of the thinking population.

Rumours have even been circulated to the effect that the Province would be incorporated in the new Free State of Trieste.

These, together with continued dissension amongst the Allied Nations, and the offensive attitude of the Slavs, aided and abetted by Moscow, are causing considerable despondency everywhere.

The intrusion of Yugo-Slavs into the Province, in groups of up to twenty in number, have been noted in the past few weeks. These are reputed to have been armed, and to have contacted a number of local Communist and pro-Slav elements in the region North-East of Tarcento and Savorgnano, which appears to be their meeting-place. ~~with the local pro-Slav elements.~~

In a recent instance, a Slovene patrol attacked an Alpine frontier post of the ~~[illegible]~~ which successfully drove it off, in the UCCEA area. A recent case of distributing arms to a rural carabinieri station on the alleged orders of officers of the 3 Italian Territorial Division, was sufficient to cause Scoccimaro, the Finance Minister, to condemn all and sundry in his recent visit to the Province.

As is common with so many of his party, he described all who were not communists as fascists, or supporters of reactionary groups - strongly criticised De Gasperi for his handling of Italian affairs at the Peace Conference - and attacked Allied Military Government for its failure to check the so-called reactionaries, to remove posters offensive to the party from the walls, to cure unemployment and for not preventing others from abusing certain doubtful characters in his party.

Whether due to Scoccimaro personally or to the policy he expounds, Communism is daily losing ground in the Province to both Democ-Christians

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In a recent instance, a Slovene patrol attacked an alpine frontier post, which successfully drove it off, in the UCCK area. A recent case of disarming arms to a rural carabinieri station on the alleged orders of officers of the 3 Italian Territorial Division, was sufficient to cause Scoccimaro, the Finance Minister to condemn all and sundry in his recent visit to the Province.

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Whether due to Scoccimaro personally or to the policy he expounds, Communism is daily losing ground in the province to both Democ-Christians and Socialists.

Unemployment has now reached a figure of approximately 56,000 and is responsible for much discontent. Due to delay in approving projects by the Magistrato alle Acque in Venice, approximately 500 million lire's worth of Public Works projects are held up, in spite of the repeated efforts of A.M.G. and the Prefect to accelerate the Public Works Programme. Without emigration, however, there can be no real cure to unemployment in this Province, which before the War supplied approximately 30,000 immigrants to various European countries and the American continent.

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2. PUBLIC SAFETY.

Major [illegible], S.P.P.S.O., left for England on release during the month and his place has been taken by Major A.G.E. Way. The officers performing public safety duties in the province therefore are now Major Way, SPPSO., Capt. D.J.Hopkins, PPSO. and Capt G.A.Rose, PPSO.

Whilst shortage of personnel remains an ever present problem, the work of the Carabinieri is very satisfactory and their morale and efficiency are good.

The auxiliary police force still leaves a good deal to be desired, but a gradual improvement is being effected, and within a reasonable time it should prove a useful and reliable body.

The Guardia di Finanza are carrying out their very difficult duties in a most satisfactory manner, particularly in regard to the prevention of illegal transport of grain in connection with which they have sequestered approximately 915 quintals during the course of the month.

The state of the prisons is satisfactory. There is no overcrowding and there have been no disorders or escapes during the month.

Constant warfare is maintained by the police against clandestine prostitution and the spread of venereal disease, and some 214 women have been arrested during the month.

In general, public order throughout the province is good and there has been a noticeable decrease in serious crimes.

Whilst there has been a marked increase in the number of demonstrations and strikes due to unemployment, such incidents have invariably passed off without serious disorder. There appears to be a certain pro-Yugoslav, anti-Allied sentiment, and this is largely attributable to dissatisfaction with the Paris Conference and the anticipated fate of Fiume and Venezia Giulia. On the few occasions when these sentiments have been manifested, the presence of auxiliary police purporting to be acting in the course of their duty has been an unpleasant feature.

Accidents in which MT vehicles are involved are always reported at considerable length in the Italian newspapers, and invariably in such a way as to give one impression that Allied military personnel are to blame. The papers usually avoid stating, what is frequently a fact, that these vehicles are driven by German prisoners of war, and, even more frequently, by Italians.

Politically, the province has been quiet, but there is still a considerable amount of pro-Slav activity, and there have been several cases of grants of subsidies existing the province for the purpose, it is believed, of contacting local communists and pro-Slav leaders, and influencing the local population in certain selected localities.

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reasonable time it should prove a useful and reliable body.

The Guardia di Finanza are carrying out their very difficult duties in a most satisfactory manner, particularly in regard to the prevention of illegal exports of grain in connection with which they have confiscated approximately 91) quintals during the course of the month.

The state of the prisons is satisfactory. There is no overcrowding and there have been no disorders or escapes during the month.

Constant warfare is maintained by the police against clandestine prostitution and the spread of venereal disease, and some 211 women have been arrested during the month.

In general, public order throughout the province is good and there has been a noticeable decrease in serious crimes.

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Accidents in which MG vehicles are involved are always reported at considerable length in the Italian newspapers, and invariably in such a way as to give the impression that Allied military personnel are to blame. The papers usually avoid stating, what is frequently a fact, that these vehicles are driven by German prisoners of war, and, even more frequently, by Italians.

Politically, the province has been quiet, but there is still a considerable amount of pro-Slav activity, and there have been some cases of groups of Jugo-Slavs entering the province for the purpose, it is believed, of contacting local communists and pro-Slav leaders, and intimidating the local population in certain selected localities.

3. SUPPLIES.

The situation in general is satisfactory.

The S.O.L. situation has now improved, as the new allocation, as from July last, was received in the third week of August. The only serious shortage is of pasta, which apparently is general throughout the country.

The firewood supply is satisfactory, although some communes have failed to [illegible] the services of the Corpo Forestale and complete their purchase of fuel during the summer months. Exports of firewood to other

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ECONOMICS (continued).

provinces during the months of July and August amounted to 129,000 quintals. A steady supply of coal is now being received.

The position in regard to cement is satisfactory, and approximately 40 tons are being supplied daily to AG Works Section Mear 13 Corps. 2,000 tons of cement have been imported from Austria on a barter basis.

The sale and distribution of blankets is continuing regularly. Total sales to date amount to 14,561,870 lire.

The following foodstuffs have been distributed during the month (together with the usual supplementary rations to sick people and all Special Classes):

Bread: Regular distribution of 250 grams with the milling ratio of 91, up to the 18th August, when the ration was reduced to 230 grams with the milling ratio lowered to 85%.
Pasta: 2,000 grams per consumer.
Oil: 100 grams " "
Lard: 200 grams " " (normal distribution) plus
Sugar: 150 grams " " (supplementary distribution,
100 grams " "

The progress of the wheat amasso has been slower during the month. The new milling ratio of 85% as against 91%, has been received favourably, as the population are willing to accept a decrease in the bread ration in order to have a whiter and more palatable bread.

On a ration basis of 235 grams of bread and 2,000 grams of pasta, the stocks of wheat on hand will last to the 8th March, 1947 for bread, and to the end of the current year for pasta.

A number of counterfeit ration cards have been discovered, and a special investigation is being made.

During the month, the ban on exportation of livestock from the province has been lifted and permission has been granted for not more than 300 head of livestock per month to be exported from the province. There has been an abundant supply of fruit and vegetables during the month.

A total of 754 quintals of surplus foodstuffs have been issued to statal and para-statal co-operatives during the month, and it is anticipated that there will be a larger issue to co-operatives, and also to industrial masses during the coming month.

A loan of 2,000 tons of wheat was made to AMG, 13 Corps, repayment to be made from the first wheat ship reaching Trieste.

4. AGRICULTURE.

Grain sales to date are as follows: Wheat - 256,976 quintals,

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A number of counterfeit ration cards have been discovered, and a special investigation is being made.

During the month, the ban on exportation of livestock from the province has been lifted and permission has been granted for not more than 500 head of livestock per person to be exported from the province. There has been an abundant supply of fruit and vegetables during the month.

A total of 7[illegible] quintals of surplus foodstuffs have been issued to statal and para-statal co-operatives during the month, and it is anticipated that there will be a larger issue to co-operatives, and also to industrial masses during the coming month.

A loan of 2,000 tons of wheat was made to A.M.G., 13 Corps, repayment to be made from the first wheat ship reaching Trieste.

4. AGRICULTURE.

Compulsory sales to date are as follows: Wheat - 256,976 quintals, Rye - 3,9[illegible] quintals and barley - 757 quintals.

Contribution to the amasso has fallen off considerably during the month, owing to the continued drought. Fortunately, it has now broken and it is hoped that figures will improve substantially during the month of September. The situation is satisfactory in respect of potatoes, forage and vines.

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AGRICULATURE (continued)

21 further cases of foot and mouth diseases have been reported during the month.

Sale of war booty horses to detainers began during the month, at prices ranging from 24,000 lire to 30,000 lire per head. Details of sales effected will be included in the report of next month.

90 tons of slag fertilizer allocated to this province by Allied Commission, Rome, are now on sale at Consorzio Branches.

5. FINANCE.

The bank position is as follows:

Cash position of the Bank of Italy as of 24 Jul 46	Lire	2,252,478,650
as of 24 Aug 46	"	1,465,491,750
Difference lire		786,986,900

658 million lire affecting 64 statal bodies were authorized during the month and a further 223 million lire were granted for payment of past due bills. In respect of the third quarter 1946, 133 communal budgets have been approved for a total amount of approximately 99 million lire.

16 road projects of military interest totalling roughly 20 million lire were approved during the month.

6. PUBLIC WORKS AND UTILITIES.

During the month 76,349,158 lire worth of projects have been prepared by the Genio Civile, bringing the total to date to 912,569,248 lire. The Magistrato alle Acque have approved 90,810,500 lire, bringing their total to 709,735,345 lire. 16,398,000 have been advanced from AMG funds under the decree of the Prefect in anticipation of final approval in specially urgent cases, and 8,780,000 lire worth of military projects have been initiated.

The supply of bitumen has been renewed and it is hoped to secure a substantial amount in the immediate future. The most important works of military priority will be completed before the cold weather sets in.

7. DISPLACED PERSONS.

During the month 1,075 Italians and 214 non-Italians passed through the Udine Refugee Centre. Chief amongst non-Italians were: Austrians 26, Hungarians 52, Czechs 30, Yugoslavs 80, Ukrainians 24 and Russians 12.

8. WELFARE.

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Cash position of the Bank of Italy as of 24 Jul 46	Lire 2,252,478,650
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Difference lire	786,986,900

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16 road projects of military interest totalling roughly 20 million lire were approved during the month.

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8. WELFARE.

Summer camp organization has been a great success, assistance being given to a considerable number of reduci and needy children.

Assistenza Post-Bellica distributed 253 head of livestock, to the value of 17,500,000 lire, to devastated areas of Carnia.

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WELFARE (continued)

During the month, Assistenza Post-Bellica allocated some 5 million lire to the most badly damaged villages in the province.

Assistenza Post-Bellica further allocated the sum of 1,650,000 lire to summer camps and 1 million lire to various institutions and welfare agencies.

Dr. Todeschi, a career official, has been appointed Medico Provinciale of the province.

The new convalescent home for reduci and ex-internees will shortly be opened at Tarcento with the help of Assistenza Post-Bellica.

127 ex-prisoners of war from Russia reached Udine during the month.

The following are the number of infectious diseases which occurred in the province during the month: measles - 85; scarlet fever - 12; chicken pox - 11; typhoid - 46; diphtheria - 35; whooping cough - 24; malaria - 25; infantile paralysis - 25.

9. TRANSPORT.

As a result of the 25% reduction in the tariff rate of last month, a substantial increase in the transport demand has been observed. A further reduction in tariffs is contemplated for the month of October.

Vehicles registered with Ufficio Trasporti (over 10 quintali)
.....1,226
of which working solely in behalf of holder..... 692
and working on hire for third parties..... 534

Since last month 13 new registrations occurred.

The 10% hire contracts are now 525. This number practically covers all ex-enemy vehicles assigned and in running order.

The tyre situation remains extremely unsatisfactory. Unless a definite improvement can be effected it is certain that a serious transport crisis will be inevitable.

The total quintali carried during the month is 313,790,00 which shows an increase of 120,726,00 quintali over last month.

The following table shows the quintali of goods transported by road in respect of imports and exports during the month:

Commodity Class	Imports	Exports	Province
Alimentation	28,272,00	7,994,00	16,774,00
Agriculture	15,445,00	3,445,00	5,500,00
Industry	25,0[illegible],00	39,691,00	75,300,00
[illegible]	3,[illegible]7,00	14,125,00	48,079,00

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127 ex-prisoners of war from Russia reached Udine during the month.

The following are the number of infectious diseases which occurred in the province during the month: measles - 83; scarlet fever - 15; chicken pox - 11; typhoid - 46; diphtheria - 35; whooping cough - 34; malaria - 85; infantile paralysis - 25.

9. MOTORISATION.

As a result of the 25% reduction in the tariff rate of last month, a substantial increase in the transport demand has been observed. A further reduction in tariffs is contemplated for the month of October.

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of which working solely in behalf of holder..... 692
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Since last month 13 new registrations occurred.

10. [illegible] contracts are now 525. This number practically covers all civilian vehicles assigned and in running order.

The tyre situation remains extremely unsatisfactory. Unless a definite improvement can be effected it is certain that a serious transport crisis will be inevitable.

The total quintali carried during the month is 315,790,00 which shows an increase of 120,728,00 quintali over last month.

The following table shows the quintali of goods transported by road in respect of imports and exports during the month:

Commodity Class	Imports	Exports	Province
Alimentation	28,272,00	7,994,00	16,774,00
Agriculture	13,445,00	3,445,00	5,300,00
Industry	23,0[illegible],00	39,691,00	75,300,00
Domestic	3,257,00	14,125,00	43,079,00
Various	5,751,00	8,100,00	16,672,00
	80,071,00	73,355,00	162,325,00

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10. Legal.

The number of cases tried by Allied Military Courts was 5, [illegible] of which were summary Court cases which resulted in convictions.

Several inquiries have been made as to the position of persons detained in prison under sentences of AMG courts in respect of the recently declared amnesty. It is understood that the matter is under consideration, and it is very much hoped that a speedy decision will be forthcoming, as numerous cases handed to the Italian courts are hanging fire, because those courts are naturally disposed to avoid the work of trying a considerable number of cases, when there is a possibility that the accused may be amnestied.

The work of Italian courts continues normally. The Special Session of the Court of Assize tried 11 cases during the month, leaving 25 cases for trial.

H.N. Bugbee

H.N. Bugbee, Lt.Col.,
Provincial Commissioner.

OC.

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Transportation

HEADQUARTERS ALLIED COMMISSION
APO 794
COMMERCE (FOREIGN TRADE)BRANCH

Monthly Report

August 1946

Ref.AC/5127/54/Commerce

4 Sept.1946

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MONTHLY REPORT
COMMERCE (FOREIGN TRADE) BRANCH
August 1946

1. GENERAL

During the month under review, the work of the Branch has continued to be directed into two main channels - Venezia Giulia (Zone A) trade and problems relating to the British Occupied Territories in Africa. There have been, as is customary, many business visitors who have been redirected to the appropriate section of the Italian Ministry concerned. The Italian Government has requested the help of the A.C. with regard to many diverse items ranging from the import of carbon black from Germany to claims to assets abroad. Certain changes took place in the Reserved Commodity Lists of the Combined Boards, Washington.

2. ITALIAN ASSETS IN GERMANY

The Italian Ministry of Industry and Commerce has, from time to time, sent to Allied Commission requests for assistance in obtaining certainassets, mainly in the nature of fixed assets, contracted for by Italian firms with German manufacturers. In most cases settlement had been effected, but delivery not taken. In line with the general policy of giving assistance to the Italian Government when and wherever possible, the appropriate military authority in Germany, has been contacted. These requests have shown a tendency to increase of late with the result that it was necessary to seek a ruling as to A.C.'s attitude in such matters. It was discovered, after an examination of correspondence with AFHQ that it had been laid down that all Italian claims to assets in Austria and Germany would be passed by the Italian Government to the

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Embassy of the military authority concerned. The Ministry of Industry and Commerce were therefore requested to direct its requests into these channels.

3. VENEZIA GIULIA TRADE

Much liaison work with the Ministry of Foreign Trade has been done, mainly in relation to import permits both for controlled and incontrolled goods required by Venezia Giulia, Zone A, trade with Zone B and Jugoslavia. The licencing system is now proceeding more smoothly. Several matters of Italian trade policy were clarified for the Commerce Division, including trade with Turkey. AFHQ was written asking for some action to be taken in relation to the import of rosin into Zone A, which is controlled by the Rosin Board of London.

4. OCCUPIED TERRITORIES

A letter was received towards the end of the month from AFHQ requesting this Branch to clear, with the Italian Government, the export of replacement parts for the Mogadishu Power Station. This matter has been taken up with the Ministry of Foreign Trade and is being kept constantly under review until a decision is received.

5. CONTROLLED ITEMS

During the month raisons and dates were removed from the Combined Food Board's Reserved Commodity List.

Pepper and spices are now importable from the Dutch East Indies, without a licence from Washington. Cinnamon quills and Cinnamon chips were also decontrolled.

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The Hides, Skins and Leather committee controlling world allocation of these commodities has been dissolved.

6. PAYMENTS FOR A.C.EXPORTS

This Branch is still receiving requests for assistance from exporters, for payment of invoices for goods exported by Allied Commission, and not paid for by 31 July 45. From this date the Italian Government was instructed to take over the payment of outstanding amounts.

7. TRADE STATISTICS

Assistance has been given by this Branch to the American Embassy, in the compilation of statistics of Italian imports.

G.A.F.ROTHEY
Maj.Lincolns
Director
Commerce(For.Trade)Branch

Ptn + Ship

MONTHLY REPORT

ALLIED MILITARY GOVERNMENT

UDINE PROVINCE

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UDINE

MONTHLY REPORT

ALLIED MILITARY GOVERNMENT

UDINE PROVINCE

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MONTHLY REPORT

UDINE PROVINCE

ALLIED MILITARY GOVERNMENT.

JULY

1946.

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7. TRANSPORTATION.
8. LEGAL.

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Ref PC/2/JULY.

JULY 1946.

ALLIED MILITARY GOVERNMENT.
UDINE PROVINCE.

Subject : Report No.14 - Month of July 1946.

To : Headquarters,
ALLIED COMMISSION.
Rome.

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1. POLITICAL REACTION AND POPULAR OPINION.

This has been a difficult month chiefly due to three main causes :-

a) Economic situation.
b) Reaction of the population to the Foreign Ministers recommendations regarding Venezia Giulia.
c) Resentment of the population to further requisitioning.

The unemployed figure now stands at approximately 54.000, nearly double that of Venezia Giulia. This has been responsible for a number of demonstrations (all orderly) and public opinion generally is seriously disturbed by the lack of emigration facilities, and the slow progress of the Magistrato alle Acque's Office in financing public works schemes.

In a country where there is so much reconstruction to be effected, it is difficult to understand why there should be so much delay in releasing available funds for approved projects.

After the waiters strike, we were faced with the threat of a general strike and it has been necessary to provide for essential services affecting Allied Military interests to be maintained.

With the valuable assistance again of the Economic Sub Commission, it has been possible to assist the workers unemployed and pensioners by the formation of cooperativas, and a mess is now operating for the State and Para-Statal Employees.

High prices are still the cause of considerable dissatisfaction, but until this question is dealt with on a national basis little improvement can be expected.

All sections of the people express discontent at the Foreign Ministers proposals for the treatment of Trieste and the Italo-Slav boundary.

The suggestion of the Area President of Gorizia, (in the event of the French boundary being accepted) that Udine should hand over some of her Eastern Communes to a new Gorizia province is as unpopular as it is uneconomical.

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There has recently been a difference in feeling between the Allies and the population chiefly due to the alleged harsh terms of the proposed peace treaty.

Further requisitioning has also led to many complaints, and there has been a noticeable lack of cooperation by officials in Udine excluding the Prefect.

In consequence, a firm attitude has been adopted and the Commissioner of Lodgings for Udine city has been replaced.

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POLITICAL REACTION AND PUBLIC OPINION.(continued).

Slav propaganda appears to have decreased recently, but a strong rumour that Tarvisio might be ceded to the Slavs in exchange for some part of Istria gained so much currency that a deputation from that Commune called on the Prefect protesting against any such suggestion.

Since then the Prefect has received a telegram from the Foreign Ministry to the effect that the rumour is without any foundation.

The rumour is believed to have originated in France

2. PUBLIC SAFETY.

The officers performing public safety duties in the Province now consist of Major.J.T.Manuel.SPPSO. Capt.D.J.Hopkins. PPSO. and Capt.G.E.Lee. PPSO.

Major. T.P.Cotton and Captain.T.W.Classpool left for the UK. on release on Saturday 27 Jul 46.

Morale and efficiency of Carabinieri are as satisfactory as can be hoped in the present difficult economic conditions. The slow rate at which the Force is being freed from Fascist elements gives rise to a certain amount of unsettlement and dissatisfaction is felt at the elimination of efficient members of the Force at a time when, by virtue of the recent amnesty, large numbers of individuals guilty of serious fascist crimes are being pardoned.

Reasonable progress is now being made in re-equipping billets and supplying bedding etc.

Ten additional carabinieri have recently been transferred to the Province and it is hoped that others will follow to a total of about one hundred in order to bring the carabinieri service up to strength.

Vice-Questura COGLITORI LEOPOLDO has left on promotion and it is hoped that the arrival of his substitute, Vice-Questura BORDIERI DANIELE may be expedited. There is a gradual improvement in the work of this service.

Auxiliary police are being moulded into a useful and reliable force by the gradual elimination of undesirable elements.

The Guardi di Finanza have done very useful police work in connection with grain amassing; over 1600 quintals of cereals having been sequestered.

The position in regard to the prisons has been greatly eased as a result of the recent amnesty.

A number of grievances in regard to pay and allowances of prison guards were cleared up by the new director of the Udine Prison Dr.Vitale, during his recent visit to Rome,and this has resulted in a sharp improvement in internal discipline.

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With the arrival of more troops in the area, large numbers of undesirable women are following them and energetic steps are being taken by the police service to send these women back to their communes of origin.

From the normal standpoint, the state of public safety shows some improvement during the month; there having been 1 murder and 9 armed robberies reported during the month as compared with 1 murder and 16 armed robberies during the previous month.

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PUBLIC SAFETY (continued).

There is a general decrease in the number of crimes, and robberies reported, are not of such a serious nature as formerly. Unemployment and economic conditions give rise to considerable uneasiness and have been the cause of numerous strikes and demonstrations during the month. Fortunately no serious disorders have occurred.

Statistics from military police sources show that the number of accidents in which Allied military vehicles have been involved has greatly decreased; only 3 having been reported during the month. There is an unfortunate tendency on the part of the Italian population, and sometimes of the Italian authorities, to assume that every time an accident occurs, and what appears to be a military lorry is engaged, the Allied forces are to blame.

International questions, rather than internal politics, are absorbing the public interest at the present time, and feeling is still more keen in regard to the settlement of the Venezia Giulia problem. A number of posters have been published by way of protest but there does not appear to be any anti-Allied demonstration at present time.

On two or three occasions land mines were placed on the main railway lines between Udine and Trieste and on one occasion this caused damage and delayed traffic.

There has been a diminution of Jugoslav propaganda in the Province and there are fewer reports of armed Slovenes appearing in eastern parts of the Province.

3. ECONOMICS.

The distribution of 200 grams of bread was increased to 250 grams on the 21st July, and the ration of pasta has been increased to 2,000 grams. The normal distribution of other rationed foodstuffs has continued. Supplementary rations have been issued to sick people and heavy workers. During the month the ships "Alfred Moore" and "Emery Victory" loaded with 8,075 and 7,200 tons of wheat respectively reached Venice. The total tonnage has been allocated to the Province of Udine.

The amassing of wheat is proceeding satisfactory; 208,638 quintals having been amassed to date. It is estimated that more than 300,000 quintals will be amassed during the coming year. On the ration basis of 250 grams there will be a sufficient supply of wheat available to the 11th of February 1946. The total ration of fats issued for the month of July was 200 grams of lard and 100 grams of oil per head.

A total of 1,247 head of livestock (845 of cattle and 402 of pigs) were exported to other Provinces during the month; further

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the month. There is an unfortunate tendency on the part of the Italian population, and sometimes of the Italian authorities, to assume that every time an accident occurs, and what appears to be a military lorry is engaged, the Allied forces are to blame.

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A total of 1,247 head of livestock (845 of cattle and 402 of pigs) were exported to other Provinces during the month; further export is interrupted for the present in consequence of an outbreak of foot and mouth disease.

Plans are being drawn up to establish statal and para-statal cooperatives which will be supplied with available surpluses.

Recently there has been a certain amount of careless and ill-informed comment in reference to substantial illegal export of wheat from this province to Jugoslavia. Comments of this nature have emanated from somewhat surprising sources including the sober pages of the Allied Commission Weekly Bulletin where is was stated that the Provincial Commissioner of Udine had been told to look into the matter and take action. The possibility of attempts to conduct such traffic had long been foreseen in this Province and every practicable step taken to forestall them.

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ECONOMICS (continued).

These steps include : a) publication of special prefectural decrees. b) organization of special squads in plain clothes working in conjunction with the Guardia di Finanza to control the phases of grain collection. c) organization of a special squad of Guardia di Finanza assigned solely to the enforcement of grain amassing. d) the establishment of road blocks operated by the Questura service. e) special checks at all road posts on the eastern boundary of this Province. f) additional controls on the line of the Isarco in conjunction with AFM. 13 Corps. g) surveillance of all river mouths and all the coast lines where small boats might land.

From all these agencies only one attempt to export grain illegally has come to the notice of this Headquarters and this attempt was circumvented by Questura Agents.

The full allocation of six thousand tons of coal is now being received and this has materially assisted industrial revival in the Province.

An increasedof authorising of POL is expected shortly.

With the improved coal supplies the cement industry has benefited and export permits have been granted to the two cement factories at Cividale.

Sale of Medicines is on the low side, about 149,000 Lire during the month, due to the hospitals still having considerable stocks in hand.

Sales of blankets during the month total roughly 32 million lire and generous free issues have been made to various public and private institutions.

Agriculture.

Amassing figures to date are as follows :

Wheat	Qli	208638.
Rye	"	1595.
Barley.	"	136.

Thrashing operations are still in progress and the wheat figure is expected to exceed 300,000 quintals.

The state of crops is very good and a good yield of potatoes, beans, forage, grapes and maize is expected.

A scheme for the sale of war booty horses has been prepared and is expected to be in operation by the end of the month.

Finance.

[illegible] the Bank of Italy as at the 24th of July was

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Finance.

Cash in the Bank of Italy as at the 24th of July was L2,252,478,650, an increase of L917,164,600 over the amount held as at 24th of June.

Twenty budgets in respect of statal and para-statal financing have been submitted. Thirteen were approved and a total amount of 209,726,123 Lire authorised. Eighteen communal budgets were approved, totalling 21 million lire.

A further 32 million lire were authorised in respect of supplementary budgets relating to the second quarter of 1946.

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ECONOMICS (continued).

Finance.

During the month 10 roads projects of military interest totalling approximately 7 million lire were approved.

During the month of June one employee was dismissed.

4. PUBLIC WORKS AND UTILITIES.

During the month 48,831,775 lire worth of projects have been approved by the Genio Civile, bringing the total to 820,470,090 lire, which nearly completes the first half year programme. The Magistrato alle Acque have approved 86,775,278 lire worth, bringing their total to 610,618,845 lire, to which must be added a special grant for Case minime of 100,875,000 lire, 13,700,000 lire advanced from AMG funds, and the military projects amounting to 81,667,000 lire, so that the unemployment relief may now said to have reached its full volume though the position in some places may still be unsatisfactory as compared with others.

The supply of bitumen ceased early in the month. 3,000 tons had been asked for and only 600 tons of very inferior bitumen were supplied. This is being used with the greatest possible economy where most required.

5. DISPLACED PERSONS.

During the month a total of 2,614 displaced persons passed through the Refugee Centre; of these 2,163 were Italians and the balance were made up principally of Poles - 264, Russians - 3, Jugoslavs - 65, Hungarians - 39, Austrians - 24, Germans - 22.

6. WELFARE.

The following supplies were received to aid refugees from Venezia Giulia :-

Received from ENDSI 5,000 gift parcels and 400 quintals of Maize.

Received from IRC, Rome, 6 railway waggons containing clothing and food supplies.

Supplied through AMG Udine, 10,000 woollen blankets and 20,000 sets of underclothing.

6,000 blankets and 2000 sets of underwear were supplied through this Headquarters to the camp for children of Venezia Giulia and Udine at Pesaro. Further arrangements are being made for the distribution of blankets in meritorious cases.

More camps for children and returned prisoners of war have been established in several places of the Province. Some 10,500 parcels are being distributed by UNRRA tp the most needy people of the Province and further assistance in the shape of 11,000 daily soup rations has been furnished by the Vatican.

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The following infectious diseases are reported during the month :-

Measles - 188; Scarlet Fever - 24; Chicken Pox - 23; Typhoid - 47; Diptheria - 22; Whooping Cough - 74; Mumps - 17; Infantile Paralysis - 47; Malaria - 9; Scab - 40; Yellow Fever - 6; Tuberculosis - 31.

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7. TRANSPORTATION.

A 25% cut in the transportation rates in the province was welcomed alike by the transporters and public, and a further cut may be necessary.

Incidentally, cheaper transport means cheaper food, and it is urged that freightage rates for all kinds of transportation should be reduced to the lowest economic figure possible.

The monthly allocation of POL could with advantage be increased.

The tyre situation is no better, and the monthly allocation through the Camera di Commercio is totally insufficient for a province of this size.

Provincial imports and exports total 59,000 and 67,000 qli. respectively, while over 109,000 qli. has been carried within the province.

8. LEGAL.

Allied Military Courts.

The total number of cases tried by Allied Military Courts in the Province during the period from 26 June to 31 July 46. was 51, of which 34 were Superior Court Cases.

Of the Superior Court Cases tried, nil resulted in acquittal and 34 in convictions; of the Summary Court cases, 2 resulted in acquittal and 15 in convictions.

The number of cases tried month by month since the liberation of the Province is as follows ; May and June 1945. - 143., July - 76., August - 75., Sept - 94., Oct - 107., Nov - 85., Dec - 99., Jan 46 - 87., Feb - 43., Mar - 31., Apr - 7., May - 39., June - 22., and July - 51.

Italian Courts.

The Italian Courts continue to work satisfactory. The number of cases disposed of during the month by the Special Section of the Court of Assize, was 36, of which 4 cases were tried during the month and 32 were dismissed. 41 cases are awaiting trial and are in process of investigation.

AMG Orders.

No Provincial Orders were issued during the month.

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H.N.BRIGHT.LT.COL.
Provincial Commissioner.

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HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION
VENEZIA GIULIA/UDINE SUPPLY OPERATIONS BRANCH

Ref. 1.47/0 10 July 1946

SUBJECT: Monthly Report - June 1946

TO : Economic Section, A.C.

The following is the fourth monthly report of activities concerning this Branch:

1. Status of Program of Essential Civilian Supplies for Venezia Giulia and Udine - January-June 1946.

The following is an analysis of the general status of the program for the 1st half year including arrivals during the month of June:

a. Foodstuffs.

(i) Of the approximate 72,870 tons of wheat and/or wheat equivalent requisitioned for the 6 months, 49,212, or 68% of the total amount requisitioned, has been received or notified at this date.

(ii) Of the approximate 7904 tons of Misc. foodstuffs called forward for the two areas, 7080 have been received to date. This is approximately 90% of the total.

(iii) Notification has been received of the SS. EMERY VICTORY with F.T.A. Venice 18 July 46. She is carrying 8044 long tons of wheat for Udine for April and May backlogs of that province. With the arrival of this ship approximately 79% cereal requirements of the two areas will have been met.

(iv) The ship SS. VANSO, F.T.A. 30 July, with 148.3 tons Misc. foodstuffs, will reduce the remaining 10% backlogs of the Misc. foodstuffs called forward for the two areas.

(v) Two cereal ships arrived in the first week of July. These were the SS. MCLENNON with 7996 long tons of flour for Venezia Giulia, against March, April and May backlogs and the SS. ALFRED MOORE carrying 8071 long tons of wheat for Udine against February, March and April backlogs. Flour shipments on the MCLENNON represent 900 tons over two months requirements for Venezia Giulia. Udine has stated that their present armassing will carry them through the 13th of September. Thus the cereal situation has been considerably relieved and consideration is now being given to repayment to the Italian Government of some 4000 tons of FEA procured wheat loaned during January and February for Venezia Giulia.

b. Coal.

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The following is the fourth monthly report of activities concerning this Branch:

1. Status of Program of Essential Civilian Supplies for Venezia Giulia and Udine - January-June 1946.

The following is an analysis of the general status of the program for the 1st half year including arrivals during the month of June:

a. Foodstuffs.

(i) Of the approximate 72,870 tons of wheat and/or wheat equivalent requisitioned for the 6 months, 49,212, or 68% of the total amount requisitioned, has been received or notified at this date.

(ii) Of the approximate 7904 tons of Misc. foodstuffs called forward for the two areas, 7080 have been received to date. This is approximately 90% of the total.

(iii) Notification has been received of the SS. EVERY VICTORY with F.T.A. Venice 19 July 46. She is carrying 8044 long tons of wheat for Udine for April and May backlogs of that province. With the arrival of this ship approximately 79% cereal requirements of the two areas will have been met.

(iv) The ship SS. VADSO, F.T.A. 30 July, with 148.3 tons Misc. foodstuffs, will reduce the remaining 10% backlogs of the Misc. foodstuffs called forward for the two areas.

(v) Two cereal ships arrived in the first week of July. These were the SS. MCLENNON with 7996 long tons of flour for Venezia Giulia against March, April and May backlogs and the SS. ALFRED MOORE carrying 8031 long tons of wheat for Udine against February, March and April backlogs. Flour shipments on the MCLENNON represent 900 tons over two months requirements for Venezia Giulia. Udine has stated that their present armassing will carry them through the 15th of September. Thus the cereal situation has been considerably relieved and consideration is now being given to repayment to the Italian Government of some 4000 tons of FEA procured wheat loaned during January and February for Venezia Giulia.

b. Coal.

(i) There were no military arrivals of coal during the month of June. However, a loan of 7159 long tons of coal (3477 anthracite and 3682 bituminous) from the UNRRA ship SS. LOU GEHRIG was effected.

(ii) The SS. ANTHONY NEWBURY with 8877 long tons of bituminous coal arrived in Trieste on c. 7th of July. Notification has been received of two more colliers which will arrive in Trieste during July. On of these is the SS. SANDEE with 8659 long tons, F.T.A. Trieste 11 July. This is a British military ship loaded with South African coal. This cargo, which will be used for Venezia Giulia and Udine civilian consumption, is subject to repayment from

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later military arrivals. The other ship is the SS. ANNE BRADSTREET carrying 8475 long tons of bituminous coal, E.T.A. Trieste 20 July. Arrangements are being made for diversion of this ship to Venice for UNRRA account, in order to repay the loan of 7159 tons ex SS. LOU GEHRIG. The remainder cargo, 1316 long tons, will be consigned upon arrival to AMG Udine. Notification of four cargoes ex Ruhr, the first to be loaded the 4th of July, has been received. No further information is had at this date.

(iii) Of the 129,888 long tons of coal requisitioned and now approved by CCS, 33,653 have been shipped through the military supply line. This represents c. 26% procured from this source. 1946 loans ex YB program (exclusive of Railways) total 41,627. Loans ex British military shipments total 25,287 tons (this also exclusive of Railways). The total of these loans is 66,914. All of them are subject to repayment or adjustments against other accounts. Thus total procurement from all import sources is 79,081. This represents c. 61% of the total tonnages requisitioned.

c. Other Requirements and appropriate percentages of arrivals.

Category	Percentage	Remarks
P.O.L.	57%	- For Venezia Giulia from military stocks, for Udine from loans ex FEA and UNRRA stocks through C.I.P. allocations. The percentage is combined and represents military procurement only.
Public Health	75%	- ex US, UK Theatre stocks. No notification of imported shipments.
Telecommunications	35%	- ex theatre stocks. No notification of imported shipments, with the exception of one consignment ex Mid-East.
Textile and shoes	c. 30%	- No raw materials (woollen or leather) received. Of 15,000 bales of cotton, 1 ship with 3991 bales have arrived. Misc. items of clothing received ex theatre stocks.

d. Miscellaneous notifications and receipts during June.

(i) The SS. GEORGE CAMPBELL with various medical, signal and clothing (blankets) materials is presently in Trieste waiting discharge. Allocation of 907 tons of Misc. foodstuffs loaded on this ship and against April, May and June backlogs was notified to Venice, the first port of discharge for that vessel.

(ii) The SS. VADSO, E.T.A. Trieste 30 July, is carrying, in addition to the tons of Misc. foodstuffs (see para 1a (iv) above), 1152 metric tons of blankets for Venezia Giulia and Udine.

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Received. No further information is had at this date.

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(ii) The SS. VADSO, E.T.A. Trieste 30 July, is carrying, in addition to the tons of Misc. foodstuffs (see para 1a (iv) above), 1152 metric tons of blankets for Venezia Giulia and Udine.

(iii) 1200 lbs. of Paris Green, for use in the current anti-malarial campaign in Venezia Giulia, were shipped from Genova and arrived in Trieste 26 June.

(iv) Consignment by air-transport of insulin- 11,255 cc. vials of 80 units each per cc. - was made by UK. This insulin arrived in Udine on 22 June and was collected there by AMG XIII Corps Health officers. Notification of shipment of 1050 lbs. Anaesthetic to Trieste ex UK has been received.

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(v) AFHQ has ordered consignment by Ord.(B) of the 450 tires and 260 tubes to Udine and the 300 tires and 175 tubes to Trieste procured from UK sources and bid for by Alcom on behalf of the AMGs. These tires are 42x9's.

2. Status of Program of Essential Civilian Supplies for Venezia Giulia and Udine - July-December 1946.

a. By CAL Airgram 148 of 12 June 1946, AFHQ forward to CCAC the formal program for the second half 1946. Preliminary approval of the Misc. foodstuffs requisitions, basic coal and P.O.L. requisitions had already been procured from CCAC. CCAC has now approved for August, September and October the wheat and fatsrequirements for the areas. Calls forward have been effected by AFHQ. Misc. foodstuffs for July, August, October and November have thus far been set up for shipment.

b. XIII Corps submitted a request for six months supply of penicillin for use in civilian hospitals in their area. This request, based upon normal monthly consumption of 30,000,000 units, was forward by AFHQ to CCAC for approval and procurement.

JAMES M. ARENSBERG
1st Lt., Inf.
Director

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HEADQUARTERS ALLIED COMMISSION
APO 794
COMMERCE (FOREIGN TRADE) BRANCH

Monthly Report

July 1946

Ref. AC/5127/54/Commerce 6 Aug. 1946

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MONTHLY REPORT
COMMERCE (FOREIGN TRADE)BRANCH
July 1946

1. GENERAL

During the month, this Branch has been mainly occupied with Military exports, trade with Italian ex-colonies and the economic policy of Venezia Giulia. A fair amount of "clearing up" work has been done, mainly in connection with the export functions of the old Commerce Sub Commission. The staff of this Branch has now been re-organised at an irreducible minimum, for the work which still remains to be done.

2. MILITARY EXPORTS

A request was received by Alcom from the Ministry of Foreign Affairs asking for clarification of the following points:

(a) the amount of credits accrued to date to the Italian Government from such exports;

(b) the goods and quantities involved together with dates of export.

Consequently, a letter was sent to Allied Supply Accounting Agency requesting this information. Further, the present situation was outlined in a letter addressed to G-5 Section Allied Force Headquarters and suggestions made regarding the future conduct of such exports together with payment. So far nothing more has been heard.

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In the matter of military exports, it is known that a meeting was held about the middle of the month at the American Embassy, to discuss payments for exports to the U.S.Armed Forces in Austria and Germany, and that a signal was sent off, by the Embassy to the Secretary of State, asking that payment for such exports be made in dollars. The same request was made in Alcoms letter to A.F.H.Q.

3. BRITISH OCCUPIED TERRITORIES

As a result of a letter received from Civil Affairs, Cairo, and discussions held with the Ministry of Foreign Trade in June, the views of the Italian Government regarding trade between Tripolitania, Eritrea and Cyrenaica were submitted to the respective Military Administrations. The position to-day regarding trade between Italy and her former colonies is that it can be done on a merchant basis. Compensation trade, never satisfactory, has been dispensed with, and payment will be made in sterling. As far as imports into and exports from Italy are concerned, the same control as is applied to all other countries not having a trade agreement, will be supplied. The Military Administrations have been supplied with full information regarding the type of controls in force in Italy, and the goods which they affect. Information as to controls in force, in the ex colonies, together with lists of goods to which they refer, have been requested, for onward transmission to the Italian Government. This information will be published in the "Bollettino di Informazioni del Commercio Estero" so that Italian merchants may acquaint themselves with the conditions under which trade can be conducted. One point which is still awaiting clarification is that of Customs procedure.

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The Italian Preference system for the areas under consideration is still in force, and naturally, the Italian Government wants to know whether the reciprocal system of preferences can be maintained.

4. VENEZIA GIULIA

There has been a fair amount of clarification work done this month, in respect of the import of Reserved Commodities and the implementation of the agreement between the Italian Government and AMG for the control of foreign trade.

It is to be hoped that from henceforth, the Trade Agreement will be taken into operation by AMG.13 Corps as authorised by A.F.H.Q. and that the financial arrangements made in agreement with the Italian Government in May last, will not be subject to further attempts of unilateral modification.

5. TRADE WITH GERMANY

During the month several requests were received from the Italian Government regarding the import from Germany of special items, such as steel and alternators for the electrical plant under construction at Florenza by Montecatini. These requests have been passed on to the appropriate Allied Authority in Germany, and replies are awaited.

G.A.F.ROTHEY
Maj.Lincolns
Director
Commerce(For.Trade)Branch

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Headquarters Allied Commission
CIVIL CENSORSHIP GROUP
APO 394, U. S. Army

XTJ/mc

SPECIAL REPORT No. 137

30 July 1945

SUBJECT: Appreciation and Censorship Report on Italian Civilian Mail for four weeks ending 7th July 1945.

TO : G-2 (Communications Censorship), AFHQ, APO 512, U. S. Army.

This report is based on 476,400 letters checked during the four weeks ended 7th July 1945.

In contrast to previous reports, this report does not include military mail as censorship of this mail in stations controlled by this Group ceased during this period. Such statistics as were received were too meagre to justify basing opinion tallies upon them.

Attached is a table (Appendix A) which shows the relation between favourable and unfavourable comments on various subjects over the period. In all cases the lowest number of comments is reduced to one, and the second figure shows the corresponding number of comments of the opposite opinion.

Since our last four weekly report new stations have been opened at Aosta, Trento and Udine. The stations at Bologna, Leghorn and Verona did not ope te during the whole period while internal mail censorship c sed at Rome, Naples and Brescia on 15 June 1945. Figures f these three stations are based solely on the operation for v k ending 16 June 1945.

The bulk of the statistics gi n, therefore, represents Northern Italian opinion but external m l passing through Rome and Naples stations can be taken to ind ate tendencies in Central and Southern Italy respectively Where there is a marked divergence of opinion indicated these areas, separate figures are given under the appropriate readings in the body of the report.

None of the comments used in this report have been used in any previous report from this headquarters.

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1. FOOD SITUATION

The general position shows a worsening of opinion but again the figures vary considerably in different parts of the country. Whereas, for instance, in Southern Italian mail adverse comments were in the majority by 47 to 1, the Northern Italian provinces have an adverse majority of only 14 to 1. At Aosta it is as low as 4 to 1.

The complaints remain substantially the same as in the last report. High prices formthe principle subject but once again in the north there are complaints that rationed goods are not available. A few comments from the South show that there has been some improvement in prices in that area. The following extracts illustrate the general type of comment:

"It is now some days that the town has been without food. Housewives rioted to obtain a reduction in prices and obtained the opposite result. The authorities are doing their best but one must stay in line for hours for ½kilo of vegetables." 2/7/45 - Venezia)

"Bread (150 gr. per day) costs 4 lire per kilo with the ration card and does not exist on the black market. Rice (1 kilo per month) costs 10 lire per kilo with the ration card and 40 lire per kilo on the black market. There is no pasta with the ration card and it costs 90 lire per kilo on the black market. Olive oil or butter (100 gr. per month) costs 80 lire per kilo on the ration card and the black market prices are 700 lire per kilo for butter and 900 lire for olive oil. Other prices are: meat 350 lire per kilo, lake fish 230 lire per kilo, potatoes 30 lire and tomatoes 75 lire." (7/6/45 - Aosta)

"The vegetables here have insane prices. For instance, spring potatoes cost 34 lire per kilo." (20/6/45 - Bolzano)

"We are all weak from malnutrition but we hope to recover. The cost of living is even higher than a few months ago. There are some reductions but the racketeers make things rather worse than better." (30/6/45 - Messina)

"...Now we talk about the actual prices, you are still lucky in comparison with us.....eggs now are at the same

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price as yours at 22 lire each, meat 650-700 per kilo, wine 100-110 lire a litre, cherries 44 lire a kilo, peaches at 80, butter even at 1000 lire and so on....." (14/6/45-Como)

"There is virtually no rationed food. They didn't give us any more soap. They do not give us any bread. Rationed meat comes only rarely. Without the ration card it costs 300 lire a kilo." (25/6/45 - Cuneo)

"The situation is bad here. The farmers are doing fairly well because money is worthless. One cannot find milk and the sheds are full of cattle. The farmers prefer to give milk to the hogs rather than to give it to the poor. All the farmers have been fined on the milk question, some had to pay 5000 lire, others 10,000 and 15,000 lire but they are not giving in.....a little gosling ten days old costs 300-350 lire." (22/6/45 - Udine)

"Since the arrival of the Allies we have 150 grs. of snow white bread. Fish is cheap. They gave us some bacon grease, a little cheese, a little canned meat, a little sugar - in other words things that we had not seen for months. Black market is on the decrease." (21/6/45 - Genoa)

"Bread is down very much, it is now 45 lire per kilo instead of 120 and we hope that everything will go down." (13/6/45 - Trapani)

"Here we have good and even abundant bread. We cannot complain about milk." (24/6/45 - Aosta)

"Food is very abundant and one eats well." (27/6/45 - Aosta).

2. CLOTHING

The general situation worsened slightly in the north, the ratio of adverse comments being 19 to 1 against 18.3 to 1 in the previous period. In Southern Italy there was a marked improvement, unfavourable comments being 233 to 1 against 720 to 1 in the previous four weeks. Certain provinces in the north were exceptional and showed better

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figures. Aosta for example showed an adverse ratio of only 3.1 to 1 while Bolzano which had previously shown no favourable comment now produced C with an adverse ratio of only 6 to 1.

The complaints were as previously based almost entirely on high prices but the quality of clothes also meets with some criticism. The following are typical comments:

"We found some ready made cloth shoes. If one wants all leather shoes, one must have them made and with good leather and workmanship they cost 3600 and 5000 lire. One can find cloth for dresses but it is ersatz material. A suit without lining costs 4000 to 5000 lire, even 6000. Cloth for ladies' summer dresses is around 300 to 400 lire per metre. (17/6/45 - San Remo)

"Speaking of clothing, here are some prices - medium quality low shoes 2500-3000 lire, better quality high shoes 3500-4000 lire, medium quality suits 12,000-15,000 lire, good woollen suits 20,000-25,000 lire." (27/6/45-Genoa)

"She told me that you get her material for aprons at 75 lire per metre." (23/6/45 - Bolzano)

"After those people from south Italy started to come over here prices have been doubled - if you buy a suit you need 10,000 lire, a neck tie costs 200 lire, a shirt 900 lire, a hat 700 lire. Therefore my means do not allow me to buy many things." (21/6/45 - Como)

"Clothes have prohibitive prices. One cannot find a man's suit for less than 15000 lire. Shoes and cloth for women's clothes are at prohibitive prices. Only farmers who have all become millionaires can afford to buy at any price, while wage-earners have a hard time living." (21/6/45 - Cuneo)

"Prices are going down daily in Sicily. Suits which could not be bought previously for 30000 lire now sell for 10000 lire and so on." (30/5/45 - Ragusa)

"A pair of shoes of substitute material cost 1700 lire, pure leather 2000-2100 lire. With a special coupon

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workers can buy at their factories a cut for a suit for 1500 and 1700 lire." (13/6/45 - Turin)

"You can buy as much cloth as you want and of all qualities. Prices are between 350 and 500 lire per metre." (26/6/45 - Aosta)

"Here there are all the shoes, clothes and linen you want." (29/6/45 - Aosta)

3. HOUSING

Opinion on this subject took a marked turn for the worse. The adverse ratio of 15.6 to 1 in the previous four weeks advanced to 28.7 to 1. In Turin the adverse ratio was 349 to 1 while the situation deteriorated also in Genoa and Milan. The same situation was found in the South at Naples where unfavourable comments were 145 to 1 but in general Southern Italy showed improvement. As in the case of food and clothing Aosta was the most favourable province with an adverse ratio of only 4.8 to 1.

High rents, lack of houses and non-availability of rooms are the chief subjects of criticism. In the large cities of the North returning population is aggravating the situation. The slowness of repairs is also criticised. The following comments are typical:

"It is a real battle for apartments and one is usually defeated. It is impossible to find one." (21/6/45 - Genoa)

"Here in Turin there is a housing commission which is stormed daily by 500 to 700 people who demand shelter. Nothing can be obtained from this commission which takes care only of 3 and 4 months-old applications and is said to favour some over others. It is not surprising that it should be so with a people as dishonest as the Italian." (19/6/45 - Turin)

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"The hunt for apartments is very intense in Turin because all the people who were evacuated from Turin want to go back there to work. Many cannot get back even the apartment which they had rented and which had remained in their name and for which they had paid the rent. Many in Turin who are believed to live in too big apartments have been forced to give part to the roofless ones but they cannot even choose the sub-tenant according to their convenience to make sure that they are honest and moral people." (30/6/45 - Turin)

"I'll give you an idea of the hopeless lodging situation. In Milan there are a million non-Milanese who should return to their homes and then there will be like wise thousands homeless on account of the destruction." (15/6/45 - Como)

"Every day one sees a new disaster and I have been everywhere. One must actually see it to realise what the situation is like. They promise to rebuild the houses but when? Those who want a shelter are impatient. We are all nervous and excited about what no one can give us. Help will come.....but when? How? Meanwhile the winter is coming and one has grounds for worrying." (25/6/45 - Udine)

"Now we are worse off than ever, we are in a stable where there are 14 animals. Every day we go to the town hall to beg for a little place for us but nobody helps us. My husband is unemployed and we have been 3 months without evacuation dole." (26/6/45 - Udine)

"One can find enough food here because there are no tourists. For the same reason there are several empty apartments." (2/7/45 - Aosta)

4. INCOME

The general opinion on the inadequacy of income to meet current expenditure remained substantially the same as during the last period. Central and Southern Italy produced a heavy majority of unfavourable comments but Turin and Venice also had adverse ratios of 80 to 1 and 39 to 1 respectively. In the North the Allies are blamed in some comments for freezing incomes in a manner which does not allow for the increase of prices which the union with the South is alleged

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to have brought about. Once again there are comments on the necessity for drawing on reserves where they exist and consequently fears are expressed for the future. The following extracts illustrate the main trends:

"Fats, coffee, sugar, chocolate and meat don't exist.....they can be found on the black market but at prices inaccessible to the purse of the poor employee." (18/6/45 - Rome)

"There are three people in our home, husband, wife and daughter, and we spend daily for food 300 lire but many families with three or four sons cannot get along with 500 or 600 lire a day. All the Italians are almost naked, barefooted. A man earns 230 lire a day digging the soil but it is not enough for bread." (11/6/45 - Syracuse)

"Production is scarce, the weather is adverse. When there is no production one must go to the black market. It is the ruin of the worker because it absorbs all his income. Expenditure is more than income and we do not have any money for clothes. We do not buy clothes and still it is not enough." (18/6/45 - Cosenza)

"Here in Turin life costs just about as much as in Rome because prices are going up. But they do want to increase salaries as they have done in Rome. We will go on strike in the office if they do not grant us an increase. My salary is still around 5000 while in Rome one is paid 12,000. It is quite a difference." (1/7/45 - Turin)

"Those who have money have everything but the worker is not paid over 100 lire a day and has to pay 60 lire for a kilo of bread." (20/6/45 - Turin)

"The man from the Relief Office brought me my pension for the three month period. Last year they gave me an increase but nothing now. The newspapers say that the cost of living has gone up 14 times since 1938. Pensions should be at least doubled but who thinks of those who are no longer in service." (27/6/45 - Turin)

"Here in Genoa the British have fixed very low salaries as compared to the cost of living and therefore nobody is working." (22/6/45 - Genoa)

"Food is becoming dearer every day and with one's

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paycame is not able to meet expenses if not eating that which they had in reserve....." (2/6/45 - Bolzano)

"We are waiting for pay increases because with the present salaries we can barely buy a litre of milk and a kilo of bread. We are reduced to this level." (21/6/45 - Cuneo)

"Prices are still rapidly rising because with the union with the South goods are flowing to the South, causing an increase in prices. We are no longer able to buy what we need and on top of this they have frozen salaries instead of prices." (1/7/45 - Turin)

"Work is fairly good and the pay is reasonable." (1/7/45 - Aosta)

5. NATIONAL GOVERNMENT

The general opinion showed a slightly less unfavourable attitude than in the past four weeks. In Milan there was a 4 to 1 majority in favour of the government but in Rome a more unfavourable view was taken. The excessive number of parties remains the chief point of criticism but in many comments Parri himself is looked to as a hopeful stabilising force. Some comments show an increased fear that out of the present maelstrom will emerge a new form of fascism.

Comments were not numerous and, as one statement actually put it, there appears on the whole to be little interest in the new government. The following quotations are taken as far as possible from the less proselytising type of letter.

"We have, so it seems, a real government. Prof. Parri is a man of few words but his active past is admirable. We can, or rather must, trust him fully and all start working in silence...." (21/6/45 - Rome)

"At last we have formed a government but the country is not very interested in it.....it does not inspire great confidence in anybody." (21/6/45 - Rome)

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"Unfortunately the atmosphere is still impregnated with grudges, vendettas, egotisms, thirst for power and the future does not seem very encouraging." (15/6/45 - Turin)

"Have you seen that the new government has placed three Communists in the Ministries which are most important for us: Finance, Agriculture and Justice. The future looks very dark, let us hope for the best." (21/6/45 - Turin)

"Now there is a new cabinet. Let us hope they will collaborate for the good of the people. But there are too many parties but I agree with them on one thing - no monarchy, the main cause of our ruin." (25/6/45 - Genoa)

"In politics I can assure you that we are where we were a year ago, the same dirty deals, the same dissensions, the usual corruption and before the Allies we are cutting a miserable figure. I do not take any interest in politics because I am deeply disgusted. I do not see a regime of freedom but of totalitarianism." (22/6/45 - Genoa)

"I believe the nomination of Parri was a very wise move because he holds the balance between the red rioting left and the white and formidable Christian side. Have you heard the Christians are for the republic? The monarchy is dead. The anachronist institution has collapsed." (23/6/45 - Genoa)

"I believe the situation is the same everywhere. Five or six parties want to solve the government with the same programmes because words are plentiful and the promises are always the same." (23/6/45 - Aosta)

"The new president is a fine man but he will be able to do little more than that very fine person Bonomi who sacrificed himself for the country." (21/6/45 - Milan)

"I am very discouraged. I walked around for a long time through this town which I hate because I think that it is in preparing for Italy a new and worse fascism only with a change in the colour of the shirt and deceiving again the poor Italian people with the usual promises." (20/6/45 - Milan)

"The situation here is not bad but it is serious because of the danger of a new totalitarianism....." (21/5/45 - Como)

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"We are treated worse than slaves. I am beginning to think that the epuration is punishing the others instead of the Fascists." (5/7/45 - Aosta)

6. PROVINCIAL ADMINISTRATION

The ratio of unfavourable over favourable reports remained about the same as in the previous report. Likewise useful assessment of opinion was again difficult as the criticism was generally either too vague such as failure to control the black market, or related solely to specific individuals, many of which comments smacked of a personal vendetta. It is not considered profitable to give examples of this type of comment.

7. RELATIONS WITH THE ALLIES

Comment was slightly less favourable than in the previous four weeks. The South still was very favourable with a ratio of 17.9 to 1 but the number of unfavourable comments increased in the North. In Como, Cuneo, Turin and Venice opinion was fairly evenly divided.

Favourable comment chiefly concerned correct behaviour of allied troops, their generosity and friendliness (especially the fact that, unlike the Germans, they do not carry arms), and hopes of future benefits from their presence.

Non-realization of some of these benefits produced some adverse comment. There was also some criticism of allied requisitioning of property and of their forcing up of prices. Some writers again revealed a sense of humiliation and treated the Allies simply as new masters. The following are typical comments:

"If it had not been for the United States we should all have died of hunger. They gave us 200 grs. of bread a day, 2400 grs. of pasta a month and so many other things." (16/6/45 - Messina.)

"Just imagine that when the first allied troops came we went to bring flowers and they stopped a while. They went on towards Trieste. I cannot tell with what kindness they greeted us. They offered us immediately oranges, sweets and other things." (20/6/45 - Venice)

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"Then came the Americans and everything was changed, everything was peaceful and a great deal more beautiful." (13/6/45 - Bolzano)

"We must trust ourselves to the clemency of the Allies and especially to the protection of the U.S.A. who we hope will keep in mind that we did not want this unfortunate war." (20/6/45 - Catanzaro)

"The British are a serious people. Their soldiers always go around without weapons. Nobody sabotages their electric plants as they did with the Germans. They bring their food from England, they do not steal as the Germans did. We hope that the British will send oil, wine and other food up from Southern Italy, as soon as the parties get together." (18/6/45 - Bolzano)

"They are really nice people, polite and clean. They are the first to greet and they give instead of taking. Besides, they never carry arms." (10/5/45 - Udine)

"I am so glad that the war is over. Whom have we to thank? The brave Americans and English who saved Europe from disaster." (12/6/45 - Bolzano)

"The South Africans (British) remained here. They are extremely correct. They are the most disciplined and correct troops we have known and we have known all sorts of troops." (23/6/45 - Aosta)

"We hope that this nation will go under the American protectorate and then perhaps we will have some improvements because we are not in the position to keep an honest government because they are all thieves, none excluded." (11/6/45 - Catanzaro)

"We are living among the British troops who treat us all very well." (23/6/45 - Aosta)

"I have to deal entirely with British Army officers..... They are extremely kind but it is all superficial, in their hearts they hate all of us, much more than we deserve...." (24/6/45 - Rome)

"It seems that the negroes will be replaced by the

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British who have the reputation of being haughty people like the Germans but without their cruelty. They are democratic like a lord towards his servants. They went to help us and they busily leave us in the old mud."
(20/6/45 - Savona)

"We hear that we have to leave our house because the British masters have seized everything and they do not want civilians in the neighbourhood.....All the better houses are for the British. The people are to remain slaves."
(21/6/45 - Udine)

"I was disappointed to find that the liberators have as a rule a poor opinion of the Italians although here they have modified the views which they had acquired in other parts of Italy." (20/6/45 - Udine)

"We hope in prompt allied supplies but nothing comes as yet and it is always more difficult to live. I go out very little and I do not have to see the American and British troops moving about. I went to see a famous castle and I found negroes in the courtyard in the Free Italy. Kill yourselves Italians, make room for negroes. I speak lest I cry and I cry lest I speak" (30/6/45 - Udine)

"We have decided not to dance with foreigners until they become guests and not our bosses in our own home."
(24/6/45 - Aosta)

"It is the usual story, soldiers all the time, no one pays and we go on this way as long as it lasts. We will never get paid. Not even in the town have they been paid."
(4/7/45 - Aosta)

B. INDUSTRIAL PROSPECTS

The situation remains very much the same as in the last report without much divergence of opinion in different parts of the country. Some confidence is expressed that with allied aid industry will soon be restored but the immediate position due to lack of power, lack of raw materials and, to some extent, an alleged lack of will to work among the people, together with financial instability has produced a slightly unfavourable ratio throughout the country. The following represent the general line of comment:

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"Here in Como there is nothing new, work is almost completely stopped and I don't see any possibility of resumption even in part by the autumn....." (27/6/45 - Como)

"The situation of our industry, as generally for all manufactures, is now absolutely inactive. In the first place due to the block on finished products and in the second place because of the scarcity of raw materials. However, it seems that the Allies are occupying themselves with the above mentioned factors and I don't doubt that their influence will be very effective, so that in a short time we shall work normally....." (14/6/45 - Como)

"We hope.....that work will be resumed and industrial activity developed on sound bases which will permit everyone to apply himself to various activities with satisfaction and fair profit." (12/6/45 - Cuneo)

"A significant renewal of business will be possible only if workers will start work again (they don't feel like doing so and talk only about politics) and if raw materials arrive. The wages are not at all in proportion to the cost of living and here it means that it is impossible to keep going....." (15/6/45 - Como)

"Here we are always going from bad to worse. Taxes are on the increase and we cannot work because they give us electric current only 3 times a week. Since I have only electric machines in the shop I have to work only 3 times a week." (14/6/45 - Palermo)

"There is no work because of the lack of coal and the lack of transportation for the goods produced. Up to now there have been no dismissals but there are persistent rumours that it will take place on a large scale." (25/6/45 - Aosta)

"I have been a week in the Aosta valley because of the resumption of work. I am building an aerial cable way." (26/6/45 - Aosta)

"We are not very happy.....the harbour is ruined, the industry is closed and commerce is still....every now and then the workers go on strike." (27/6/45 - Genoa)

"We are on the eve of monetary reform which might have serious consequences on our wealth and our firm." (21/6/45 - Turin)

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"Everything is to be rebuilt and there is the danger of fiscal burdens and the devaluation of money and stocks." (17/6/45 - Turin)

9. AGRICULTURAL PROSPECTS

The continued drought has practically doubled the adverse ratio of comments. In Central and Southern Italy especially writers are very pessimistic. Central Italian external mail shows an adverse ratio of 58.5 to 1. One province alone, Udine, shows a slightly favourable ratio. In addition to the drought the effect of the spring frosts on the fruit crop receives comment. Lack of fertilizers produces many comments. The following comments are typical:

"The crop of hay was very poor this year owing to the excessive drought. Also as regards the vines we shall draw very little from them because we had no copper-sulphate. Anyhow we hope we shall receive it next year. We need rain badly since everything is burnt." (29/6/45 - Aosta)

"Here the land is doing fairly well. Practically all the corn has come up....." (8/5/45 - Udine)

"As for the fruit this year the harvest will be bad because when they were in full bloom 20 cm. of snow came and intense cold. Grain and potatoes promise well." (17/6/45 - Bolzano)

"Here there is a great drought. It is a month when it does not rain. We should cut the hay now but it is all dried, also the potatoes, everything is going to ruin." (24/6/45 - Bolzano)

"Here we have a drought which has completed the work of the frost. The harvest suffers greatly from the lack of fertilisers." (12/6/45 - Cuneo)

"This year we have had a fine crop. How lucky we are compared to the others." (15/6/45 - Cuneo)

"The crop of wheat is very poor this year, probably only 50% of that of last year. Also maize and potatoes which were supposed to be abundant have now been greatly spoiled by the drought." (23/6/45 - Milan)

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"Wheat is doing fairly well. It needs a little nitrate but it cannot be found. Copper sulphate costs 600 lire a kilo or 10 litres of wine." (25/5/45 - Udine)

"The complete absence of chemical fertilisers and the allied ammunition dumps have ruined my land." (26/6/45 - Udine)

"The land promises well for all crops. Up to now the weather has been favourable." (2/7/45 - Udine)

"We have never had such a drought as this year in Central and Southern Italy. Since February it has not rained. All the crops have been ruined except the corn which will reach 25% of the usual average." (10/6/45 - Campobasso)

"This year we'll have a scarce crop, especially in our zone where from a 5 decametres sown field we have drawn but two bundles of wheat. Wheat is abundant and its price is low since has been imported. Also as regards olive oil we suppose we'll have a bad year." (15/6/45 - Trapani)

"Since February it has not rained. Within 30 to 40 days we'll have the harvest, which will be very scarce owing to the lack of water. We have sown very few beans and maize." (18/6/45 - Catanzaro)

10. EMPLOYMENT

The comments on employment are more pessimistic especially in central Italy where the adverse ratio is 32.8 to 1. Lack of raw materials is the main cause to which lack of employment is attributed. Occasionally a would-be employer finds difficulty in finding persons for a post but this must probably be considered in relation to other statements that the wages offered are often so low as to discourage applicants. Comments as follows are typical:

"At the beginning of July there will be many dismissals including some employees of the foundry." (27/6/45 - Aosta)

"Bruno is always at home. He has applied for a job with the railway but they are not taking anybody on." (20/6/45 - Cuneo)

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"By the end of the month I shall have three jobs open, one at Town Hall, one at the Prefecture and one at the Cogne and I do not know which to pick." (10/7/45 - Aosta)

"I wanted to replace my windows in the showroom of the library but one cannot find a worker, not even paying like a minister." (20/6/45 - Bolzano)

"There is no work. I have been dismissed with 300 other girls." (21/6/45 Bolzano)

"I have found two or three jobs but they are honest employment where the pay is insufficient to pay for cigarettes." (15/5/45 - Turin)

"Labour conditions are very bad today. The workers are dissatisfied, we work poorly. There are no raw materials. We pretend to work more than anything else." (16/6/45 - Turin)

"I do not know how to advise you. There is very little work in Genoa. The unemployed are tens of thousands, if not hundreds of thousands and their number is increasing daily." (23/6/45 - Genoa)

"I would do any type of work for a piece of bread... life is impossible in Milan and I cannot find work." (20/6/45 - Milan)

"After some part time work I have been 5 months completely unemployed. I have looked everywhere to supply my children with bread. A few days ago I found a job as a foreman with the Allies and it only pays 180 lire a day, one quarter of my daily expenses." (7/6/45 - Naples)

GORDON W. McKEAN,
Lt. Col. Cavalry,
Civil Censorship Officer.

2 Incls:
Incl #1 - Ratio Table. Four weeks ending 7/7/45.
Incl #2 - Public Opinion Tally 7/7/45.

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SPECIAL REPORT NO. 137

APPENDIX A

RATIO TABLE BETWEEN FAVOURABLE AND UNFAVOURABLE COMMENTS ON PERTINENT POINTS (10 June/7 July

	FOOD SITUATION		CLOTHING		HOUSING		INCOME		NATIONAL GOVERNMENT		PROVINCIAL GOVERNMENT		RELATIONS WITH ALLIES		INDUSTRIAL PROSPECTS	
AVERAGE FOR MONTH ENDING	F	U	F	U	F	U	F	U	F	U	F	U	F	U	F	U
7/7/45 CIV	1	32.7	1	121.3	1	48.7	1	20.5	1	1.9	1	3.0	13.0	1	1	1.8

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APPENDIX A

RATIO TABLE BETWEEN FAVORABLE AND UNFAVORABLE COMMENTS ON PERTINENT POINTS (10 June/7 July 45)

	CLOTHING		HOUSING		INCOME		NATIONAL GOVERNMENT		PROVINCIAL GOVERNMENT		RELATIONS WITH ALLIES		INDUSTRIAL PROSPECTS		AGRICULTURAL PROSPECTS		EMPLOYMENT	
U	F	U	F	U	F	U	F	U	F	U	F	U	F	U	F	U	F	U
7	1	104.3	1	48.7	1	30.5	1	1.9	1	3.0	13.0	1	1	1.8	1	7	1	11.6

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Headquarters Allied Commission
CIVIL CENSORSHIP GROUP
APO 394, U. S. Army

GWM/vm

4 May 1945

SPECIAL REPORT NO. 125

SUBJECT: Appreciation and Censorship Report on Italian Civilian and Military Mail for Four Weeks Ending 14th April 1945.

TO : G-2 (Communications Censorship), AFHQ, APO 512.

This report is based on 384,000 letters checked during the four weeks ended 14th April 1945. This does not include any military mail from the front lines.

Attached is a table (Appendix A) which shows the relation between favourable and unfavourable comments on every subject each week. In all cases the lowest number of comments is reduced to one, and the second figure shows the corresponding number of comments of the opposite opinion.

None of the comments used in this report have been used in any previous report.

1. FOOD SITUATION

Civilian mail, which has been becoming increasingly unfavourable for some months over the food situation, deteriorated still further during the period under review, and unfavourable comments were in a majority of 23.5 to 1. This compares with 21.3 to 1 and 14.8 to 1 for the two previous periods respectively. Perugia, Rome and Naples were particularly gloomy. There were no favourable comments from the first named; Naples again produced a majority of over 50 to 1 adverse comments; while Rome opinion deteriorated very sharply, and the adverse comments were in a majority of 77 to 1. Military mail became a little less favourable.

Specific items are often mentioned, such as the lack of salt, fats, meat etc., and some centres go further and say that

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It is not possible to procure the foods listed on the ration cards. At Legnorn the Americans are accused of cornering everything and thus leaving only bread and greens for the local population. Other towns apparently have most things available, but the prices are so high that very few people can afford to buy. Generally speaking the matter of price seems to be the chief complaint. The following comments are some examples of various types of complaint:

"As to our rationed food, they have given us nothing during March, and we don't expect anything in April. If you come bring half a kilogram of salt and some lard." (6/4/45 - Macerata)

"Here life is harder than at Florence. To give you an idea I shall tell you that potatoes cost 80 lire per kg., lard 86 lire, wine 100 lire for two litres, cheese 400 lire per kg., fish 200 lire, lettuce 4 lirs a head, and onions 80 lire per kg." (6/4/45 - Leghorn)

"Life in this city is becoming gradually more difficult. The Americans are cornering whatever they find and pay any price asked. We are forced to live on greens and 200 grams of bread daily. The rest of the food items written on the ration cards are not distributed except in very small quantities and at long intervals." (13/4/45 - Leghorn)

"Except for bread we lack almost everything. The prices are sky high. We get some powdered soup with the ration card, and 100 grams of sugar. No meat." (17/3/45 - Pesaro)

"Here there is famine. Women, children, and even monks come to our home continuously asking for some food." (19/3/45 - Pesaro)

"Believe me, the food situation here is a serious matter indeed. One has to buy everything on the black market if one wishes to eat. Otherwise one finds nothing." (4/4/45 - Siena)

"As to food, I must tell you that for months we have been living on vegetable soup, vegetables, greens, and an occasional egg, because our finances do not permit us to submit to black market prices. The rationed meat we get every 15 days or so, and wine is only available on the black market." (5/4/45 - Macerata)

"Here life is still extremely expensive. A kg. of meat costs 300 lire, and fish 600 lire. We cannot get along on our salary." (3/4/45 - Naples)

Salt
lire
potatoes

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"You ask me how we are faring? Believe me, everything is obtainable but at such prohibitive prices. Ham costs 1000 lire a kilo. I will not continue, as by doing so you may not be permitted by the censor to receive this letter." (19/3/45 - Rome)

"Till now health has been tolerable, but I fear that before long we shall feel the lack of animal fats and of fresh meat. These have become inaccessable to our purses. Just imagine, horse flesh has reached 700 lire, and so you can conceive what other prices are." (20/3/45 - Rome)

"My poor husband is killing himself with work in order to earn a few pence, but he only receives 100 lire a day, and we spend 300 without eating properly, since we have to buy everything on the black market." (29/3/45 - Rome)

"Oh! My God! When will this hunger cease? You should see the state the Romans are in. Mortality here, especially among children, is enormous. Babies from 1 month to 2 years are all going to Paradise. Poor little creatures - but it is only natural for they have nothing to eat. The poor families have nothing to give them. Besides this there is a lack of coffins, and for a small baby the charge is 2000 lire. How can a family spend such a sum for only a coffin? And where do you think they put them? In the pasta boxes." (26/3/45 - Rome)

2. CLOTHING

The clothing situation appears to be going from bad to worse, according to civilian mail. For some time past the comments have been becoming more critical, and during the preceeding period the adverse majority reached the then record total of 44.6 to 1. During the period under review there was a further sharp downward movement, and the unfavourable comments reached a majority of 73.3 to 1 in the final week, the average for the four weeks being 62.7 to 1. Several centres produced no favourable comments, notably Perugia. From Arezzo there were only 5 favourable comments out of a total of 273, and from Rome the same number out of a total of 638. In Naples the position would seem to be even worse. Among a record total of comments (3834) the adverse ratio was 152.4 to 1. There was only half the usual number of military comments, and they were as slightly adverse as they were slightly favourable during the previous period.

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In the great majority of cases the complaints were based on prices. It is not uncommon to read letters stating that the shops are full, but that the goods are quite out of reach of the writers' purses. Only a minority of letters complain of any real shortage of clothing in the shops. Some of the prices quoted show a marked advance on those allegedly obtaining a month or two ago. For example, from both Rome and Naples there are letters saying that a man's suit costs up to 20,000 lire. The following comments illustrate the general feeling in a variety of centres:

"A suit of clothes for a man costs 20,000 lire as a minimum without counting the manufacture. Shoes sell at 6000 and 7000 lire according to the quality." (29/3/45 - Naples)

"In Naples life is expensive, extremely expensive. The prices of clothing materials make you dizzy. I have visited various shops. They have more than enough goods, but at prohibitive prices. Just imagine that for a length of cotton material to cut a man's suit, the price is about 10,000 lire. Add 5000 more for the lining, and you get a complete unmentionable cotton suit without counting the cost of making it up." (26/3/45 - Naples)

"As to clothing material, I had better not tell about it. The lining alone of a man's suit costs 800 lire a metre." (19/3/45 - Naples)

"During this period of sky-rocketing prices, the prices of clothing and foot-wear are the most scandalously high of all prices. It is a real disaster, especially for those who live on a salary. Unless the war ends, and trade becomes normal again, we will all be wearing wooden clogs and patched up clothes." (7/4/45 - Naples)

"Here living is very expensive. We no longer have materials for clothes. If any stuff is available, it costs 250 lire per metre, and is of very poor quality." (29/3/45 - Perugia)

"As to material for mens' clothes you can't find it here. There is some material at 1200 lire per metre, but I would not advise anyone to get it. Wool costs 5000 lire per kg., and its price is rising. The rare goods of real wool are sold at impossible prices." (5/4/45 - Siena)

"I wanted to go to Rome in order to buy at least enough clothing for the summer and winter, because here materials and

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articles of clothing are now to be seen anywhere. I have been reduced, like the fish in the sea, to my skin only." (7/4/45 - Macerata)

"Everybody wears British clothes, ladies, peasant women, labourers etc. You wont find a person who does not wear British stuff, especially overcoats. The shops are full of clothing articles, but one cannot buy them, firstly because we don't have the money, and secondly because no one ever buys them." (7/4/45 - Macerata)

"You mention the price of clothing in Sicily. Here clothing is not to be found, even if you wanted to pay high prices for it." (7/4/45 - Pesaro)

"The situation here, instead of improving, becomes worse every day. If things continue like this, who knows how we shall end. The biggest problem now is how to clothe oneself considering the prevailing prices. Just think, 20,000 lire are required for the making of a very indifferent suit. Therefore tell me how we can spend such a large sum when the money one earns is not enough to buy sufficient food?" (18/3/45 - Rome)

3. HOUSING

Civilian mail became more pessimistic over the housing situation during the period under review, and the unfavourable comments were in a majority of 23.4 to 1 as compared with 19.5 to 1 during the previous four weeks. These figures, however, do not tell the full story, for more than half the total favourable comments came from Pisa, as they did during the previous period. Leaving the latter centre out of account in both cases, the ratio for the period under review was 46.6 to 1 as compared with 40.1 to 1 for the preceeding four weeks. There were no favourable comments from Florence, Perugia, Pesaro or Siena, and only one each from some other centres, notably Grosseto. Naples was noticably more gloomy, and the unfavourable comments were in a majority of 75.9 to 1 as compared with 51.1 to 1 during the last period. Military mail was a little more unfavourable than during the previous period.

There were many, and sometimes bitter, complaints about high rents; and there was a certain amount of grumbling about requisitioning by the Allies. The shortage of houses also came in for mention, and in Pesaro it is alleged that the authorities quartered families in pigsties till the Allies interfered. In

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Rome there seem to be various money making conditions imposed by landlords or outgoing tenants. Huge deposits are asked of incoming tenants in addition to the rent. In other cases the new tenants are asked to take over the furniture at very high prices. Thus acquiring a home is often financially impossible. The following comments are some illustrations:

"As soon as the liberators arrived in this town, they requisitioned all the lodgings, and then they emptied them of all contents, including the glass in the windows. As a result there is a great shortage of dwellings." (5/4/45 - Ancona)

"The Housing Commission of Pesaro, in order to remedy the shortage of lodgings, has even found pigsties into which to put families. Fortunately the Allies have interferred, and they prohibit the refugees from entering the cities." (10/4/45 - Pesaro)

"I am now at Marano because it has not been possible to find a house in Naples at any price." (11/4/45 - Naples)

"As to houses, it is very difficult to find a lodging place. If an empty house is found, they ask you astronomical sums for it in rentals." (26/3/45 - Naples)

"The most serious problem here is housing. You can't find a hole in which to live, even if you were willing to pay its weight in gold." (4/4/45 - Siena)

"You can't find a house to rent in Siena, and the hotels have all been requisitioned." (3/4/45 - Siena)

"The question of lodgings is a very worrying problem. To find a house is an extremely difficult thing, if not an impossibility." (29/3/45 - Florence)

"So far my attempts to find an apartment have proved unsuccessful, since the out-going tenants make absurd requests which are out of one's reach. I had several chances of getting a house, but they asked deposits of several thousand lire. For example, I was asked for a deposit of 12,000 lire for a two roomed apartment with kitchen, plus the rent." (21/3/45 - Rome)

"I am desperately looking for a house to accommodate my family and furniture... Everything proved hopeless. It is a difficult problem to solve because there is a racket. Either

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they demand a deposit starting with a minimum of 150.000 lire, or they want the furniture to be taken over, and this involves an expense ranging from 200 - 600,000 lire! A crazy thing! (21/3/45 - Rome)

"I am desperately searching for a furnished room, and the search is anything but easy. Just imagine, I was asked 4,500 lire for a room with two beds." (20/3/45 - Rome)

4. INCOME

There was little change in civilian opinion on the question of incomes, the adverse ratio being 14.1 to 1 as compared with 14.5 to 1 during the previous period. The position seems to be worse in Florence than anywhere else, there being only 1 favourable comment out of a total of 142. Rome opinion was less unfavourable than previously, nevertheless it was twice as adverse as the average.

The real source of all complaints is that wages and salaries bear no relation to the cost of living. Living expences cannot be met. There are many references to rises in wages, but they are accompanied by the observation that the cost of living had taken a greater step upwards. Thus the rise only results in costs drawing further ahead. Many people, who had savings, have now used them up in trying to balance their budgets. Others have sold their possessions, or are still selling what they have left, and they have nothing but fear for the future. Those who are already reduced to living on their salaries alone can buy no cloths because they do not have sufficient even to buy enough food. The following are typical comments:

"At Macerata life is becoming gradually harder. The price of everything is rising higher and higher. What little money we had saved up must be used now because our salaries are not sufficient to meet expenses." (7/4/45 - Macerata)

"Although salaries have increased, they are never sufficient to meet daily expenses." (7/4/45 - Pievebogliana, Macerata)

"Life here is more expensive than where you are. Nothing can be found at a reasonable price. We cannot go on existing on our salaries." (8/4/45 - Ancona)

"Things are not at all well, because the prices of goods are entirely too high in comparison with the wretched wage of a labourer or a clerk." (11/4/45 - Naples)

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"Let us hope that things will soon take a turn for the better, and that salaries will become proportionate to living expenses. At present our income is not sufficient to buy water and a dried fig." (26/3/45 - Florence)

"Living is very dear, and with the salary alone it is absolutely impossible to live. All the employees have a secondary occupation. All this is ridiculous, but unfortunately it is so." (20/3/45 - Rome)

"They increase your wages by a quarter of a lire and the day afterwards the price of everything you can find is doubled. We are always in the same position. You earn 200 lire, and you need 500 in order to eat like a human being." (20/3/45 - Rome)

5. NATIONAL GOVERNMENT

Civilian opinion was less hostile towards the National Government during the period under review, the adverse comments being in a majority of 2.5 to 1 as compared with 3.4 to 1 during the previous four weeks. Many centres hardly commented at all but of those which produced over 100 comments Bari was equally divided, which was an improvement. Naples was adverse by 3.8 to 1, being more unfavourable than previously, and Rome had an unfavourable majority of 2.8 to 1 as compared with 5.9 to 1 during the preceeding four weeks. There were few military comments.

As far as can be gathered from the mail, the majority against the Government feel that it shows little evidence of having the country's interests at heart. It is said that the interests of the various parties come first. The writers complain that Fascists are still in responsible positions, and that there is not much hope for Italy while self interests take first place. The following comments are some examples:

"I would like to know how the free citizen can possibly trust a government which seems to take absolutely no interest in the public welfare. All of us in liberated Italy are fed up with fine promises and controversies which are damaging the cause of Italy." (22/3/45 - Naples)

"They are blowing the bugle to the four winds with their purging, purging, purging. What really happens is that the old clique is still in power and is acting worse than before. Who knows when the real hour of liberation will ever strike.

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Is it possible to think that with such a system of thought and action Italy will ever be able to rise to her feet? I doubt it very much." (28/3/45 - Naples)

"It is deplorable that our government does nothing to suppress the interests and egotism of individuals and political parties." (31/3/45 - Naples)

"Life continues at its normal pace as though no misfortune had befallen us, nor any damage done to us. Our statesmen keep on thinking of themselves. That applies to Bonomi, Togliatti, De Gasperi and company." (11/4/45 - Pesaro)

6. PROVINCIAL ADMINISTRATION

Civilian mail was more hostile towards provincial administration than it was during the previous period, and the adverse ratio of comments was 8.3 to 1 as compared with 4.4 to 1 during the preceeding four weeks. Many centres produced but few comments. Of those that commented freely, Arezzo was the most hostile with only 3 favourable comments out of a total of 94. Naples was 10.3 to 1 against, which is slightly more critical than last time. Rome, on the other hand, was less critical than previously. There were hardly any military comments.

Criticism centres mainly on the feeling that provincial administrations do not worry themselves over the welfare of the people. They are accused of making many promises to correct various abuses, but without actually doing anything. The two following comments are examples:

"The cost of living is gradually rising, and that is what worries us most. Our salary is inadequate, and we are withering day by day. Our city and provincial authorities do not give a damn about us as long as they have plenty to eat and drink themselves." (26/3/45 - Naples)

"Conditions are still the same, and are gradually becoming worse here. All the provincial authorities do is to promise drastic action against the black market and the general delinquency which has flooded our city in an alarming way." (20/3/45 - Naples)

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7. RELATIONS WITH THE ALLIES

Civilian letters revealed a less favourable attitude towards the Allies than during the previous period, and in fact the popularity of the Allies slumped to the record low point reached two months back. Pisa was preponderantly favourable, and Florence much more so than the average. Naples opinion deteriorated sharply, but Rome was slightly more favourable. Foggia was the only centre which produced a majority of unfavourable comments. Military mail did not contain many comments, but the proportion of favourable comments was higher, particularly in Ancona and Rome.

Favourable comments spring mainly from gratitude. Being liberated counts more with some people than anything else, and they are also thankful for clothes and food that has been given them. Others are happy because they find they get on well with the Allies. Unfavourable comments are frequently the product of weariness with the duration of the Allies stay in Italy. There are sarcastic references to the liberators who, the writers feel, are more like the occupying troops of conquerors, and with this there is some bad feeling on account of the various types of coloured troops in the country. Other complaints are that the Allies have not lived up to their promises. Some people are resentful at the destruction of industrial plants, for they feel that the Allies, as well as the Germans, are ruining Italy, not only industrially but morally. The following are examples of various shades of opinion:

(a) Favourable

"To tell the truth the Allies are very kind and well mannered. You can always manage to get along well with them." (1/4/45 - Pesaro)

"I repeat that here we are all faring well, and run no danger whatever. Let us thank the Allies who have come to liberate us after so much suffering." (1/4/45 - Pesaro)

"Ancona is still swarming with Allied troops, but their correct behaviour has not caused the least unpleasant incident up to date." (21/3/45 - Ancona)

"As to the Allies, we have nothing but nice things to say about them. They have been extremely kind and charitable. May God bless and protect them". (6/4/45 - Perugia)

"If it had not been for the Allies, and kindred pious souls, we would all be going naked." (28/3/45 - Macerata)

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"... You will however find some comfort in the thought that the English are sensible and good hearted men who grant their prisoners a pretty fair treatment." (26/3/45 - Rome)

"The Americans are very generous, and I am certain they will not make you lack anything. I have known the English well, and I lived with them fraternally for nearly 8 months, and they treated me like an old friend." (28/3/45 - Florence)

"Really the Polish are those who can better understand us. They are all very kind to me, and even if not so lavish as the others; the little they give you does not represent their surplus but is a gift from their hearts that they give with some sacrifice. This has completely conquered me and made me a very sincere friend of theirs. It has raised my spirits very high." (18/3/45 - Rome)

(b) Unfavourable

"These Allies are as follows: They promise a great deal and give nothing." (28/3/45 - Pesaro)

"A lady was telling me the other day that the Germans ruined us materially, and the Allies morally." (31/3/45 - Florence)

"Universal joy and relief pervade all souls due to the imminent cessation of hostilities. Let us hope that each will get what he justly deserves, and that the liberators will liberate our houses from their "beloved" presence." (5/4/45 - Macerata)

"Merely to think that the harbour and industrial sections have been destroyed by the Allies! It is painful to see how people stupidly, sceptically adapt themselves so easily to courting and amusing those who are here to recall to us our woeful condition." (27/3/45 - Naples)

"I am happy to hear of your intense dislike for the multi-coloured races which have liberated us. We agree on this score. I can no longer behold our city so dominated!" (29/3/45 - Naples)

"We hope the whole of Italy will soon be liberated, and that we shall get rid of all these unwelcome guests we are compelled to bear. Believe me, no one is our friend." (10/4/45 - Rome)

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"The question of cobelligerency is a consequence of the famous "either the stick or the carrot" principle. These gentlemen rightly say: if we allow Italy to become an Allied Nation, who will pay for it when the war is over? They started with their landings, and who knows when they are going to stop, because, let us be honest, we are also fed up with the Allies and their ACC. It would be better if they said: we will not give you anything. But they provoke us with their three hectograms, their sugar that has to come from America, and then the coffee from Brazil."

8. PRESENT MILITARY SITUATION

Civilian mail was more optimistic about the present military situation than it was during the previous four weeks, but no very marked increase in optimism was evident. Military mail was likewise a little more enthusiastic. Comments during the early part of the period were apt to be dispondent over the fact that northern Italy was still in German hands, and some writers accused the Allies of not wishing to make too much of an effort. This and other more optimistic opinions are typified in the following comments:

"For a long time I have dreamed about a strong Allied offensive to liberate Italy, but this hope has vanished. I don't understand why they do not move. They are softies, live like lords, and are afraid to die." (23/3/45 - Naples)

"The war is in its final stage. Hitler's Germany is about to crumble, and with it will crumble the entire German race. You cannot imagine what great joy I feel in learning all the news about the valiant Russian and Anglo-American troops. This last offensive will be decisive in the defeat of Germany and of the Fascists." (26/3/45 - Perugia)

"According to the latest bulletins, things are going along very well. The Allied armies are racing at full speed. Therefore the war will be over before long." (6/4/45 - Naples)

9. FUTURE MILITARY SITUATION

There was little change in civilian opinion regarding the future military situation, and there were hardly any military comments at all. There seem to be two main trends of feeling: One of faith in an early end to the war and a return to normal life; and another of fear in the future. Even if the war ends soon, some people feel that there will be no real peace, and that civil disturbances will break out. The following comments are some examples of different opinions:

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"Here we feel that the war will end at any moment now. Let us hope it will be so. It won't be long before the Allies will win a complete victory, for the German army has already been defeated. Thus things will become normal again soon, and peace will re-enter the hearts of men." (5/4/45 - Naples)

"As to peace, we shall not even have it when the war has come to an end. An energetic intervention on the part of the Allies is needed for the purpose of bringing order everywhere. Otherwise we shall have civil war." (4/5/45 - Florence)

"We hope that the war will come to an end this month. But what will happen then? To begin with the Germans will use gas as their last resource. Then we expect a revolution, because the labourer cannot go on existing with prices so high that they are out of his reach." (7/4/45 - Grosseto)

10. INDUSTRIAL PROSPECTS

Civilian mail, which became less unfavourable during the preceeding period, rallied sufficiently during the period under review to produce a majority of favourable comments. This was largely due to Naples, from which centre more than half of the comments came. A more optimistic feeling has been prevailing there for some time. Pisa was also more than 2 to 1 favourably disposed. There were no military comments.

Favourable comments speak of the reopening of factories and the rebuilding of others, and at Pesaro it is stated that the fishing industry is getting on its feet again. From Naples there are letters speaking of resumption of manufacturing steel and glass products. Unfavourable comments refer to destroyed factories, closed mines, and the lack of raw materials. The following comments are examples of the above:

"As to the industries, some of them have been put back into shape, and those that have not been restored can very well be restored soon." (4/4/45 - Tolentino, Macerata)

A somewhat contradictory letter from the same centre says: "The Rauselli mill has been completely destroyed, without any possibility of rebuilding it. The Canestrari mill at Morrovalle has likewise been destroyed. The Villa Potenza mill, also destroyed, is being rebuilt as a pasta factory. When shall we begin to work again? I have little hope, since we lack everything." (9/4/45 - Macerata)

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"Here life is gradually becoming more and more normal. The fishermen are beginning to return to fishing the precious food. But in everyone the desire for more normal times is ever great, and the latest events seem to augur well for the fulfillment of our desires." (5/4/45 - Pesaro)

"Here many factories are opening, since the other cities have been greatly devastated, while we are well on our feet. This will become a highly industrialized city judging by the beginning and by what the people say." (4/4/45 - Siena)

"It is now almost a year since the mine was last working. The miners work about four or eight days each month. There are quite a few of them who have not been able to work at all since they were laid off." (5/4/45 - Cabernardi, Ancona)

The following are some examples of the Naples mail from which most of the comments came:

"We have begun once more to manufacture our principal products, perphosphor phials, bromunin pills, etc." (27/3/45 - Naples)

"The Naples Naval Steel Mills (F.O.N.N.) is now capable of doing work in cast-iron, bronze, aluminium, etc., besides mechanical constructions of all kinds." (28/3/45 - Naples)

"We have organized in Naples a glass producing company, financed by some millions of Lire. We have already ordered machinery, molds etc., and have chosen the locality for the factory." (29/3/45 - Naples)

"We are loaded with orders taken a long time ago. Our great difficulties lie in the shortage of raw materials and labour." (20/3/45 - Naples)

11. AGRICULTURAL PROSPECTS

Civilian mail lost some of its optimism concernig agricultural prospects during the period under review, and there was a slight majority of unfavourable comments for the first time. This was in spite of the fact that there was an unusually large number of favourable comments from Bisa. The latter centre, in fact, produced no adverse comments at all. Apart from Pisa, no centre revealed any very marked opinion except Pesaro, which was definitely pessimistic.

There are complaints about the lack of fertilizers, and the fact that crops have been destroyed by pest, fire or by acts

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of war. From some centres, such as Grosseto, Naples, Macerata, Perugia and Pesaro, there are letters decrying the lack of rain. Wheat and other grains are therefore backward or worse. On the other hand it would appear that fruit crops are good, and there are also letters about the good condition of vineyards. The following comments illustrate the two sides of the picture:

"A terrible drought is threatening all our crops and forage. The price of hay has gone up to 1500 lire a quintal, higher than the price of wheat. And it is not raining yet!" (7/4/45 - Macerata)

"Here it has not rained at all, and the forage problem gives us reason to worry." (5/4/45 - Pergola, Pesaro)

"As to the farmland, it is in poor shape because there has been scarcely any rain, and the little we've had has not been sufficient. Nothing is growing. The weather is beautiful, but the farmland is suffering. Even pasture land is in bad shape and the time to think of forage has already arrived." (2/4/45 - Gioiella, Perugia)

"We have had no rain for two months now. The wheat is growing so low that it cannot be perceived. Unless it rains, the harvest will be very poor." (28/3/45 - Pugliano Teano, Naples)

"Here the weather is not propitious to the farmland. In fact, it has not rained since the beginning of February, and ploughed fields are feeling the need of water." (5/4/45 - Grosseto)

"The farms are in poor shape this year. It will be a wretched harvest because there are no fertilizers. But we hope to raise enough wheat to exist." (18/3/45 - Mandolfo, Pesaro)

"The crops this year have been practically nil, having been destroyed in various ways, such as by looting, fires, bad weather and destructive insects." (18/3/45 - Pesaro)

"As you know, the threshing took place too late. The wheat was spoiled by the rust, in the wheat heaps. Of the ears, only the husks were left. The yield was less than 50%. We did not even get any seed grain out of it because hardly 10% of it could possibly grow. The grape harvest has been slight due to the lack of sulphur and copper sulphate." (20/3/45 - Fano, Pesaro)

"Fortunately countrymen are turning a deaf ear to

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politicians' sermons, and are silently working. However, crops will be inferior to last year's owing to the lack of fertilizers." (27/3/45 - Verona)

The following strike a more optimistic note:

"The farmland is magnificent this year, and the fruit trees promise a great crop." (25/3/45 - Naples)

"The farmland has improved, especially in tree planting. The vineyards and apple orchards will yield most satisfactory crops." (23/3/45 - Galluccio, Naples)

"We are all well, and the country this year is going along splendidly." (31/3/45 - Siena)

12. EMPLOYMENT

There was scarcely any change in civilian opinion regarding the position of employment. Although the average figures show that unfavourable comments were in a majority of 3.9 to 1, many centres were decidely more pessimistic that that. Forlie, Grosseto and Perugia produced no favourable comments. Arezzo was about 12 to 1 unfavourable, and Rome 16 to 1. Naples, on the other hand, was less pessimistic than the average.

The comments, for the most part, do not speak of much beyond the bare fact that it is difficult to find work. Some writers state that it is necessary to have influence to be employed at all. And there are a number of letters referring to firms laying off employees rather than taking on new ones. The following are some examples of the above:

"I received my letter of dismissal, not because I did not do my work well, but as a result of the provision made to lay off all women from offices. The comune has been the first to adopt this measure." (5/4/45 - Siena)

"For the present work cannot be found, unless one works with the Americans. My father works for them, because the Metallurgica has not yet begun to work again, although it is in the possession of the Americans." (27/3/45 - Leghorn)

"As to employment, it is something very difficult to find. One has to know people, and one needs excellent references in order to get a job." (26/3/45 - Naples)

"I am still working in the harbour, although the work

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is diminishing daily. More than 5000 people have been laid off, and unemployment is increasing." (27/3/45 - Naples)

"I am again out of a job. It is certainly a trial. I have tried several other places, but there is nothing doing. Yesterday I stood in a queue for three hours in front of the ex arms factory (Breda) in via Guido Reni in order to be taken on as a mechanic. But no one will look at you. For almost a month I have been standing in queues in front of factories." (18/3/45 - Rome)

"I am so worried, dear friend, about my future, and the job I do not seem to find. I have made various applications but with negative results, for offices are not employing but dismissing employees." (27/3/45 - Rome)

GORDON W. McKEAN,
Lt. Col. Cavalry,
Civil Censorship Officer.

2 Incls.
Incl #1 - Public Opinion Tally 14/4/1945.
Incl #2 - Ratio Table, Four Weeks Ending 14/4/1945.

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