ACC AC/140/TN4 10000/148/2232 PR[illegible]
OCT. 1[illegible]

04 10000/148/2232 PRICE CONTROLS
OCT. 1944 – MAR. 1945

140/16

HEADQUARTERS ALLIED COMMISSION
APO 394
TRANSPORTATION SUB-COMMISSION

MJS/hl

Tel: 318

200/41/TN 1

21 Mar. '45

SUBJECT: Price Control

TO : Road Division
Rail Division
Port & Warehouse Division
Movements Division

1. Capt. Wyatt of the Accounting Branch of the Administration Division of Transportation Sub-Commission is Transportation Sub-Commission's representative on the Price Group of the Economic Section.

2. When considering applications for increases in prices or tariffs, the Price Group of the Economic Section invariably wants to see such financial data as:
a) Profit and Loss
b) Balance sheet for the past fiscal year
c) Details of war damage to plant and real estate
d) Wage and social insurance contributions paid, etc.

3. Recently certain applications for increases in prices or in tariffs have come up for discussion at the Price Control Group of the Economic Section; these increases were of interest and concern the Transportation Sub-Commission. They had been submitted thru various branches of the Transportation Sub-Commission. Unfortunately, Capt. Wyatt was unaware that these requests for increases in prices had been made, and was not in a position to furnish the other members of the Price Group with the necessary data.

4. Will you therefore please note this and see that Capt. Wyatt is kept fully in the picture where increases of prices or of tariffs are initiated or are being dealt with by branches of this Sub-Commission?

M.J. SIEFF, Colonel,
Chief, Movements Division

c.c. Capt. Wyatt,
Accounting Branch

4418

0334

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

TRANSLATION

Rome, 2[illegible] November 1944

Ministry of Industry, Commerce and Labor
General Direction of the Commerce

TO : Allied Commission
Commerce Sub-Commission
Industry Sub-Commission

and for acknowledge : To the [illegible] Ministry
Communication Minister Office
Industry and Metallic Mine
General Direction Office

prot. no. 027[illegible]

SUBJECT : Price of solid combustible.

1. Following the letter no. 026516 dated 2[illegible] October addressed to the Commerce Sub-Commission.

2. The Interministerial Price Committee in the meeting of the 24 November, has decided to submit to this Commission the following prices for the solid combustibles.

3. Foreign Coal - In relation to the price of national combustible (basis "Sulcis" coal) the Committee believes that the price of the foreign coal should not surpass 2000 lire a metric ton "cif" Italian ports. But in the case that the cost of the foreign coal should be superior to that cipher, the Committee has thought that the price of sale on the interior market has to correspond to its effective cost, so as to avoid new imposts to the State Balance.

4. Sardinian Coal (Sulcis) The Committee believes that the following prices can be fixed:

	From Metallic Mine	"Fob" Sant'Antioco	"cif" Italian ports
Pezzatura (from 10 m/m onwards)	1050	1150	1550 a metric t
Minuto (from 0 to 10 m/m)	950	1050	1450 " " "

The "cif" price has been calculated keeping in mind the freight of 400 lire a ton, indicated by your Commission in the letter AC/In/CO/19/34 addressed to the Communications Ministry.

5. Lignites "Pietra Ribolla metallic mine"

Pezzatura (more than 10 m/m)	Lire 1200 a metric ton
Minuto (from 0 to 10 m/m)	" 1050 " " "

According to the above mentioned prices referred to the piece lignites having at least 5000 calories, the prices of the piece lignites, having less than 5000 calories will be established with the normal detraction.

4417

6. "[illegible]" lignites of the [illegible] [illegible]

The Committee submits the following prices keeping in mind the particular conditions of high cost with which the industry is now confronted.

Commercial lignite (cleaned and [illegible])

Pezzatura (from 10 m/m onwards) (a metric ton)	L. 775	moisture not superior to 30
	" 925	" " " " 15
Minuto (from 0 to 10 m/m) (a metric ton)	L. [illegible]	" " " " 30
	" 775	" " " " [illegible]

7. For the stock lignite, in possession of the "Società Mineraria del Valdarno", the Committee, because of competency [illegible], [illegible] itself to your Commission, proposing that at least, the [illegible] proposal presented to the Allied Commission by the Valdarno Society with a letter dated 15 September 1944, should be accepted.

In that letter the Valdarno Society asked that, as basis of sale price, should be fixed that indicated by it as relating to the first 6 months of 1944 or, a price contained among the limits of this price and indicated as adequate to the situation of 31 December 1943.

The prices signaled by the Valdarno Society for the two periods are the following:

31 December 1943

	Moisture 30%	32%	22%
Pezzatura	448	537	647
Minuto	345	448	472

30 June 1944

	Moisture 30%	32%	22
Pezzatura	697	805	916
Minuto	574	667	796

8. For what concerns the question indicated in the 4th page of the letter ref [illegible], dated 13 October 1944 relative to the judgements to follow for the determination of the prices of the goods supplied, the Committee believes that general rules cannot be established and that the examinations have to be done case by case.

9. I am now awaiting a reply as soon as possible.

The Minister
(signed)

4416

Capt C. J. Jeng (Transp.) HHB

140/14

Tel:-497

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

Ref:-

20 November 1944

SUBJECT: Tomato Paste

MEMORANDUM FOR: Members of the Price Group

The attached copy of figures have been presented to the Price Office for consideration at their next meeting. One set of figures I have been presented by the producers and the other by the Ministry of Agriculture.

They have not solved their differences since the prices are at marked variance. Under the circumstances it would seem desirable to have representation both from the Ministry and the producers to tell their story concerning the production of Tomato Paste.

H H B
HENRY H. BAKKEN
Staff Officer
Economic Section

Incl.

4415

TRANSLATION

ENCLOSURE (8)

PRICES FOR TOMATO PASTE PER KILO

	TOMATO PASTE: Three times concentrated remainder not less than 36%	Twice concentrated 30-32%	Simple 18-20%	Simple 24-26%
Price to producers	L. 162,55	L. 140	L. 90	L. 113
2% Income tax	" 3,25	" 2,80	" 1,80	" 2,26
	L. 165,80	L. 142,80	" 91,80	" 115,26
Transport and charges	" 15 --	" 15 --	" 15 --	" 15 --
	L. 180,80	L. 157,80	L. 106,80	L. 130,26
Margin of the retailer 12% inclusively loss for canned goods sold open	L. 21,70	L. 18,94	L. 12,82	L. 15,64
	L. 20[illegible],50	L. 176,74	L. 119,62	L. 145,90
1,50% Gen. tax for the subscription and 3% shrinkage (this one exclusive for the single concentrated goods in cans)	L. 9,10	" 7,10	L. 1,79	" 2,18
	L. 211,60	L. 183,84	L. 121,41	L. 148,08
Price to the consumer rounded off to...................	L. 211 --	" 184 --	L. 121 --	L. 148 --

Rome 5 November 1944

4414

[illegible]

ANALYSIS OF THE COST OF THE [illegible] CONCENTRATED TOMATOES PASTE (BY [illegible] 32 [illegible]) IN [illegible] FOR 1 QUINTAL NET.

	Demand of the Industrialists		Calculation of the general Food Administration Agr. Ministry.
[illegible] TOMATOES 6.4 quintals at L. 800 according to this office, 7 quintals at L. 1200 according to the industrialists	L. 8,400		5,120
[illegible] to the establishments L. 200 a quintal	" 1,400		1,280
[illegible] - [illegible] and repairing of the wooden packages in the proportion of L. 50 for a quintal of tomatoes paste according to the industrialists L. 40% according to this office.	" 350		256
FUEL - (Coal, wood, [illegible]) 1 quintal at L. 600 according to the demand of the industrialists which we accept.	" 800		800
[illegible] - According to the demand of the industrialists which we accept.	" 26		26
LABOR - The industrialists make an account at L. 300 but this office believes this figure is excessive since in 1943 this figure was L. 6,50 per quintal of tomatoes that means 1/6 less of the actual demand. (1)	" 300		200
[illegible] - The industrialist [illegible] to have spent L. 20 for a kilo included the transport from S. Margherita [illegible] the [illegible] of Naples indicated L. 10 a kilo and this figure seems to be the right one (quantity Kg. 5)	" 100		50
	L. 11,376	5%	7.732 / 386 / 8.118
General charges and charges for manufacturing (the industrialists demand 15%) this office divides the 10% in 5% for amortisation and maintenance, 10% for general charges and taxes	1,706	10%	812
	13,082		8.930
The margin for the industrialist (the industrialists demand 15%) which is very high but is believed acceptable in view of the reduced season in which the [illegible] worked)	15% 1.962 / L. 15.044	15%	1.340 / 10.270

(1) At the last meeting held at this Ministry, the industrialist augmented the figure for labor from 300 lire to 500 lire in relation with a recent letter of the "Camera Confederale del Lavoro" (Labor Confederation) of Naples relative to the [illegible] of the wages with the request of augmenting applicable from April 1, 1944.

4413

For the above prices the industrialists ask to add the interests and the shrinkage since because of the blockade the delivery will be overdue.

For the three times concentrated paste the industrialists calculated l. 3,000 added to the price for the double concentrated goods and therefore l. 18.044 a quintal. This office instead had calculated the price of the three times concentrated paste to be l. 11,627

For the paste in cans the industrialists asked the same price as for the paste in barrels and the writer agrees to the demand, considering that the paste in cans is sold tare for the goods and in view of the fact that the minor quantity of paste is compensated by the greater cost of the cans.

Rome 26 October 1944

4412

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140/13

HEADQUARTERS
ALLIED COMMISSION
Industry Sub-Commission
Apo 394
Coal Division

CWO/gv

Tel. 478489

Date: 31 Oct. 1944

Ref: AC/IND/CD/19

SUBJECT: Coal Prices.

TO : Minister of Communication.

1. With reference to your letter of the 14 October 1944 on the above subject, it is noted that it is not the intention of the Italian Government to apply a political selling price lower thanthe economic cost of coal at present being imported into Italy. We would however, draw your attention to paragraphs 6 and 7 of the precis attached to our letter of the 2 September 1944 in which it was stated that the prices to be charged to, and the recovery of such sums as may be due from the Italian Government will be matter for discussion by the Allied Governments. It was further stated that the Italian Government, with the approval of A.C., may determine the prices to be charged to Italian Consumers.

2. The intention of the above was to permit the Italian Government to fix selling prices in Italy at what it considered to be an economic level pending a decision by the Allied Government, the prices so fixed to be without prejudice to the values ultimately charged by the Allied to the Italian Government.

3. For your information we have communicated the contents of your letter of the 4 October, to higher authority in London with the request that they should inform us of the present values of coal but in the meantime, and in view of the fact that as from the 1st November the Italian Government are responsible for the collection of payment of coal supplied to consumers, we will be pleased if you reconsider the matter as it is one of urgency.

4. Regarding the selling prices of national coal, and in particular Sardinian cola, these were fixed in March last, by the Military Authorities before the actual costs of production of this coal had been ascertained. From figures made available to us, it is apparent that the selling price of Sardinian coal is too low in relation to the cost of production and compared with the present value of other fuels. For your information we enclose copy of figures of cost of production of both Sardinian coal and Ribolla lignite and we would recommend that the selling prices to be charged by you as from the 1st November 1944, should be:

Sardinian Coal	800 lire f.o.b. per long ton
freight	400 "
	1200 lire c.i.f. Italy plus all handling charges.

5. With regard to Ribolla lignite, it is suggested that the above figures be taken as a basis of value according to quality and comparing it with the cost of production that a selling price of 1100 lire free on a rail at the mine be charged.

444

6. Should the Italian Government decide to sell national coal and lignite at the prices stated above, it is recommended that the selling price for imported coal be raised to about 2800 lire per long ton c.i.f., namely, the present price charged for bunkers pending further information from the Allied Government.

7. We would appreciate your views and decision on this matter.

W. S. Vaughn
Director,
Industry Sub-Commission

4410

DEK/CC

(COPY)

HEADQUARTERS
ALLIED CONTROL COMMISSION
INDUSTRY SUB-COMMISSION
MINING DIVISION
APO 394

16 October 44.

Ref. Mines 924.31

SUBJECT: Lignite costs "Ribolla" Mines

TO : Industry Sub-Commission, Coal Division, HQ.ACC

1. Copy of the attached report "Cost Prices Ribolla Lignite Mins" is submitted to your Office for reference.

2. This report is very general and consequently a complete break down cost analysis cannot be made. The following comments are made, however, to point out certain facts:

a- Increased salaries and wages, these increases are no doubt correct, no further comment.
b- Reduction of labor efficiency to 70%. I do not concur with this although it is reasonable to suppose that efficiency has been somewhat reduced, but a certain percentage ofthis will be due to management.
c- Materials and Sundries: a 400 percent increase is quite possible considering the cost of supplies now being imported, but I don't concur in a 400% in addition to present costs.
d- General and other expenses: No comments other than that this is way out of proportion to what it should be.
e- Calculations on Page 1 of the second part of thisreport are not correct in as much as 70% efficiency would not mean a monetary loss of 147.99 but would be about 115.1 £. Also 400% increase in supply costs would only be an increase of total supply costs to 4 times the original figure, and not 5 times as indicated.

3. Cost of producing coal in Sardinia at approximately 30 percent capacity is near 800.00% per ton at the mine. This figure is given merely as a comparison to the figures on the attached report.

Signed; C.S.C.
Carroll S. Carter
Lt. Colonel, C.E.,
Chief,
Mining Division

Encl. as per para 1.

4409

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RIBOLLA - LIGNITE MINE

COST PRICES.

It is practically impossible to fix the real cost price of the lignite which is now being extracted because, whilst the present production is very low, we have to take into account the extra expenses involved with the reactivation and the running of the mine.

We shall therefore reckon out a normal cost price on the basis of the March-May quarter and assuming that the monthly porduction will be fixed upon 10,000 to 15,000 tons.

Cost price at the mine: The average cost price of commercial coal at the mine was, during the above quarter, of £.229.80 per ton. In this price are not included preparing and research expenses which, in spite of their urgency to insure a continuity of production, were not carried out due to lack of labour and materials. Transportation expenses from the mine to Giuncarico station are also not included, all the lignite extracted having been put in stock and no delivery effected. Therefore, the price cost at the mine would have been the following:

Average cost price during the quarter March-May 44	£ 229.80
Preparing and research expenses £10 and £15 respectively	£ 25.00
Transportation expenses fromthe mine to Giuncarico station	£ 4.66
	£ 259.46

formed by:		
wages	67.33%	£ 174.69
salaries	8.14%	" 21.12
materials and sundries	24.55%	" 63.65
		£ 259.46

The cost price has to be increased in proportion with the increase in wages and salaries and the decrease in the yield of labour which has become evident after the month of May 1944.

Salaries and wages: These have been increased, due to the present difficulties, by 70% less 30% which had already been granted in December 1943. In addition thereto we are now giving an extra £40 to grown-ups and £30 to boys and women per day as "carovita". It is estimated that through these increases the slaries have been increased by 57.96% and the wages by 97.67%.

The yield of labour has lowered to 70% as a consequence of the increased physical weakening of the miners and, parly, of their evident diminished activity. This latter inconvenience is undoubtedly connected with the greatly reduced interest of the miners in piece-working, due to the fact that wages are now mostly formed by fixed indemnities such as base-wage, underground, presence and war rewards, holidays, national festivities, Christmas gratuity, caravita.

Materials and Sundries: We reckon that cost of materials and sundries have increased by 400%, having taken into consideration the continuous very heavy increase which have taken place. On the basis of these increases, the cost price at the mine will be of £844.91 per each ton of commercial coal.

4408

(COPY)

General expenses: Bearing in mind the expenses which affect the cos. price, we have limited general expenses to 14% of the cost price.

With regard to the interest on circulating capital and material of equipment at warehouse we consider the lignite in stock as representing the circulating capital, together with credits for past supplies. The lignite in stock will ensure the regular trade-running.

Value of normal stock:

10,000 tons £963.20 less transport expenses or £950.90 - 10,000 tons £950.90	£9,509.000
circulating capital (credits a/c payments)	20,000.000
Value of material of equipment at warehouse on July 31	5,049.829
	£34,558.829

Interest 5% $0.05 \times \frac{34.558.829}{120.000} = 14.40$

The profit has been reckoned of 9% on production cost:

$0.09 \times 997.60 = 1.87.98$

The risk has been reckoned as 2% of the value of the plant costing £60,000.000 based upon 120.000 tons yearly output:

$\frac{0.02 \times 60.000.000}{120.000} = £10.000$

The figure relative to profit and risk have been kept very low, taking into consideration the diffifucties and uncertainties pending upon the mines industry and particularly upon the lignite industry whose activity is connected with varying industrial and competition conditions as often experienced in the past.

Depreciation of plant and interest. In view of depreciation of the plant and against passive interests we have calculated a percentage of 13(120.000 t. yearly production for 10 years, interest 5%).

On the basis of above increases, the price of coal is of £1,140.00.

Expenses which have not been calculated: In fixing the price of £60,000.000 for the plant, the depreciation of the Italian currency was not taken into account. Therefore the amount of £65 - per ton for plant depreciation and interests should be greatly increased and consequently will increase in proportion the price of coal of £1,140.58.

4407

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MONTECATINI
Servizio Minerali
ROMA

PERVENTIVO DEL PREZZO DI COSTO PER TONNELLATA DI CARBONE DI RIBOLLA IN BASE AI CONSUNTIVI DEI MESI DI MARZO, APRILE, MAGGIO 1944 AUMENTATO DELLA INCIDENZA PER LE MAGGIORI SPESE DI MANO D'OPERA GIA' ACCORDATE E DEI MAGGIORI COSTI DEI MATERIALI

SPESA DI MINIERA

1- MANO D'OPERA		
a) Prezzo di costo base Marzo-Maggio 1944	174.69	
2- aumento salariale 97.67%	170.62	
	345.31	
3- Minor rendimento operaio calcolato al 70% del normale	147.99	493.30
b) STIPENDI		
1- costo base Marzo-Maggio 1944	21.12	
2- aumenti gia' definiti 57.96%	12.24	33.36
c) MATERIALI DIVERSI		
1- Costo base Marzo-Maggio 1944	63.65	
2- Aumento presunto base recenti acquisti 400%	254.60	318.25
		844.91

SPESA DI SEDE

a) spese generali 14%	118.29
	963.20
b) interessi al 5% sul valore magazzino generi e circolante	14.40
c) utile sociale 9%	87.98
d) rischio sugli impianti 2%	10.
e) ammortamento e interessi (5%) degli impianti, 13% su 60 milioni e per 120.000 tonn. annue di produz.	65.
	1,140.58

SPESE NON VALUTATE

Aumento ammortamento e interessi per rivalutazione impianti considerati al predetto per e in lire non svalutate ——————

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(COPY)

MONTECATINI
Servizio Minerali
ROMA

CONTO PER TONNELLATA DI LIGNITE DELLA MINIERA DI RIBOLLA
NEI MESI DI MARZO-MAGGIO 1944

	MARZO	APRILE	MAGGIO
SPESE DI ESTRAZIONE ALL'INTERNO	187.72	191.68	179.44
TRATTAMENTO			
Carreggio dai pozzi alla cernita e vagliature e deposito stock	9.01	11.43	6.69
Vagliatura, cernita e carico vagoni	2.03	1.36	4.03
Difesa incendio cumili carbone	=	=	4.01
SPESE COMUNI			
Spese generali di servizio	17.77	23.20	23.10
Spese varie	2.11	2.61	2.27
Spese perdita cucina e rancio maestranse	2.66	2.97	2.72
Spese manutenzione esterna e campionatura	1.33	1.62	1.68
Quota grandi preparazioni	3.00	3.00	3.00
TOTALE COSTO	£225.63	237.87	226.96

SPESE DI MINIERA

Costo medio dei tre mesi proporzionale alla produzione	£229.80	
Grandi preparazioni	25.00	
Spesa transporto miniera - Giuncarico	4.66	
		259.46
SPESE DI SEDE		
a-spese generali 14%		21.92
b-interessi sul valore magazzino merci e capitale circolante		9.38
		290.76
c-utile sociale 9%		26.16
d-rischi sugli impianti ~~xx~~ 2%		10.
e-ammortamento e interessi (9%) dagli impianti (13% su 60 milioni e per tonn. 120.000 annue di produzione)		65.

SPESE NON VALUTATE

Aumento ammortamento e interessi per rivalutazione impianti considerato al predetto par. e) in lire non ~~x~~ avalutate ========

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(COPY)

ESTIMATE SUBMITTED 4 MAY 1944 BY SOCIETA MINERARIA CARBONIFERA SARDA OF TOTAL COST FOR EACH TON OF WASHED COAL PRODUCED, BASED ON A MONTHLY PRODUCTION OF 5,000 METRIC TONS.

ITEMS OF EXPENSE	COST	ITEM TOTAL
Office Workers		
Salaries & Allowances	24.20	
Social expenses	6,50	
Laborers		
Pay	97.60	
Accessory Allowances	75.95	
Social expenses	78.15	
Totals		282.40
Explosives	27 ==	
Lumber	50 ==	
Various materials	101 60	
Quoted materials	35 ==	
Total		213.60
Rented		
Services & Supplies	4.20	
Electric Energy	----	
Various shipping expenses	5.--	
Associated Services	9.70	
Duty costs, material hauling	1.--	
General Expenses	4.10	
Amortization	59.50	
Accrued Interests	57.10	
Central Hq. Quota	15.--	
Preparation and tracing	40.--	
Conservation & Systemasation of plants	35.--	
Misc. maintenance expenses	5.--	
Total		235.60

ITEMS OF EXPENSES	COST	ITEM TOTAL
S Workshop	26.15	
E Supply Room	1.==	
R Compressor	17.85	
V Lamp shop & bath	3.80	
I Autotransport		
C and material	1.==	
E Electric energy		
S A.T.	2.60	
Electric energy B.T.	8.70	
Locomotive depot	3.20	
Stable	3.40	
Total		67.70
General Total		799.30

4404

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Cont'd.

ITEMS OF LABOR	COST	ITEM TOTAL
Underground		
Preparation of sterile	40.50	
Tracing coal	34.30	
Cultivation and filling	143.25	
Cartage of sections	24.55	
Extraction	33.40	
Ventilation	14.10	
Education	13.40	
Maintenance	110.85	
Inspection & Services	78.==	
Total		482.35
Surface		
Surface traction	27.15	
Washing plants	31.45	
General Maintenance	26.15	
Direction & General expenses	24.==	
Auto carriage	1.60	
Monthly quota	675.==	
Total		185.35
Quota		
Amortization	59.50	
Accrued interests	57.10	
Central Hq. quota	15.==	
Total		131.60
General Total		799.30

4403

(COPY)

ESTIMATE SUBMITTED 4 MAY 1944 BY SOCIETA MINERARIA CARBONIFERA SARDA OF TOTAL COST FOR EACH TON OF WASHED COAL PRODUCED, BASED ON A MONTHLY PRODUCTION OF 50,000 METRIC TONS.

	ITEMS of expenses	Cost	Item total
PERSONNEL	Office Workers		
	Salaries & Allowences	18.45	
	Social expenses	5.-	
	Laborers - Pay	90.00	
	Accessory Allowances	55.80	
	Social expenses	51.03	220.28
MATERIALS	Explosives	27.-	
	Lumber	50.-	
	Various materials	77.85	
	Quoted materials	35.-	
	Total		189.85
VARIOUS	Rented		
	Service & supplies	3.25	
	Electric Energy	-	
	Various shipping expenses	3.85	
	Associated Services	7.30	
	Duty costs, material hauling	1.00	
	General expenses	3.10	
QUOTAS	Amortization	41.65	
	Accrued interests	40.-	
	Central Hq. quota	11.55	
	Preparation and Tracing	40.-	
	Conservation & systemasation of plants	35.-	
	Misc. maintenance expenses	5.-	
	Total		191.70

	ITEMS OF EXPENSES	Cost	Item Total
SERVICES	Workshop	15.85	
	Supply Room	1.-	
	Compressor	13.70	
	Lamp shop & bath	2.90	
	Autotransport and material	1.-	
	Electr. energy A.T.	1.85	
	same B.T.	6.90	
	Locomotive depot	2.55	
	stable	2.60	
	Total		38.35
	General Total		650.18

cont'd

ITEMS

OF LABOR	Cost	Item Total
Underground		
Preparation of sterile	31.80	
Tracing coal	27.30	
Cultivation and filling	127.18	
Cartage of sections	19.05	
Extraction	18.25	
Ventilation	10.60	
Education	10.75	
Maintenance	88.-	
Inspection & Services	63.-	
Total		395.95
Surface		
Surface traction	21.30	
Washing traction	24.65	
General Maintenance	20.10	
Direction & General expenses	18.70	
Auto carriage	1.30	
Monthly quota	75.00	
Total		161.05
QUOTA		
Amortization	41.65	
Accrued interests	40.-	
Central Hq. Quota	11.55	
Total		93.20
	Total	650.18

ESTIMATE SUBMITTED 4 MAY 1944 BY SOCIETA MINERARIA CARBONIFERA SARDA OF TOTAL COST FOR EACH TON OF WASHED COAL PRODUCED, BASED ON A MONTHLY PRODUCTION OF 75,000 METRIC TONS.

	ITEM OF EXPENSE	Cost	Item Total
P	Office Workers	14.20	
E	S_alaries Allowances	3.38	
R	Social expenses		
S			
O	Laborers		
N	Pay	70.60	
N	Accessary Allowances	38.60	
E	Social expenses	34.22	
L	Total		161.50
M	Explosives	27.-	
A	Lumber	50.-	
T	Various materials	58.95	
E	Quoted materials	35.-	
R	Total		170.95
I			
A			
L			
S			
V	Rented		
A	S_ervices & Supplies	2.50	
R	Electric E_nergy	-	
I	Various shipping expenses	2.95	
O	Associated S_ervices	5.85	
U	Duty costs, material hauling	1.-	
S	General E_xpences	2.40	
Q	Amortization	27.75	
U	Accrued interests	26.65	
O	C_entral hq. quota	8.85	
T	Preparation and tracing	40.-	
A	Conservation and systemazation of plants	35.-	
S	Misc. maintenance expenses	5.-	
	Total		157.95

	ITEMS OF EXPENSE	Cost	Item Total
S	Workshop	12.10	
E	supply room	1.-	
R	compressor	10.60	
V	lamp shop &		
I	bath	2.25	
C	Autotransport		
E	and material	1.-	
S	Electric energy		
	A.T.	1.50	
	Electric energy		
	B.T.	5.15	
	L_ocomotive depot	1.85	
	stable	2.05	
	Total		37.50
	G_eneral Total		527.90

4400

cont'd

ITEMS OF LABOR	Cost	Item Total
Underground		
Preparation of sterile	26.90	
Tracing coal	22.00	
Cultivation and filling	98.40	
cartage of sections	15.65	
Extraction	14.75	
Ventilation	8.80	
Education	8.45	
Maintenance	75.50	
Inspection & Services	50.60	
Total		321.05
Surface		
Surface traction	16.95	
Washing plants	19.55	
General maintenance	15.90	
Direction & general expenses	15.20	
Auto carriage	1.-	
Monthly quota	75.-	
Total		143.60
QUOTA		
Amortization	27.75	
Accrued interests	26.65	
Central hq. quota	8.85	
Total		63.25
General Total		527.90

140/9

HEADQUARTERS
ALLIED COMMISSION
ECONOMIC SECTION

Tel. 497

HHB/cmt

APO 394

1 November 1944

ES/41

SUBJECT: Price Group Meeting

TO : Agriculture S/C
Commerce & Industry S/C
Finance S/C
Food S/C
Labor S/C
Transportation S/C

1. A meeting is being called on Thursday, November 2, 1944 at 2:30 p.m. in Room 36, Sixth Floor, to discuss recommendations for pricing milk, silk, fish and coal, as well as to continue our discussion of the margin to be authorized the Consorzi Agrari for the assembling and distribution of olive oil.

Bakken

Henry H. Bakken
Staff Officer
Economic Section

Attachments - 3
Notes on milk, fish and oil.

cc: Files

Del. 497

HEADQUARTERS
ALLIED COMMISSION
ECONOMIC SECTION

APO 394

NNB/cmt

1 November 1944

ES/41

SUBJECT:

TO : Members of Price Group
Agriculture S/C
Commerce & Industry S/C
Finance S/C
Food S/C
Labor S/C
Transportation S/C

1. Since our meeting on October 30, 1944, some data has been submitted by Major Ebsworth which purports that the distribution costs for Baudrosali for the City of Naples are as follows:

Collection in the various production centers, transport to nearest rail station, trucks, etc	L 50.
Unloading & loading expenses at rail station	L 25.
Interest on invested capital (granted by the Ministry Ord. 9) per quintal & month	L 13.
Overhead expenses	L 40.
Distributing expenses (filling of drums, loading, etc.)	L 65.
Unforeseen expenses & risks	L 50.
Total	L 243.

Oil produced in Apulia was handled for 240 lire per quintal.

2. These data also shed additional light on the functions of the Italian Government operating through the Consorzi Agrari in the collection or amassing of olive oil in the two areas of Apulia and Calabria.

In Apulia, the actual expense is reported to be 116 lire per quintal.
In Calabria, 80 lire per quintal.

Interest is included in the above figures at 4-1/2% for four months on oil costing 2,500 lire. With the increase in the price of oil, this interest charge would, of course, be higher. Since these figures are so much lower than the suggested 400 lire per quintal, as suggested in our last meeting, 4397

Members of Price Group

I am deferring final action pending further discussion of the handling margin for olive oil before making a recommendation to the Acting Chief Commissioner.

Bakken

Henry H. Bakken
Staff Officer
Economic Section

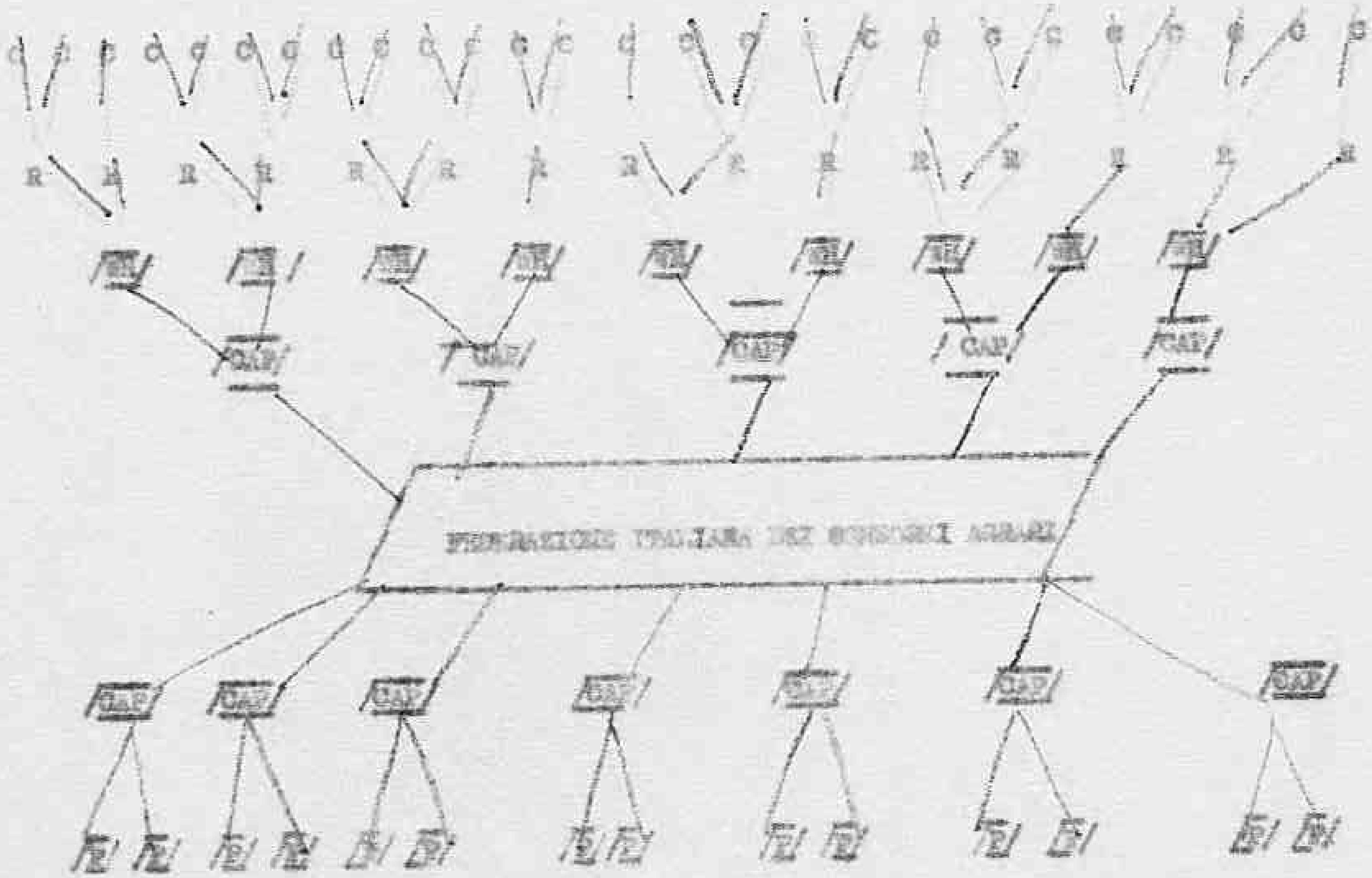
Attachment
(Chart)

cc: Files

4396

0356

4395



Key:

C - Consumer
R - Retailer
Wh - Wholesaler
GAP - Consorzio Agrario Provinciale
P - Producer

140/12

(COPY)
Tel. 497

HEADQUARTERS
ALLIED COMMISSION
ECONOMIC SECTION

APO 394

HHB/lal

ES/41

1 November 1944

SUBJECT: Proposed Olive Oil Price Increase for Sicily.

TO : Chief Staff Officer.

1. The attached letter for Mr. Antolini's signature reflects the opinion of the price group on the Italian Government's proposal to increase the price of olive oil in Sicily from 6,000 to 7,500 lire per quintal. I shall attempt to summarize some of the principal arguments against creating a fault in a price structure formulated for the 1944-45 crop.

2. We were advised by the Regional Office in Sicily that the 6,000 lire per quintal was considered a fair price to the producers -- see cable of September 24; also letter RG-434 of September 25, 1944. The Agriculture Sub-Commission likewise indicated that 6,000 lire for olive oil in Sicily is an adequate and just price to producers. (Refer to AGR 232-60 of October 12, 1944).

3. The production and distribution figures for Sicily are as follows:

Estimated quantity that will be amassed	4,500 tons
Estimated quantity available for the black market (including producers' requirements)	6,500 tons
Estimated total production for 1944	11,000 tons
Normal peace time annual consumption at an estimate of 500 grams per month	21,959 tons
Estimated 1944 production	11,000 tons
Estimated potential demand over and above 1944 Island supply	10,959 tons

Total number of consumers -- 3,599,091 (excluding producers who hold back the quantity of oil to cover their own requirements).

75,000 producers -- includes 27,000 larger producers.

The actual amount of oil required now with a ration of 200 grams per month is 9,070 tons p.a.

From these data it can be observed that Sicily is scarcely self-sufficient even on the meager ration of 200 grams per month per capita. The amount that will be amassed of the total production is only enough to supply half the ration requirements. Even during the Fascist Regime, 1942-1943, the Sicilians only amassed 5,500 tons of olive oil when no serious price differential issue was involved.

4. On the basis of the facts presented in paragraph 3, it appears clear that Sicily will have to begin importing olive oil from the mainland early in the year 1945.

SUBJECT: Proposed Olive Oil Price Increase for Sicily.

TO : Chief Staff Officer

5. These imports are ~~x~~ certain to have a deflationary influence on domestic black market prices if the Italian Government will stand firm on its original recommendations for the rest of the country.

6. There was no olive oil amassing of the 1943-44 crop in Sicily. The free price (sometimes referred to as the black market price) rose to 120 lire per liter at retail which is about equivalent to 11,500 lire per ~~x~~ quintal to the producers. The probability of amassing any appreciable quantity of oil above the estimated 4,500 tons for this year by offering an increase of 1,500 lire per quintal is not very promising. In the present demand and supply situation in Sicily, it will apparently take a much higher price than 7,500 lire to attract the oil into the Amassi for distribution through legitimate channels from those producers who have engaged in the free sales of their products during the past twelve months. These producers will welcome any official increase in the price of olive oil to justify a still higher black market price. We were fully aware of the limitations of the national price applied to Sicily when we established it on September 22nd. (See letter attached to Brigadier M. Carr signed by Col. Densmore).

7. If the price of olive oil is increased in Sicily, this action will be tantamount to increasing the price of all olive oil purchased from the mainland, thus the cost of living will be increased for the 3 1/2 million consumers for the sake of placating the olive oil producers who comprise only a little more than 2% of the total population.

8. Col. Hartman, in his letter to Col. Densmore referred to above, sounded the warning of a general demoralization of the national olive oil price, if a concession is made to the Sicilians. To wit: "(2) If we start raising prices in one region, we would have cries of inequality from others, besides the fact that we will help to increase the inflationary spiral".

9. This concession to Sicilians on the basis of expediency, if made, will give credence and support to the Separatist movement and to special political-economic considerations along a broad front.

10. A break in the national price structure adds many complications to the pricing of olive oil derivatives for which solutions are not yet evolved, and the time is very short for gathering facts and ~~x~~ making correct decisions.

11. If the price is increased in Sicily and the Government stands firm against increases elsewhere, it will result in a considerable flow of olive oil from the mainland to Sicily, both through legal and illegal channels, thus giving the Sicilians more than their fair share of this year's crop. There may be great shortages of food, fats in particular in Northern Italy this winter, which will impose hardships on the Northern Italians and create severe problems to be solved by the Italian Government and the Allied Army of Occupation.

4393

SUBJECT: Proposed Olive Oil Price Increases for Sicily.

TO : Chief Staff Officer.

12. A decision to increase the price of oil in Sicily may jeopardize the whole national program for amassing the 1944 olive oil crop. It is certain to create considerable confusion if at some later date it becomes necessary to increase the price on the mainland. Since production, is already under way, some oil has been amassed, and the increased price of necessity will have to be made retroactive if it is to be an equitable price.

Henry H. Bakken
Staff Officer
Economic Section

Attachments - 2
Copy Letter to Brigadier Carr
from Col. Densmore re Oil
Letter for Mr. Antolini's signature

Files

CC: H. Cleveland, Spec. Asst. to V.P.

(COPY)

Tel. 497

HEADQUARTERS
ALLIED COMMISSION
ECONOMIC SECTION

HHB/lml

APO 394

ES/44

21 October 1944

SUBJECT: Olive Oil Amassing for Sicily.

TO : M. Carr, Brigadier
Regional Commissioner
Hq. Region X - Sicily.

1. Reference is made to your File EC/434, 25 September 1944.

2. When the national prices for the 1944 olive oil crop were fixed, officials of the Italian Government and this Office were cognizant of the fact that these firm national prices might not be uniformly acceptable and meet with equal success for amassing the crop in all regions of the country.

3. A differential price policy applied to this crop would almost certainly lead to cries of discrimination from certain officials and producers. Moreover, exact production costs are not generally available for each region upon which differential prices could be justly based.

4. Under these circumstances, it was deemed the better policy to strike an average national price for each grade rather than ~~a~~ attempting regional pricing.

5. We appreciate the high marginal utility values attributed to material goods in preference to lire in some areas, such as, Sicily, as you have pointed out in the last paragraph under 3 in your recent letter. It is not feasible to carry out a corollary distribution of physical goods as an inducement to the amassing of the 1944 olive oil crop, since we cannot import these needed supplies withing the time limits of the olive oil harvesting.

6. We agree with you that if some official familiar with production costs could visit Sicily and assure the people there that prices fixed are equitable it might have some salutary effect on the amassing program. Personnel for this type of service is so limited it is difficult to follow your recommendation.

L. D. Densmore
Colonel, F. A.
Chief Staff Officer
Economic Section

4392

Copy to Agriculture S/C

(COPY)

Tel. 497

HEADQUARTERS
ALLIED COMMISSION
ECONOMIC SECTION
APO 394

EHB/lal

ES/41

2 November 1944

SUBJECT: Proposed Olive Oil Pricex Increase for Sicily.

TO : Ministry of Agriculture, Forestry and Fisheries.

1. Reference is made to Minister Gullo's letter to Mr. Antolini, Prot. No. 10093 dated 28 October 1944, with Prime Minister Bonomi's letter N-10037/2108 dated 20 October 1944 to Minister Gullo attached.

2. After much deliberation and a careful scanning of the facts relative to olive oil production in Sicily, it is concluded that no decisive economic justification exists for increasing the price to be paid Sicilian producers from 6,000 to 7,500 lire per quintal. If the Italian Government, however, deems it expedient otherwise to change the price it shall be their full responsibility and the Allied Commission will not impede such decision.

For the Acting Chief Commissioner:

A. G. Antolini
Acting Deputy Chief of Staff
Economic Section

0362

INTER OFFICE MEMO

GKL/mi

Tel: 206

31 October 1944

ACC/45-1/FOOD

SUBJECT: Proposed Increase in Price of Milk in Rome

FROM : Food Sub-Commission

TO : Labor Sub-Com., Agriculture Sub-Com., Industry Sub-Com., Commerce Sub-Com., Transportation Sub-Com., Finance Sub-Com., Economic Section (Mr. Bashken)

1. This is in reference to a proposal to increase the price of milk in Rome outlined in our memorandum of 12 Oct. 44.

2. In accordance with the desire of the Price Committee, Economic Section, the Ministry of Agriculture was requested to explain and justify its proposal for increasing the total price of milk from 13,60 lire to 15,00 lire per liter and the consumer's price from 7,00 lire to 15,00 lire per liter. The Ministry was also informed of the proposal submitted by the Milk Central to increase the total price from 13,60 lire to 20,00 lire and the consumer's price from 7,00 lire to 20,00 lire.

3. The Ministry of Agriculture states that a price of 20,00 lire per liter is unjustified but again recommends a price of 15,00 lire. The Milk Central does not admit that a price of 20,00 lire is too high but is willing to accept a price of 15,00 lire. The Economics & Supply Division, Lazio-Umbria Region also recommends a price of 15,00 lire per liter on the basis of a study made by its expert Dott. Arturo Maniscalco.

4. The various proposals are compared below:

	(1) MILK CENTRAL	Dott. MANISCALCO Lazio Region	MINISTRY
To the producer	13,50 lire	10,00 lire	10,00 lire
To the Consorzio Laziale	2,00 "	1,90 "	1,90 "
To the Milk Central	3,30	2,00 "	2,00 "
To the retailer	1,20 "	1,10 "	1,10 "
	20,00 "	15,00 "	15,00 "

(1) Now willing to accept a total price of 15,00 lire.

1390

5. In view of the relatively small increase in total price from 13,60 lire to 15,00 lire per liter proposed by the Ministry and supported by a thorough study made by the Lazio Region, the Food Sub-Commission recommends

that the price of 15,00 lire per liter be approved and made effective on 1 Nov. 44 or as soon there after as conditions permit. There is no doubt that cost of production has risen to some extent. At present the producer receives 8,70 lire per liter. Dott. Maniscalco's study shows that 10,00 lire per liter is a fair estimate of current cost of production which includes producer's profit of about 10%. The proposal involves a reduction in payments to the Consorzio from 2,00 lire to 1,70 lire per liter, an increase to the Milk Central from 1,90 lire to 2,00 lire per liter and an increase for the retailer from 1,00 lire to 1,10 lire per liter.

6. The expenses of the Consorzio are alleged to have been reduced recently primarily through reduction of unnecessary personnel. The expenses of the Milk Central have increased somewhat because of increased wage rates and the per unit cost during the winter has increased, because of a decrease in volume. The slight increase to the retailer is justified on the grounds of rising costs of doing business as well as decreased volume of milk sales during the winter.

7. The second question presented is whether or not the entire retail price should be paid by the consumer. It is stated that the subsidy is to be discontinued on 1 Nov. 44. Because at present milk is supplied primarily to hospitals and nursing mothers, it does not appear to be an important item in the budget of the average family. All parties concerned recommend that the full price be paid by the consumer. If the subsidy is to be withdrawn in any event, there seems to be little that A.C. can do in this connection. Therefore, the Food Sub-Com. recommends approving the proposal that the full retail price of 15,00 lire per liter be paid by the consumer.

Thune Mas
for
W.J. LEGG
Colonel
Director, Food Sub-Commission

0364

COPY

HEADQUARTERS ALLIED COMMISSION
APO 394
Agriculture Sub-Commission

AGR/ 502.6
TEL: 478208

30 October 1944

SUBJECT: Price of Salted Fish and Tuna in oil

To : Economic Section (Att. Mr. Henry H. Bakken)

1. References:

a) Draft of a dispatch to Sicilia Region, dated 6 Sept. 44; copy attached;

b) Our letter to the Economic Section 26 August 44 (AGR/502.9) copy attached.

2. In order to eliminate unscrupolous speculation and to provide food to the needy at an adequate price, this Sub-Commission proposed a set of prices on salted fish and tuna that wholesalers, importers, jobbers, etcshould pay at the place of production. These prices were communicated to the Economic Section in reference (b)

3. In order to put the price in effect this Sub-Commission drafted a dispatch, see reference (a), to be sent to Sicilia Region. This dispatch was never sent because neither the Economic Section nor the Food Sub-Commission approved it. As a result the price was never controlled at the site of production. The retail price of salted fish and tuna in oil in Rome and in other consumers centers continued to rise. The wholesale price at the place of production rose correspondingly. The newly formed Consorzio CAPAI paid the following prices just recently in Sicily:

Tuna in oil	450 to 460	per kilo
Mackerel in oil	330 to 340	" "
Brussomaglia in oil	250	" "

4388

These prices notwithstanding reference (a) and (b) and notwith-standing conversation on the subject with the heads of CAPAI and SEPRAL and Lazio Region authorities.

4. The producers in general in Sicily now may not be willing to sell at the prices suggested in reference (a) and (b), yet the Fisheri Fisheries Division canno justify higher prices. As a matter of fact the first lots of tuna in oil, for instances which was brought to Rome was bought for 190 and 200 lire kilo in Sicily.

5. Dealers, who agreed to ship at the prices indicated in reference (b), will send here 50 tons of salted anchovies at 75 lire kilo as soon as transportation is made available. That to prove that the merchandise can be sold at the prices suggested.

6. This Sub-Commission once again recommends the prices contained in referance (a) and (b) and requests that a retail price be set by Regional authorities on the basis of the prices at the place of production.

B.C.F. MURIERI
Lt.Comdr.USCGR
Chief Fisheries Division

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1. Economic Section
2. Files

C O P Y

BCFM/cc

HEADQUARTERS
ALLIED CONTROL COMMISSION
Agriculture Sub-Commission

26 August 1944

AGR/ 502.5
TEL: 478208

SUBJECT: Export of Fresh and Salted Fish from Sicilian Waters to Rome.

To : Economic Section ACC (Att. Gen. O'Dwyer)

1. In company with a representative of the Ministry of Agriculture, Lt.Comdr. Mulieri, Chief of our Fisheries Division, made the following arrangements to transport fersh and salted fish to Rome from Sicily and from the Island of Lampedusa.

FRESH FISH

A. Several leading producers in the Palermo area have agreed in writing (please see attached copy of the agreement) to furnish Rome with an average of eight tons of fresh fish weekly at the following prices, which are FOB Anzio:

First grade	100 lire per kilo
2nd "	65 " " "
3rd "	50 " " "

B. Selected three fishing schooners to transport the product as they are especially fitted for the work. They are:

Cuore di Gesù
San Giuseppe
Nuova Maria

C. The operations office at the U.S. Naval Operating Base, Palermo, will cooperate in giving the schooners the most direct routing to Anzio. The suggested route was Palermo - Lipari Island, Vibo Valentia - Naples Anzio.

D. The High Commissioner in Sicily was contacted and

4386

he approved the plan both for fresh and salted fish. He will bring pressure to bear to furnish all the necessary ice.

E. The actual fish transport service for Rome can be started within the next 10 days to two weeks.

WHAT IS NEEDED

1. Sufficient quantities of fuel (nafta) for the fishing boats which will work exclusively for Rome. Eighty tons a month will have to be made available at Palermo in addition to the regular allotment.

2. The above mentioned vessels which will trnasport the fish to Anzio are fishing vessels but Cogena has been giving them transport permits. This practice must cease immediately. The owners of the boats have been contacted and they are willing to put their craft to fishing. These vessels must not be requisitioned for the time being. However, to insure a continuous service and to increase the tonnage to Rome the Italian Navy will be requested to derequisition 3 other larger fishing vessels which were taken over several years ago.

3. The ice plant at Palermo must be furnished additional quantities of ammonia to insure a continuous supply of ice.

SALTED FISH

1. A tour of the western half of the Island of Sicily revealed that there are available for Rome at least 2000 quintals of salted fish; anchovies, sarde, mackerels, and sauri.

2. Palermo interests contacted will furnish the product at the following prices, FOB, vessel, at the port of embarkation in Sicily:

Anchovies	(tubs	or	cans)	70-75	lire	kg.
Mackerels	"	"	"	70-75	"	"
Sarde	"	"	"	50-55	8	"
Sauri	"	"	"	25-30	"	"

4385

SEPRAL Rome, has paid in the past as much as 135 lire kilo, Naples. The retail price later reached as much as 290 lire kilo, an exaggerated mark up.
With the prices quoted above, salted anchovies should retail in Rome at no more than 120 lire kg. which would be a noticeable drop from 290 lire kg.

3. If a further reduction in price is desired it is suggested that Annona, Rome, be allowed to make direct purchase and then distribute the salted fish by the rationing system.

4. The Italian authorities with whom the arrangements were made are waiting orders to start the export of salted fish. The fresh fish program cannot go in effect before 10 days to 2 weeks.

5. Immediate action and approval is requested.

W.A. HARTMAN
Lt.Col.
Director

DISTRIBUTION:
1. Economic Section
2. Ministry of Agriculture (Att.S.E. Bergami)
3. Regional Commissioner Region IV (Att. Major Cate)
4. Food Sub-Commission
5. Files

ACC REGION ONE

HQ ACC
2851

6 Sept.44

Restricted
Routine
Agriculture Sub-Comm.

SHIPMENTS OF SALTED FISH FROM SICILY TO THE MAINLAND BY SCHOONER OR OTHERWISE WILL NOT BE AUTHORIZED EXCEPT UNDER FOLLOWING CONDITIONS PD PAREN TO REGION ONE FROM HQ ACC SIGNED STONE PAREN THAT SALTED ANCHOVIES IN BARRELS OR TIN CANS BE SOLD AT SEVENTY TO SEVENTY FIVE LIRE KILO PD SALTED SARDS FIFTY TO FIFTY FIVE LIRE KILO PD SALTED SAURI TWENTY FIVE TO THIRTY LIRE KILO PD ALL PRICES FOB PORT OF EMBARKATION SICILY PD PRICE OF TUNA PACKED IN OIL TWO HUNDRED FORTY LIRE PER KILO PD DISSEMINATE THIS INFORMATION TO COMENA SICILY AND TO ITALIAN PORT AUTHORITIES TO ADVISE THIS HQ WHENEVER SHIPMENTS ARE AUTHORIZED BY FURNISHING NAME OF SCHOONER PORT OF DESTINATION QUANTITIES LOADED PD

4383

140/10

Tel. 497

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

HHB/lml

ES/41

26 October 1944

SUBJECT: Prices of Salt.

TO : Col. L. D. Densmore, Chief Staff Officer.

1. I understand that the Italian Government would like to publish this decree and make the new salt prices effective November 1st if possible. If our approval can be cleared and the attached communication dispatched to the Minister by special messenger, I am sure that it would be appreciated.

2. Verify approval so that I may inform Major Price of the Finance Sub-Commission of our decision.

Henry H. Bakken
Staff Officer
Economic Section

Attachment:
Memo to Ministry of Finance
dated 26 October 1944

Distribution:
Finance Sub-Commission
Files
Transportation Sub-Commission

4382

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

Tel. 497

HHR/lml

26 October 1944

ES/41

SUBJECT: Price of Salt.

TO : Col. L. D. Densmore, Chief Staff Officer.

1. A revised price for salt in Italy is apparently necessary. The production and distribution of this commodity has been a state monopoly for seventy years. Salt is, as you may know, one of the very few indispensable consumptive goods for which there is no adequate or acceptable substitute. The control of this essential Mineral in the Italian Economy has in years past constituted one of the important secondary sources of revenue for the state exchequer.

2. Since salt is a staple in the diet of both men and animals, any increase in price will effect the cost of living both directly and indirectly. The per capita human consumption is calculated to range from four to six kilograms (9-13 lbs.) annually depending on its availability and the current retail price. The production of salt under a state monopoly has not been kept abreast with the technological advancements commonly applied to other industries conducted under private initiative.

3. The exigencies of war and the consequential developments have increased the costs of production to a point where they now overrun not only the customary state price wiping out the margin of profits (state tax), but an actual deficit of .84 of a lira per kilo is created. This status of the salt industry is mainly attributed to:

a. The decreased volume of distribution which is estimated at 70,000 metric tons for 1944-45, is approximately 20,000 tons less than the anticipated sales for the fiscal year, or 60,000 tons below annual sales in normal times.

b. The primary cause for the decreased distribution is the lack of transportation facilities.

c. An adjustment in price is deemed necessary because transportation rates are being increased now and,

d. Overhead costs, wages, power and supplies are no longer static.

4. The Price Group has taken these factors into consideration and they unanimously recommend that the Italian Government be permitted to charge at

retail the schedule of new prices attached, which it is estimated will cover prime and secondary costs of production and distribution.

Henry H. Bakken
Staff Officer
Economic Section

Attachment: as above

Distribution:

Transportation S/C
Finance S/C
Files

1

Tel. 497

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

MMB/lml

ES/44

26 October 1944

SUBJECT: Prices of Salt.

TO : Ministry of Finance.

1. Reference is made to a letter from the Director General of the State Monopoly, which was presented to Major Price of the Finance Sub-Commission of the Allied Control Commission on October 2, 1944.

2. This Office approves the following schedule of retail prices to be charged by the State Monopoly:

Sale comune	L. 1,000	al quintale
" scelto	L. 1,200 "	"
" macinato	L. 1,600 "	"
" raffinato	L. 2,000 "	"
" niveo	L. 3,000 "	"
Sale comune per la salagione dei pesci	L. 240 "	"
Sale macinato per la salagione dei pesci	L. 280 "	"
Sale comune per la salagione dei prodotti del suolo, commestibili, destinati alla esportazione	L. 240 "	"
Sale per la pastorizia	L. 200 "	"
Sale comune per l'industria del freddo e per la preparazione dei vini spumanti	L. 400 "	"
Sale per le industrie ammesse all'acquisto del sale a prezzo speciale e non particolarmente previste dalla presente tariffa	L. 240 "	"
Salaccio	L. 120 "	"

4379

3. It is assumed that the public will be notified of the change in the prices for the different grades of salt through publication of a decree and other appropriate means. The date when these are to become effective is left to your discretion.

For the Acting Chief Commissioner,

A. C. Antolini
Acting Deputy Chief of Staff
Economic Section

Distribution:

Finance Sub-Commission
Files

1-0/8

HEADQUARTERS
ALLIED CONTROL COMMISSION
Transportation Sub-Commission
APO 394

WPE/elc

Ref. ACC/5052/9/Commerce

10 October 1944

SUBJECT : Price Regulation

TO : Economic Section

1. Reference Ministry of Industry, Commerce and Labour letter of 16th September 1944, No. 1320, forwarded to this Sub-Commission for comment on Sept. 27th and returned herewith.

2. The Interministerial Committee for the regulation of prices, established by the Italian Government at the request of ACC has reached the conclusion that no rational program for the regulation of prices can be effective as long as the following circumstances exist:

I. a) Depreciation of the Lire, mainly due to the circulation of A.M. Lire and the spending power of Allied troops.

This is not a matter that comes within the province of the Commerce Subcommission.

b) Transport difficulties, both of passengers and goods, insufficient post and telegraph communication.

This is also a matter that does not concern this Subcommission.

c) Insufficient coordination of prices and of purchases by central and local Allied authorities.

This may be overcome if the Interministerial suggestion submitted in para. II a) is adopted.

II. The Interministerial Committee makes the followi[ng] suggestions:

a) purchase by Allies

SUBJECT : Price Regulation

TO : Economic Section

1. Reference Ministry of Industry, Commerce and Labour letter of 16th September 1944, No. 1320, forwarded to this Sub-Commission for comment on Sept. 27th and returned herewith.

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This is not a matter that comes within the province of the Commerce Subcommission.

b) Transport difficulties, both of passengers and goods, insufficient post and telegraph communication,

This is also a matter that does not concern this Subcommission.

c) Insufficient coordination of prices and of purchases by central and local Allied authorities.

This may be overcome if the Interministeriel suggestion submitted in para. II a) is adopted.

II. The Interministerial Committee makes the followi suggestions:

a) purchase by Allies

4377

- For Italian administered territories institution of mixed commissions (Italian and Allied) to fix prices of certain products.

- For AMG territories, that the Allied Forces take the prices fixed in liberated territories as their basis, adjusting them to meet local conditions with the local Italian authorities. That an Italian functionary be attached to Allied Military Forces to maintain liaison.

Commerce Subcommission is in agreement with these proposals but does not see the need of an Italian liaison officer.

b) The general policy on prices recommended by the Interministerial Committee is the following:

1) Limit the control and the price fixing of food to those of widest consumption for which both the control of collection and distribution are possible (grain and derivates, maize, oil, fats, milk and derivates).

2) Clothing: limit control to distribution of the most important, both as regards stocks and new production.

3) Medicinal goods: fix prices and establish an efficient distribution.

4) Fix prices of raw materials essential to industries (fuel, metals, building materials, wood, fertilizers, etc.).

5) Control prices and tariffs of public services (gas, light, water).

6) Preferential transport and prices for supplies to cooperatives, industrial messes and shops, etc.

7) Make the local authorities (Chamber of Commerce, Industrial and Commercial Provincial Offices, Prefectures, Communes) responsible for the discipline and control of prices and distribution in the various spheres and within the limits laid down by the Government.

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7) Make the local authorities (Chamber of Commerce, Industrial and Commercial Provincial Offices, Prefectures, Communes) responsible for the discipline and control of prices and distribution in the various spheres and within the limits laid down by the Government.

-

4376

8) Issue instructions to the Prefectures so as to eliminate interprovincial obstacles.

9) Strict observance of regulations concerning sales (licenses, invoicing, regulation of consumption, issue new instructions if necessary.

The Commerce Subcommission is in agreement with all the suggestions made in para. 1 to 9 with the exception of para. 6) which lend itself too much to abuse.

III. The Interministerial Committee in submitting the above proposals makes them subject to the following section by ACC:

a) Coordination of prices to be established by the Allied Military Forces, Italian Government and local authorities defining the sphere of each;

b) Organisation of collection and distribution on the home market to be the responsibility of the Italian authorities whether national products or imported thus avoiding duplication or overlapping with ACC;

c) Limit purchases by the Local Resources Board to the minimum possible, especially avoiding uncontrolled direct purchases;

d) Establish a new basis for sea transport and increase the number of sailing ships available for Italian civilian transport;

e) In agreement with the Italian Government regulate prices of goods imported and exported in relation to locale and international markets;

f) Assign a good number of Allied motor transport to certain agreed corporations;

g) Ensure a larger availability of railway trucks to the Ministry of Communications and a supply of tyres and spares for civilian motor transport;

9) Strict observance of regulations concerning sales (licenses, invoicing, regulation of consumption, issue new instructions if necessary.

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f) Assign a good number of Allied motor transport to certain agreed corporations;

g) Ensure a larger availability of railway trucks to the Ministry of Communications and a supply of tyres and spares for civilian motor transport;

h) Ensure assignment of fuel and oil necessary for the complete utilization of motor transport.

The Commerce Subcommission is in agreement also with the above suggestions.

Copies of this letter are being sent to all the SubCommisions of the Economic Section and it is suggested that a meeting be called in order that all may express their views and a decision be arrived at.

In view of the suppression of the Price Section of the Commerce Subcommission recommended by the Manpower Committee it is assumed that any further action in the matter and necessary coordination with the Italian Government will be taken by whatever Section will handle prices in future.

W.P. EVANS
Colonel
Director
Commerce S/Comm.

Copy to:
Industry S/C
Food S/C
P.W. & U. S/C
Agriculture S/C
Labour S/C
Finance S/C
Transportation S/C
File No. 5051

The Commerce Subcommission is in agreement also with the above suggestions.

Copies of this letter are being sent to all the SubCommissions of the Economic Section and it is suggested that a meeting be called in order that all may express their views and a decision be arrived at.

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W.P. EVANS
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Director
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Copy to:
- Industry S/C
- Food S/C
- P.W. & U. S/C
- Agriculture S/C
- Labour S/C
- Finance S/C
- Transportation S/C
- File No. 5051

4374

COPY /nf

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

Tel. 307 10 October 1944

ES/44B

SUBJECT: E.I.T.O.

TO : Agriculture S/C - Finance S/C
Food S/C - Commerce S/C
Industry S/C - Transportation S/C
Labor S/C - Pub. Wks. & Util. S/C

Ref. Item No. 8 on minutes of Staff meeting hed 2 Oct. 44.

Herewith synopsis of Telegram giving information on the set-up and functions of E.I.T.O.

C.W. ATKINS, Lieut., R.A.,
Staff Lieutenant
Economic Section.

Copy : ACC Rep., AAI
PRB (Major Leacocas)

COPY /nf

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

17 September 1944

Synopsis of Telegram from Secretary of State

With reference to the establishment of a proposed European Inland Transportation Organization the Secretary of State has advised Schoenfeld, London, American Mission, Algiers and Mr. Vesgh, Cairo that they will be expected to attende conference on subject soon.

U.S., U.S.S.R., and U.K. have agreed in principle on need of European Inland Transportation Organization to coordinate both the allocation of transport material and equipment and the control of traffic. The need exists during the War and in the post-war period. U.S. and U.K. have approved (1) drafting an agreement for discussion with continental Allied governments on establishment of E.I.T.O. (2) draft of directive for tri partite interim Commission which would operate until establishment of E.I.T.O.

If U.S.S.R. agrees, UK will issue invitations on or about Sep 5 to Allied Governments to attend conference in London about [illegible] Sep to discuss draft agreement as a basis for establishing E.I.T.O. If U.S.S.R. does not agree, other Allied Governments will meet anyway.

Second Section.

The draft agreement as presently approved contains following provisions.

1. E.I.T.O. would provide fair allocation and distribution of transport material and equipment.

2. Would allocate equipment for essential traffic to areas of most urgent x need.

3. Would direct movement of traffic of common concern.

4. E.I.T.O. would consist of council including all member goverments.

5. Would have an executive board three of whom nominated

./.

b, U.R. U.K. and U.R.S.S.

6. Agreement would be valid for 2 years after German hostilities cease.

7. Subject to approval of Allied Commanders EITO would begin to function as soon as member government became effective transport authority.

Pending establishment of EITO a stop-gap organization (interim Commission of representatives of US, UK and URSS. would serve in consultative capacity with the military and familiarize themselves with job EITO willinheris. Allied Governments would probably be asked to assign liaison representatives to Interim Commission.

For their information advise American members of ACC (SCHOTT O'Dwyer et el) of proposed EITO. ACC will in due time be advised through proper chansels of EITO.

0386

100/6

JMM/cam

HEADQUARTERS
ALLIED CONTROL COMMISSION
AGRICULTURE SUB-COMMISSION
APO 394

18 October 1944

Tel: 473709
AGR/235.33

SUBJECT: Price of Nitrogenous Fertilizers

TO : Economic Section, Attention: Mr. Bekken

1. Five types of nitrogenous fertilizers are available for distribution in Italy, to supply each province with about 50% of its normal fall requirements. The time has come when a price must be established in order to have the material freely moved from point-of-consumption warehouses to farmers. It is therefore requested that the following basis for establishing a price be considered, and a decision reached at the earliest possible time.

2. 50% of the fertilizer is imported ammonium nitrate. The remainder is located at Terni, with small quantities at Crotone and at certain of the factories which are being liberated from time to time. The stocks in general represent material produced in the latter part of 1943, which could not move to market because of destruction to rail facilities. It is therefore recommended that a price be determined by this Headquarters and submitted for concurrence by the Ministry of Agriculture.

3. Early in August the Soc. Terni submitted cost data requesting approval of considerable increases due to the fact that during the producing period they were forced to use trucks in lieu of rail, charcoal in lieu of coal, a power supply often interrupted, irregular daily production, and rising labor costs. It is felt that their cost figures are reasonable, carefully considered, and that the requested price is the minimum acceptable to them. However, in view of the fact that the Ministry of Agriculture normally establishes prices for fertilizers, it is considered advisable to grant a surcharge to cover exceptional expenses, rather than granting an increase in the base price. This will result in a cost as outlined below, at the factory:

	Ammonium Sulphate	Calcium Nitrate	Ammonium Nitrate	Calcium Cyanimide
Base Price in Sacks (1943)	148.40	163.46	153.46	154.05
Surcharge	144.60	126.04	124.04	85.95
	293.00	289.50	277.50	240.00

4. The Federation of Consorzi Agrari, the channel through which these fertilizers normally move to the consumer, has prepared data upon which to base the price to the farmer at point-of-consumption railhead. This includes the expenses of the Consorzi Agrari Provinciale, but does not include the expenses of distribution from railhead to consumer. The cost of transportation in the province is highly variable and extremely high in

4370

many provinces. Therefore, it is considered inadvisable to include this transportation charge in the selling price. Rather, it is preferable to permit the farmers to furnish their own transportation if possible, otherwise to have the transportation costs added to the selling price.

5. The Federation of Consorzi Agrari requests approval of distribution charges as follows:

a. Sales tax ranging from 8 to 10.35 lire, based on the factory cost of the fertilizers.

b. An average transportation cost of 39.25 lire per quintal, based on prevailing rail tariffs, except for 3 provinces not served by rail, where transportation to the provinces will have to be made by lorry.

c. 3% shrinkage or loss in transit, which figure is based on experience in moving materials of this type, and is considered reasonable.

d. A 3% charge for insurance of the goods in transit and in storage awaiting purchase. This expense seems justified in the light of rather extensive theft and misdirected shipments.

e. Expenses of financing, and interest, computed at 8% for 45 days (1.2%), which is justified by the fact that payment to Soc. Terni is made at time of shipment, well in advance of sale to farmers.

f. Compensation for distribution, by the Federation and Consorzi Agrari Provinciale, computed at the rate of 10% of the base cost plus charges outlined in (a) to (e) above. This is considered justified by the increased cost of labor of loading and unloading, and the general increase in operating overhead.

6. The price of the several types of fertilizers, delivered at all provincial rail stations, would therefore be as follows:

Ammonium Sulphate	404.60
Calcium Nitrate	398.85
Ammonium Nitrate (15%)	383.35
Calcium Cyanamide	327.30

7. The landed cost of imported ammonium nitrate, 33/35%, is 960 lire per quintal, and while last spring it was considered impracticable to add the costs of distribution to this high base price, it is now considered advisable to change the price to permit payment of landed cost price, adding the same freight and handling charges as are indicated above, which would result in a sale price to the Federation of Consorzi Agrari of 960 lire, and a sale price to the grower of 1,165 lire, at point-of-consumption railhead.

using the same bases of computation except omitting the sales tax which is not applicable to imported supplies.

8. These prices represent sharp increases in the cost of nitrogenous fertilizers, and should be viewed with due regard to the probable influence on the price of wheat next year. Prices of fruits and vegetables are now so high that this price of fertilizers could have no possible influence on them. As has been stated, approximately 50% of the full requirements will be supplied from these stocks, and planned imports will supply an equivalent amount of ammonium nitrate for the spring campaign. It has been suggested that the effect on the price of wheat is therefore cut in two, and no farmer should be in a position to spend over half the full amount per hectare for fertilizer.

9. It is requested that these prices be approved, and that they be made applicable to all existing stocks of fertilizer of the same type, wherever located, with new prices to cover fertilizers manufactured when the industry commences normal production.

J. M. Merritt

JAMES M. MERRITT
Major Cav.
O/C Agriculture Supply Section

Distribution:
Members of Price Committee
Agriculture Files

Approved
Federation 1 Mrs to pay
charges + Taxes

ACP/nl

HEADQUARTERS
ALLIED CONTROL COMMISSION
Transportation Sub-Commission
APO 394

13 October 1944

Tel. 478704
Our Ref: ACC.Tn/

TO : Rail Section

SUBJECT: Price Regulation

The only two points with which we are concerned are b(6) and we concur with Commerce Sub-Commission in general terms, although there may be good reasons for offering preferential treatment for industrial messes. In fact the Railway's own distribution of food through "Provvida" does in some small measure offer a scheme for food distribution on a priority for railway workers.

III. (b) is difficult because of transportation limitations.

(9) is dependent entirely on following

i - the availability of cars without impeding war needs.
ii - the ability of the Italians to re-build cars to meet the increase they seek.
iii - the discovery of cars in newly captured territory.
iv - the shortening of lines of communications.

D.S. ADAMS
Colonel, C.E.
Director, Tn.Sub.Comm.

0390

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HEADQUARTERS
ALLIED CONTROL COMMISSION
COMMERCE SUBCOMMISSION
APO 394

WPS/3I1

Ref. ACC/5052/9/Commerce

10 October 1944

SUBJECT: Price Regulation

TO : ~~Economic Section~~

1. Reference Ministry of Industry, Commerce and Labour letter of 16th September 1944, No. 1520, forwarded to this Subcommission for comment on Sept. 27th and returned herewith.

2. The Interministerial Committee for the regulation of prices, established by the Italian Government at the request of ACC has reached the conclusion that no rational program for the regulation of prices can be effective as long as the following circumstances exist:

I. a) Depreciation of the Lira, mainly due to the circulation of A.M. Lire and the spending power of Allied troops.

This is not a matter that comes within the province of the Commerce Subcommission.

b) Transport difficulties, both of passengers and goods, insufficient post and telegraph communication.

This is also a matter that does not concern this Subcommission.

c) Insufficient coordination of prices and of purchases by central and local Allied authorities.

This may be overcome if the Interministerial suggestion submitted in para. II a) is adopted.

II. The Interministerial Committee makes the following suggestions:

a) purchase by Allies

- For Italian administered territories institution of mixed commissions (Italian and Allied) to fix prices of certain products.

- For AMG territories, that the Allied Forces take the prices fixed in liberated territories as their basis, adjusting them to meet local conditions with the local Italian authorities. That

4366

an Italian functionary be attached to Allied Military Forces to maintain liaison.

Commerce Subcommission is in agreement with these proposals but does not see the need of an Italian liaison officer.

b) The general policy on prices recommended by the Interministerial Committee is the following:

1) Limit the control and the price fixing of food to those of widest consumption for which both the control of collection and distribution are possible (grain and derivatives, maize, oil, fats, milk and derivatives).

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5) Control prices and tariffs of public services (gas, light, water).

6). Preferential transport and prices for supplies to cooperatives, industrial messes and shops, etc.

7) Make the local authorities (Chamber of Commerce, Industrial and Commercial Provincial Offices, Prefectures, Communes) responsible for the discipline and control of prices and distribution in the various spheres and within the limits laid down by the Government.

8) Issue instructions to the Prefectures so as to eliminate interprovincial obstacles.

9) Strict observance of regulations concerning sales (licenses, invoicing, regulation of consumption, issue new instructions if necessary.

The Commerce Subcommission is in agreement with all the suggestions made in para. 1 to 9 with the exception of para. 6) which lend itself too much to abuse.

III. The Interministerial Committee in submitting the above proposals makes them subject to the following action by ACC:

a) Coordination of prices to be established by the Allied Military Forces, Italian Government and local authorities defining the sphere of each;

4365

b) Organisation of collection and distribution on the home market to be the responsibility of the Italian authorities whether national products or imported thus avoiding duplication or overlapping with ACC;

c) Limit purchases by the Local Resources Board to the minimum possible, especially avoiding uncontrolled direct purchases;

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h) Ensure assignment of fuel and oil necessary for the complete utilization of motor transport.

The Commerce Subcommission is in agreement also with the above suggestions.

Copies of this letter are being sent to all the Subcommissions of the Economic Section and it is suggested that a meeting be called in order that all may express their views and a decision be arrived at.

In view of the suppression of the Price Section of the Commerce Subcommission recommended by the Manpower Committee it is assumed that any further action in the matter and necessary coordination with the Italian Government will be taken by whatever Section will handle prices in future.

W. P. EVANS
Colonel
Director
Commerce Subcommission

Copy to:
Industry S/C
Food S/C
P. W. & U. S/C
Agriculture S/C
Labour S/C
Finance S/C
Transportation S/C
File No. 5034

4364

12014

HEADQUARTERS
ALLIED CONTROL COMMISSION
AGRICULTURE SUB-COMMISSION
APO 394

RG/gp

OK [illegible]

AGR/234.76

14 October 1944

SUBJECT: Price of cocoons.

TO : Economic Section, Price Committee.

1. The price proposed by the Italian Ministry of Agriculture for the 1944 - 1945 silk worm cocoons is included in this letter. The price has been reviewed by the Agriculture Sub-Commission and is recommended for approval. The proposed increase is in accord with the price rise of wheat taking both 1938 price and 1942-1943 as basis for comparison.

2. The price proposed for silk is not high enough to encourage any increase of produtions. The production of silk has decreased in Southern Italy according to Italian officials because other crops have proved more profitable. It was also pointed out that many of the mulberry trees have been cut down which was a source of food for the silk worms. Farmers in general have lost interest in silk production. Any considered increase in silk production would require at least two years to produce milberry seedling for forage for the silk worms. In view of the competition of other fibers it seems unwise to encourage expansion of the silk worm industry in southern Italy by a greatly inflated price.

3. Prices paid in former years for yellow cocoons and proposal 1944-45 price:

1938	- 1000 £. per qtl.	for yellow cocoons
1942-43	- 2500 "	" " "
1944-45	- 7000 "	" " "

Yellow cocoons are the most prevelent type produced. Prices paid in former years for white cocoons and proposal 1944-45 price:

1942-43	- 2750 £. per qtl.	for white cocoons
1944-45	- 9000 "	" " "

4363

White cocoons produce a higher quality silk.

./.

4. Silk production has been practically abandoned in Campania in recent years the main producing area has been in Calabria in Southern Italy.

5. The proposed price is for silk produced in occupied Italy.

W.A.H.

W.A. HARTMAN
Lt. Colonel
Director

Distribution:

Labor Sub-Commission
Finance Sub-Commission
Food Sub-Commission
Agriculture Sub-Commission
Economic Section- Price Committee Chairman
File

COPY

Ministero dell'Agricoltura e delle Foreste
Direzione Generale della Tutela
Economica dei Prodotti Agricoli
- R O M A -

Roma, 27 setembre 1944

Prot. n° 6586 - Posiz. 23/B
oggetto- Ammasso bozzoli campagna 1944/45

All'Istituto Bacologico per le Calabrie - C O S E N Z A

e per conoscenza.
ALLIED CONTROL COMMISSION AGRICULTURE - SUB COMMISSION - R O M A

AL MINISTERO INDUSTRIA COMMERCIO E LAVORO - R O M A

ALL'UFFICIO NAZIONALE STATISTICO ECONOMICO DELL'AGRICOLTURA - R O M A

ALLA FEDERAZIONE ITALIANA DEI CONSORZI AGRARI - R O M A

La Federazione Italiana dei Consorzi Agrari, ha chiesto a questo Ministero di fissare il prezzo di vendita all'Industria dei bozzoli a fresco, prodotti nelle provincie di Cosenza, Catanzaro, R. Calabia e Messina, nella campagna 1944-45 e delle eventuali rimanenze delle precedenti campagne, al prezzo base già stabilito dai decreti prefettizi delle suddette provincie e cioè;

- bozzoli reali gialli,	categoria	1^	£.	70	al	Kg.
" " "	"	2^	"	65	"	"
" " bianchi	"	1^	"	90	"	"
" " "	"	2^	"	85	"	"
- scarti gialli (doppi e scarti generici)			£.	40	"	"
" bianchi(" " " ")			"	50	"	"

Tenuto conto degli elementi trasmessi da codesto Istituto, circa la situazione degli ammassi bozzoli nelle provincie in parola, si autorizza codesto Ente a procedere alla vendita dei bozzoli di cui trattasi, si prezzi base sopra specificati; detti prezzi dovranno essere maggiorati delle effetive spese sostenute dai Consorzi e dalla loro Federazione, per il controllo effettuato nella campagna 1944, nonchè dell'ammontare degli interessi bancari, delle spese di acquisto dei fogli bancari ecc. e di un'aliquota di compenso per detti Enti ammassatori di £. 0,40 per ogni chilogrammo di bozzoli a fresco, in modo da chiudere in pareggio le relative gestioni di ammasso, dopo effettuata la liquidazione finale ai conferenti, come praticato negli anni passati.

IL MINISTRO
f/to Fausto Gullo

0361

0396

TRANSLATION

MINISTRY OF AGRICULTURE AND FORESTRY
Direzione Generale della Tutela
Economica dei Prodotti Agricoli
= R O M A =

Rome, 27 sptember 1944

Prot. n° 6586 - Posiz. 23/B
SUBJECT - Cocoons ammassing 1944/45 campaign

TO - Istituto Bacologico per le Calabrie - C O S E N Z A

and for information ; ACC. AGRICULTURE SUB-COMMISSION - R O M E
AL MINISTERO INDUSTRIA COMMERCIO E LAVORO
R O M E
ALL'UFFICIO NAZIONALE STATISTICO ECONOMICO
DELL'AGRICOLTURA - R O M E
ALLA FEDERAZIONE ITALIANA DEI CONSORZI AGRARI
R O M E

The Italian Federation of the Consorzi Agrari, asked to this Ministry to fix the selling price for the Industry of fresh cocoons produced in the provinces of Cosenza, Catanzaro, R.Calabria and Messina, in the 1944-45 campaign and of the eventual remaining stocks of preceeding campaigns, at the basic price, already established by the prefectoral decrees of the above mentioned provinces, that is;

- real yellow cocoons, category 1^ £. 70 per Kg.
  " " " " 2^ " 65 " "
  " white " " 1^ " 90 " "
  " " " " 2^ " 85 " "
- yellow rejected (double & rejected generic) £. 40 per Kg.
  white " (" " ") " 50 " "

Taking into consideration the informations submitted by this Institute, about the situation of ammassing cocoons in the mentioned provinces, your firm is authorised to proceed to the selling of cocoons in question, at the basic prices above mentioned; said prices must be increased by the effective expenses substained by the Consorzi & by their Federation for controls effected in the 1944 campaign, as well as for banking interests, purchase expenses of (fogli bancari) and for a reward price for the ammassing firms of £.0,40 for every Kg. of fresh cocoons, in a manner to square up the management of the relative ammassing administrations, after effecting the final liquidation to the conferrings as practised in previous years.

IL MINISTRO
signed; Fausto Gullo

4363

NWH/CC

HEADQUARTERS
ALLIED CONTROL COMMISSION
Agriculture Sub-Commission
APO 394

AGR/232.16

12 October 1944

SUBJECT: Prices proposed by the Ministry of Agriculture for the 1944 rough rice crop.

TO: Price Committee, Economic Section.

1) Attached letter from the Ministry of Agriculture setting up proposed prices for the 1944 rough rice crop.

2) Compared with average price relationships between rough rice and soft wheat during the 4-year period 1936-1939, the proposed prices are high even in relation to the present fixed price of 900 lire per quintal for soft wheat.

3) On the basis of normal rough rice-wheat relationship and the present fixed price of wheat, prices for the 1944 rough rice crop should be as follows, per quintal:

Unpolished rice		ordinary	L.570	(instead of the price proposed	L.660
"	"	super-ordinary	" 610	by the Ministry of Agriculture)	" 735
"	"	semi-fine	" 670		" 890
"	"	fine	")850		" 915
"	"	super-fine	") "		" 935

Find out the spread

miller to consumer

W.A. Hartman
Director
Agriculture Sub-Commission

570 — miller

copies to:
Food Sub-Commission
Finance "
Industry "
Commerce "
Transportation "
Labour "

Wheat 900 lire
500 State

Inclosure:
Letter of Minister of Agriculture

4359

COPY

MINISTRY OF AGRICULTURE AND FORESTS

PROT. 8338

SUBJECT: Price for unpolished rice crop.

In letter 3061/14/B/3 of 21 July 1944, proposals have been submitted to the Hon. Sub-Commission of prices to be adopted for 1944 unpolished rice crop, which analogous to other products referred to in M.D. 28/6/44, should be - if rounded up- the following:

Unpolished rice	ordinary	Price	1938	£.	92	Price	1944	£.	660
"	" super ordin.	"	"	"	102	"	"	"	735
"	" semi-fine	"	"	"	124	"	"	"	890
"	" fine	"	"	"	127	"	"	"	915
"	" super-fine	"	"	"	130	"	"	"	935

Being under the necessity of ifixing said prices for the delivery of already available quantities we are awaiting a reply.

THE MINISTER.

4358

HEADQUARTERS
ALLIED CONTROL COMMISSION
AGRICULTURE SUB-COMMISSION
APO 394

WTH/gp

AGR/

12 October 1944

SUBJECT: Prices of peeled tomatoes destined to Allied Forces.

TO : Price Committee, Economic Section.

1. The attached letter of the Minister of Agriculture dated October 7, regarding proposed increase in the price of Sicilian peeled tomatoes, destined for the Allied Forces is submitted to you for consideration.

2. This Sub-Commission feels that the so-called costs of production indicated in this letter are unduly inflated.

W.A. HARTMAN
Lt. Colonel
Director.

Distribution:
Food Sub-Commission
Finance Sub-Commission
Industry Sub-Commission
Commerce Sub-Commerce
Transportation Sub-Commission
Labour Sub-Commission

Inclosure:
Letter of The Minister of Agriculture

4357

0400

~~SECRET~~
C O P Y

MINISTRY OF AGRICULTURE AND FORESTS

PROT. 7257

SUBJECT: Tomato prices destined for peeled production for Allied Forces.

The Prefecture of Palermo is notifying the Commission of the vote expressed by the Chamber of Commerce for an encrease of the price for tomatoes destined for peeled production for Allied Forces, the price having been fixed in times past at £. 300 for each quintal.

The said Chamber of Commerce draws attention to the fact that this price is absolutely inadequate, as according to investigation made by the Chambern the cost of tomato production, supplied on the land, fluctuates about £. 4800 per quintal, as seen in the following list:

DATA REGARDING COST OF PRODUCTION OF TOMATOES ON THE SPOT.

Tumolo 1 (local measure) (m^2 1330) = Average production 5 tons.

Ploughing	£. 500
manuring	" 3000
chemical fertilizers	" 3000
transport of fertilizers	" 500
preparation of the soil	" 500
planting	" 200
mangling and putting the sticks	" 4000
cost of stocks (sfido)	" 2800
water	" 4320
sulphur	" 2000
crop	" 750
working of the soil	" 500
duty	" 2000
	24070 : 5 = 4,80

Cost not price

4356

Moreover, the transport cost, which are not included in our list can be estimated about an average of £. 200 per quintal.

In submitting this question for consideration by the Hon. Sub-Commission we are awaiting to be informed of your point of view thereon.

THE MINISTER

ALLIED CONTROL COMMISSION
Food Sub-Commission
A.P.O. 394

Tel: 206 ~~525~~

12 October 1944

ACC/45-1/FOOD

SUBJECT: City of Rome Milk Prices

TO : Labor Sub-Commission, Agriculture Sub-Commission, Industry Sub-Commission, Commerce Sub-Commission, Transportation Sub-Commission, Finance Sub-Commission

1. The Ministero dell'Agricoltura e delle Foreste by memorandum of 28 September 1944 recommends increasing the price of milk in Rome from 13.60 lire to 15.00 lire per liter for the months of September, October and November. It further recommends that the total price be paid by the consumer. The recommendation of the ministry is based upon a request made by the Centrale del Latte. However, a memorandum from the latter organization requests that the price be increased to 20.00 lire per liter, the entire amount to be paid by the consumer.

2. Prior to August the price to consumers in Rome was 5.00 lire. With the approval of Region IV, the price was raised to 13.60 lire but in order to keep the price to the consumer stable, the difference of 8.60 lire was paid by the State. Beginning 15 August the price to consumers was increased to 7.00 lire thus reducing the contribution of the Government from 8.60 lire to 6.60 lire. Attached is a table showing the distribution of the proposed prices in comparison with former and current prices.

3. The arguments of the Milk Central in favor of a price of 13.50 lire to the producer are:

a. The price of 8.70 lire paid at present to producers does not cover their costs. Therefore, some milk cattle are being slaughtered thus reducing the source of supply. Other producers sell their product in the black market at 40.00 to 50.00 lire to avoid sale at loss through the Milk Central.

b. The public is forced to buy in the black market at 40.00 or 50.00 lire about 20,000 liters per day which should be distributed through the Milk Central.

c. Cost of production is estimated to be at least 13.50 lire per liter during the winter season.

4. The proposed increase for the Milk Central is alleged to be necessary because: 6355

a. Increases in salaries paid to the sizeable staff necessary to weighing, filtering, cooling, pasteurizing, canning, bottling, analyzing, and distributing milk have materially increased costs.

b. Increases in costs of materials and supplies used including fuel and cleansing materials have added to operating expenses.

c. Decrease in income due to relatively small quantity of milk being brought to Rome is not offset by decreases in operating costs.

5. The Ministry of Agriculture adds no arguments for increasing the price but merely endorses the position taken by the Milk Central. No reasons are given as to why the two proposals differ by 5.00 lire per liter.

6. The Milk Central recommends placing the entire cost on the consumer for the following reasons:

a. Even with an increase the price will be lower than black market prices and an increased supply will reduce the number who must now pay enormous prices.

b. The burden on the State is 100,000,000 lire per year for the City of Rome alone.

7. The Ministry of Agriculture contends that the burden added to each consumer would be small while the burden on the State budget would be quite large.

8. On the basis of the two presentations made in favor of increased prices, it is not clear as to whether the proposed increases are proportionate to the increased cost of production and cost of operating the Milk Central. Few facts were submitted in support of the conclusions reached. There is no explanation offered as to why the Ministry recommends a price of 15.00 lire per liter while the Milk Central proposes a price of 20.00 lire.

9. If, as the Milk Central alleges, the cost of production is at least 13.50 lire per liter, it is difficult to see how milk production will be increased by approving a price of 10.00 lire which is below cost or even of 13.50 lire which is no more than cost. It would seem that a black market price of 40.00 or 50.00 lire per liter would continue to attract those producers who now distribute through illegal channels. A reduction in the rate of loss would hardly suffice as a counter attraction.

10. The question relating to the contribution of the State toward the total price appears to be primarily one of financial policy for consideration by the Finance Sub-Commission. The Ministry of Agriculture does not indicate the views of the Ministry of Finance.

11. As the largest item in the total price is the amount paid to producers, the proposals should be considered by the Agriculture Sub-Commission.

12. The Food Sub-Commission recommends the following action:

a. Request the Ministry of Agriculture to explain the discrepancy in the two proposals, i.e., one for an increase to 15.00 lire per liter and another for an increase to 20.00 lire.

4354

<u>CITY OF ROME MILK PRICES</u>: Cont'd.

<u>b</u>. Request the Ministry of Agriculture to furnish more data concerning the cost of production. and distribution

<u>c</u>. Request the Ministry of Finance to express its views with respect to the contribution of the State.

<u>d</u>. Inform the Ministry of Agriculture and the Ministry of Finance that proposals for increases in prices to the consumer of 11% or 18% are not likely to receive favorable consideration by Allied Control Commission unless fully justified.

[signature] for
W. J. [illegible]
Colonel
Director, Food Sub-Commission

agreed that Food S/C recommendations be carried out. ✓
Cost feed
Price Com

COMPARATIVE TABLE OF MILK PRICES IN ROME

	Prior to 1 Aug.	1 Aug. to 15 Aug.	Current	Proposed by Min. of Agric. and Forests	Proposed by Milk Central 2387
To the producer	Lire 3.68	Lire 8.70	Lire 8.70	Lire 10.00	Lire 13.50
To the Consorzio Laziale	0.60	2.00	2.00	1.90	2.00
To the Milk Central	0.42	1.90	1.90	2.00	3.30
To the retailer	030	1.00	1.00	1.10	1.20
TOTAL PRICE	5.00	13.60	13.60	15.00	20.00
Paid by consumer	5.00	5.00	7.00	15.00	20.00
Paid by Government	-	8.60	6.60	-	

COPY

AMMINISTRAZIONE DEI MONOPOLI DI STATO

Prot.N°__________ Roma addì______________19____

APPUNTO SUL SALE PER IL SIGNOR RAGIONIERE [illegible]

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

Spesa attualmente sostenuta dall'Amministrazione dei Monopoli per la produzione e la vendita del Sale: (Esercizio Fin. 1944-45)

A.	Manutenzione ordinaria e straordinaria delle Saline	L. 20.000.000
B.	Trasporti e indennità trasporti sali ai rivenditori (Vedi foglio allegato)	150.500.000
C.	Spese per la distribuzione e vendita	10.000.000
D.	Spese per il personale impiegati di ruolo e non di ruolo	21.000.000.
E.	Paga operai	100.000.000
F.	Pensione operai	5.000.000
G.	Assistenza medica e refezione calda	5.000.000
H.	Guardia di Finanza	8.000.000
I.	Spese generali varie	6.000.000
	TOTALE	325.500.000

E pertanto una spesa media per il Sale di circa L.6 al Kg. tenuto presente che si prevede, come dal foglio allegato, un consumo complessivo per tutto l'esercizio finanziario per le terre attualmente liberate di circa 90.000.000 di chili.

Se si tien ~~sxx~~ conto che il Sale viene venduto attualmente a L.5,00 al Kg., e che la spesa media del sale negli esercizi passati veniva a risultare di circa il 25% del prezzo di vendita ne risulta l'opportunità di aumentare l'attuale prezzo portandolo almeno a L.15,

IL R E G G E N T E

Si chiede l'autorizzazione di elevare i prezzi dei sali come 4351 segue:-

Sale comune	a Kg.......................	L.15
" scelto	a Kg.......................	17
" macinato	a Kg.......................	20

-+-+-+-+-+-+-+-+-+-+-+-+-+-

Spese attualmente sostenute dall'Amministrazione dei Monopoli per la produzione e la vendita del Sale: (Esercizio Fin. 1944-45)

A.	Manutenzione ordinaria e straordinaria delle Saline	L. 80.000.000
B.	Trasporti e indennità trasporti sali ai rivenditori (Vedi foglio allegato)	350.500.000
C.	Spese per la distribuzione e vendita	10.000.000
D.	Spese per il personale impiegati di ruolo e non di ruolo	21.000.000.
E.	Paga operai	100.000.000
F.	Pensione operai	5.000.000
G.	Assistenza medica e refezione calda	5.000.000
H.	Guardia di Finanza	8.000.000
I.	Spese generali varie	6.000.000
	TOTALE	585.500.000

E pertanto una spesa media per il sale di circa L.6 al Kg. tenuto presente che si prevede, come dal foglio allegato, un consumo complessivo per tutto l'esercizio finanziario per le terre attualmente liberate di circa 90.000.000 di chili.

Se si tien ~~sxe~~ conto che il sale viene venduto attualmente a L.5,50 al Kg., e che la spesa media del sale negli esercizi passati veniva a risultare di circa il 35% del prezzo di vendita ne risulta l'opportunità di aumentare l'attuale prezzo portandolo almeno a L.15.

IL SEGRETARIO

Si chiede l'autorizzazione di elevare i prezzi dei sali come segue:- 435

Sale comune	a Kg.	L.15
" scelto	a Kg.	17
" macinato	a Kg.	20
" raffinato	a Kg.	25
" niveo	a Kg.	30

QUANTITIVO DI SALE CHE SI PREVEDE DI INTRODURRE DALLA SICILIA E SARDEGNA- ESCLUSA LA CALABRIA-NELL'ESERCIZIO 1944-45 : Tonn.45.000

Nolo marittimo : Tonn. 45.000 x L.500........................L.	22.500.000
Trasporto ai Depositi fatto con ferrovia Tonn.45.000 x L.500................................	22.500.000
Trasporto dalle Stazioni al Deposito fatto con altri mezzi a L.800 la Tonn.........................	36.000.000
Trasporto dal Deposito a Magazzino e Ufficio di Vendita con automezzi a L.2.000 la Tonn..	90.000.000
Totale.............. L.	171.000.000
Per un quantitivo di sale proveniente dalla Sicilia, da Lungo e da Margherita di Savoia da distribuire alla Calabria di Tonn.15.000 e portato a mezzo ferrovia: Tonn.15.000 x 500.. L.	7.500.000
Trasporto dalle Stazioni ai Depositi a L. 800 la Tonn..	12.000.000
Trasporto dai Depositi ai Magazzini e Uffici di Vendita : Tonn.15.000 x 2.000........................	30.000.000
Quantitivo che si prevede di introdurre da Marghairta di Savoia per l'Italia liberata, esclusa la Calabria, a mezzo ferrovia : Tonn.30.000 x 500................................	15.000.000
Spese di introduzione dalla Ferrovia al Deposito a L.800..	24.000.000
Trasporto dal Deposito ai Magazzini e Uffici di Vendita:Tonn.30.000 x 2.000........................	60.000.000
L.	319.500.000
Indennità ai Magazzinieri per l'intero quantitivo di Tonn.90.000..................................	31.000.000
Totale Generale........ L.	350.500.000

4350

Note for the Major W.E. Price concerning Salt.

Expense now paid by the Monopolies administration for the production and sale of salt. (Financial Year 1944/45).

(a) Normal and outstanding maintainance of salt mines	L.	20.000.000.--
(b) Transport charges and indemnity to retailers for salt transport (see annexe)	"	350.500.000.--
(c) Distribution and sale expenses	"	10.000.000.--
(d) Salaries (employees)	"	21.000.000.--
(e) Workers salaries	"	100.000.000.--
(f) Workers pensions	"	5.000.000.--
(g) Medical assistance and warm soup	"	5.000.000.--
(h) Guardie di Finanza	"	8.000.000.--
(i) Sundry general expenses	"	6.000.000.--
	L.	525.500.000.--

As it is expected a general consumption, in all freed Italy, of 90.000.000 Kilos of salt (see annexe) for the whole financial year, the average expense is of 6.- lire a Kilo.
Taking in mind that the salt is now sold at 5 lire a Kilo and that in the past financial years the average expenses on salt were of about 25% the sale price, it appears advisable to increase the salt sale price, and fixing it at 10 lire.

The Reggente
Tarantola

Quantities of salt expected to introduce from Sicily and Sardinia (excluding Calabria) during the financial year 44/45: Tons 45.000.-

Freight Lire 500 x 45.000 Tons	L. 2[illegible].500.000.--
Railways for transport to deposits Lire 500 x 45.000 Tons	L. 22.500.000.--
Cartage from Railways Stations to Deposits Lire 800 x 45.000 Tons	L. 36.000.000.--
Cartage from Deposits to Warehouses and Uffici Vendita by Trucks L.2000 x 45.000 tons	L. 90.000.000.--
	L.171.000.000.--

For 15.000 tons of salt from Sicily, Lungro and Margherita di Savoia and to be delivered in Calabria.

Railways Lire 500 x 15.000 tons	L. 7.500.000.--
Cartage Stations/Deposits Lire 800 x 15.000 tons	L. 12.000.000.--

Cartage Deposits/Warehouses and Uffici Vendita

(e) Workers salaries	"	100.000.000.--
(f) Workers pensions	"	5.000.000.--
(g) Medical assistance and warm soup	"	5.000.000.--
(h) Guardia di Finanze	"	8.000.000.--
(i) Sundry general expenses	"	6.000.000.--
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Cartage from Deposits to Warehouses and Uffici Vendita by Trucks L.2000 x 45.000 tons	L. 90.000.000.--
	L.171.000.000.--

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Railways Lire 500 x 15.000 tons	L. 7.500.000.--
Cartage Stations/Deposits Lire 800 x 15.000 tons	L. 12.000.000.--
Cartage Deposits/Warehouses and **Uffici** Vendita Lire 2.000 x 15.000	L. 30.000.000.--

4379

Salt expected to transport from Margherita di Savoia to freed Italy (Calabria excluded)

Railways Lire 500 x 30.000 tons	L. 15.000.000.--
Cartage Station/Deposits Lire 500 x 30.000 tons	L. 24.000.000.--
Cartage Deposit/Warehouses and Uffici Vendita Lire 2.000 x 30.000	L. 60.000.000.--
	319.500.000.--
Indemnity to the Warehousemen for the whole 90.000 tons	31.000.000
	L.350.500.000.-

C O P Y /nf

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
Revenue sub-Section
APO 394

13032/F. 6 October 1944

SUBJECT: Salt Prices

TO : Joint Director,
Finance Sub-Commission.

1 In the attached undated letter, the Reggente Director of the State Monopolies requests approval of increased prices for salt as follows:

Description of Salt	Retail Prices in Lire per Kilogram			
	Prior to 15 Jan 44	From 15 Jan 44	Now proposed by Monopoly	Counter proposed by Revenue S.S.
	(a)	(b)	(c)	(d)
Sale comune	1.50	5.00	15.00	12.00
Sale Scelto	3.00	6.00	17.00	14.00
Sale Macinato	3.50	8.00	20.00	16.00
Sale Raffinato	6.00	10.00	25.00	18.00
Sale Niveo	7.00	15.00	30.00	20.00

Note:- The last three varieties are not now in production and small stocks only of macinato and raffinato are held. Niveo is non-existent.

2 The figures submitted in support of the request are based on a per capita annual consumption of four kilos as against six in peace-time, by an estimated population of twenty-two and half millions in territory now liberated. The present actual consumption is restricted by lack of transport from works to consumers to barely half that quantity. For the fiscal year 1944/45 the expenses are estimated, by the Monopoly, at 525 1/2 million lire, which, assuming a sale of 90.000 metric tons, would average 5.84 lire a kilo.

Without considerable research, it is not praticable to verify these estimates precisely, but, from such figures as have been seen by us, the degree of exaggeration appears unusually modest and is probably less than 20%. In view, however, of the deteriorating availability of transport, it is unlikely that more than 70.000 tons will be distributed in 1944/45, and the cost per kilo on this figure would be nearer 7 lire. The estimates of freight costs are

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Finance Sub-Commission.

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Without considerable research, it is not praticable to verify these estimates precisely, but, from such figures as have been seen by us, the degree of exaggeration appears unusually modest and is probably less than 20%. In view, however, of the deteriorating availability of transport, it is unlikely that more than 70.000 tons will be distributed in 1944/45, and the cost per kilo on this figure would be nearer 7 lire. The estimates of freight costs are based on actual costs recently incurred, but rail charges at half a lire a ton are purely hypothetical as no such charges have yet been made, though presumably they will eventually be raised against the Italian Government.

13-8

3 The gross receipts at current retail prices average 5.24 a kilo, on an estimated percentage sale of each variety of salt as follows:-

./.

Description of Salt	Percentage sale		Current retail price in lire a kilo		
Sale Comune	90	X	5	=	450
Sale Scelto	5	X	6	=	30
Sale Macinato	3	X	8	=	24
Sale Raffinato	2	X	10	=	20
Sale Niveo	Nil	X	15	=	-
					524 Average 5.24 lire a kilo.

4 Thus, at present, salt costs 5.84 lire a kilo and sells at 5.24 lire, a loss of over 10%, where as; in peace-time, at least 75% of the gross receipts accrued to the State as tax and profit and provided a fairly appreciable revenue.

5 Certain communes have themselves collected salt from Monopoly works at costs ranging up to 20 lire a kilo, and have sold it at 25 lire. The public accepted this price without complaint. The black market price is about 300 lire a kilo.

6 The proposed prices appear excessive but, in prevailing conditions, there is justification for substantial increases which would cover costs and give the State a small revenue. It is suggested therefore, that approval be given to the increased prices recommended by us in column (d) of the table in para 1 above.

These increases would add less than 100 lire monthly to the cost of living of a family of four, and would divert to the State a portion of the money now spent in the black market.

A.J. BAXTER, Major E.A.
Chief Revenue Officer.

4347