

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

ACC

10000/100/1016

76pp

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

10000/100/1016

CENTRAL ECONOMIC COMMITTEE,
FILE NO. 408
JAN. 1943 - JAN. 1944

Happ

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

FILMED AS FOUND
IN COLLECTION

4-9
3
(DRAFT CABLE)

TO:

FREEDOM FOR NEWS FROM FATIMA FROM JOYCE REPEATED PLAMBO FOR ROBERTSON

FILFOT FOR AMG

Under Administrative Memorandum No. 74, Allied Control Commission was created as the organ through which the policy of the United Nations toward the Italian Government was to be conducted and the relations of the United Nations with the Italian Government were to be handled. To formulate these policies a highly qualified staff has been assembled from British and American sources.

The Central Economic Committee has been recently created by Administrative Memorandum No. 92 with functions relating primarily to the supply situation but also covering the determination of wages and prices, and thus virtually the whole range of economic problems. Representatives of the Central Economic Committee have indicated the view that Administrative Memorandum No. 92 places on the Committee full responsibility in these fields throughout occupied and controlled Italy. On this conception of the Committee's responsibilities it would seem that policy making functions in economic matters have been largely transferred from ACC to CEC.

This seems to me to be a major change in the existing arrangements for dealing with Italian affairs which presents a number of questions going to the organization and future operation of ACC. In order that the necessary reorganization may be promptly accomplished I suggest that the present position of ACC should be reviewed and request a directive clarifying its responsibilities in the economic field.

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
APO 394

23 January 1944

SUBJECT: Price Fixing Orders

TO : R.C.A.C. Region II

1. The Central Economic Committee of the Advance Administrative Echelon of AFHQ fixed uniform prices for certain commodities and has requested that we make these prices effective in Region II.

2. Enclosed are proposed regional orders which have been prepared for this purpose. These relate to:

- (a) Olive Oil and its by-products;
- (b) Hemp of the 1942 and 1943 harvest;
- (c) Wheat;
- (d) Petroleum products.

These orders should be issued immediately.

3. You will note that the order relating to wheat is made retro-active to 1 January 1944, and provides for claims as to past sales to be filed with the Office of the Accertamenti Agricoli Communalì. A similar provision is contained in Ordinance No. 16 issued on 28 December 1943 by the Italian Government as to the four provinces under its control. If this organization is not functioning in all of the provinces in Region II, you should change the order to provide that claims be filed with some other appropriate Italian organization. It may also be necessary for you to issue instructions as to the handling of such claims and to provide through AMFA the funds necessary to pay them by an advance on behalf of the Italian Government to the bank through which the farmers are paid for their wheat. It has not been possible to verify here the proper method of handling such claims.

4. According to previous arrangements, it is understood that you will arrange for printing, publication and distribution in Region III.

5. Please forward to this Headquarters 10 copies of each of the orders as issued.

CHARLES M. SPOTFORD
Colonel, G.S.C.
D.C.C.A.O., AMG HQ

Encls.

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HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

22 January 1944

ACC/334

SUBJECT: Transfer of Functions of Central Economic Committee
TO : Commander-in-Chief, AFHQ

1. AFHQ Administrative Memorandum No. 92 establishing a Central Economic Committee (Italian) (Mainland) provides in paragraph 5 of Part I that at an appropriate date to be determined by your headquarters the functions of the Committee will pass to the Allied Control Commission.
2. At a meeting held January 20, 1944 attended by Major General Brian Robertson (Chairman), Brigadier General Hamblen (Deputy Chairman), Hon. Henry Grady, and Brigadier Lush, members representing ACC/AMG, and AMG, ACMEF, respectively, and myself, it was agreed that the functions of the Central Economic Committee might be transferred to the Allied Control Commission immediately.
3. It is recommended that the necessary orders supplemental to AFHQ Administrative Memorandum No. 92 be issued so transferring such functions and terminating the Committee.

NOEL MASON MacFARLANE
Lieutenant General
Chief Commissioner
Allied Control Commission

Copies to:

Chairman, C.E.C. (3)
Mr. Henry Grady
D.G.C.A.C., AMG, ACMEF (Brig. Lush)
D.G.C.A.C., Brig. AMG

1367
Allied Force
CENTRAL ECONOMIC COMMITTEE
AIH/sl
file

APO 400

19 January 1944

SUBJECT: Request for requisitions, July--December 1944.

TO : Deputy President, ACC
DCCAC, AMG, API.
DCCAC, HQ AMG ✓



1. Reference:

- a. Ltr. AFHQ MSG File AG 400-1 (AMGOT) MSG-ACW
29 December 1943.
- b. Ltr. AFHQ MSG File AG 400-1 (AMGOT) MSG-ACW
3 January 1944.
- c. AFHQ, Administrative Memorandum No. 92, dated
19 December 1943.

2. Requisitions for all supplies required in the six months period from July--December 1944 will be submitted to the Central Economic Committee no later than 15 February 1944.

3. Requisitions will be prepared in strict compliance with reference a. above. In stating requirements for flour/wheat, consideration will be given to the estimate of the 1944 harvest and to the extent to which this will make self-sustaining the area to which the requisition relates.

4. Each requisition will be accompanied by a justification setting forth the basis upon which it has been prepared. In the case of flour/wheat this will include a statement of the total estimated needs for the area less the estimated amount available from local production; the result will show the net amount required.

5. Estimates will be based on the scale laid down in reference b., above but this is not to be considered as authority for any change in the current ration scale.

REQUEST FOR REQUISITIONS; Cont'd.

6. The requisitions are to be forwarded through the Central Economic Committee in accordance with paragraph 4, reference g above. The original and five copies will be submitted. The fifth copy is for the Central Economic Committee.

For the Committee:

A. I. Henderson

A. I. HENDERSON,
Lt. Col, A.U.S.,
Chief Executive,
Central Economic Committee

RESTRICTED

PAGE 371

PAGE

18 JAN 44

RESTRICTED

10050 SPOTFORD

URGENT

FATHER (REAR)

CENTRAL ECONOMIC COMMITTEE REQUESTING REAR MEN AND FOUR
CIVILIANS TO ACQUIRE ALL SURPLUS STOCKS OF OLIVE OIL IN APOLIA TO STOCKS FIRST ACQUIRED
WILL BE CONTROLLED AND ALLOCATED BY CENTRAL ECONOMIC COMMITTEE TO SURPLUS STOCKS
WILL BE INTERFERED TO REAR BALANCES AVAILABLE AFTER PROVIDING FOR POPULATION
REQUIREMENTS ON BASIS OF RATION SCALES IN EFFECT TO REAR REAR FATHER FOR SPOTFORD
FATHER TO FATHER REAR FOR MURPHY TO CITY FATHER THEN REAR ONE TO PURCHASE AND
TRANSPORTATION AND STORAGE OF OLIVE OIL WILL BE EFFECTED BY PURCHASING PERSONNEL OF
ACC BLANT AND ACTING UNDER THE AUTHORITY OF CENTRAL ECONOMIC COMMITTEE TO YOU ARE
REQUESTED TO AFFORD THEM EVERY ASSISTANCE

J.F. HIGGINS,
Lt. Col., AGO,
Adjutant General.

RESTRICTED

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CENTRAL ECONOMIC COMMITTEE
APO 400

ISP/rpd

17 January 1944

SUBJECT: Monthly Report of CEC.

TO : Chief, HQ. AMG
(Attn: Major Van Dusen)

Attached is monthly report of the Central Economic Committee for December. It is to be included in the Allied Control Commission's report as requested in signal from Commander in Chief of 2 January 1944.

For the Committee:

A. I. Henderson

A. I. HENDERSON,
Lt. Col., A. U. S.,
Chief Executive,
Central Economic Committee.

25 Copies
m D

WHL/ATH/901

1
Allied Forces
CENTRAL ECONOMIC COMMITTEE
A.F.C. 403

16 January 1944

(info) Lord Stafford

SUBJECT: Olive oil.

TO : Deputy President, ACC
DACA, AMB 15th Army Group
DACA, AMB

1. After consultation with ACC/AMB arrangements are in process to acquire all surplus stocks of olive oil in Levant and Region II. Stocks thus acquired will be controlled and allocated by CEC in accordance with AFHQ Memorandum 40-100-1 (AFHQ 100-100-1 January 1944).

2. Surplus stocks will be distributed to main business available after providing for population requirements on the basis of ration scales in effect from time to time.

3. Purchase, transportation and storage of olive oil will be effected by purchasing personnel of ACC/AMB acting under the authority of CEC.

For the Committee

C. J. Hendon

W. I. HENDERSON,
Lt. Col., U.S.A.,
Chief Executive,
Central Economic Committee.

Information copied to:

The Honorable Henry Grady,
Technical Director, ACC/AMB
HQ Region II
HQ Region III
HQ Region IV
HQ AFHQ

*Report is prepared by
Capt. John Lee Don
18/1/44*

1. After consultation with ACC/MS arrangements are in process to acquire all surplus stocks of olive oil in Region II. Stocks thus acquired will be controlled and disposed of in accordance with JFM (Munro) and JFM (Munro) and JFM (Munro) 1944.

2. Surplus stocks will be transferred to main balances available after providing for population requirements on the basis of ration scales in effect from time to time.

3. Further, transportation and storage of olive oil will be effected by purchasing personnel of ACC/MS acting under the authority of CSC.

For the Committee:

E. J. Henden

A. I. HENDEN,
Lt. Col., A.I.S.,
Chief Executive,
Central Economic Committee.

Information/Communication

The Honorable Henry Gedy
Executive Director, ACC/MS
HQ Region II
HQ Region III
HQ Region IV
MS AFSC

*Approved by
Lt. Col. Henden
18/1/44*

W. J. J. J.

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
APO #12

AGT/AGY/138.

WFO/WD
16 January 1944

SUBJECT: Establishment of a Central Medical Supply Depot
TO : Central Economic Committee

1. Attention is invited to letter of your office dated 15 January 1944 and enclosing minute number 6 of the minutes of the Central Economic Committee held 12 January 1944.

2. In accordance with instructions contained in paragraphs 1 and 2 of your letter, this office has issued the instructions referred to and in accordance with paragraph 5 of your letter enclosed two copies for your use.

CHARLES M. STOFFER
Colonel, M.C.
S.C.C.A., AGO, WFO

3394

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
APO 512

AMG/440.

15 January 1944

SUBJECT: Central Medical Supply Depot and
Regional Medical Supply Depots

TO : Public Health Subcommission

1. Pursuant to directive from the Central Economic Committee, the Public Health Subcommission is authorized and directed to staff and operate a Central Medical Supply Depot and such Regional Medical Supply Depots as may be needed from time to time for the warehousing, accounting for and distribution of medical supplies for the civilian population in Italy.

2. Accordingly, the Public Health Subcommission will have the responsibility for the following functions:

a. The establishment and maintenance of a system to handle the receipt and proper warehousing of all medical supplies, including all items listed in the list of "Medical Supplies for Occupied Areas" and such other medical items as may be received in Italy for ultimate or immediate civilian use.

b. The accounting for all such supplies until delivered to Regional Depots and the supervision and control of the payment for the same.

c. Supervision, through such Regional or Provincial or other warehouses or control points as may from time to time be deemed by it as necessary of such medical supplies to the first Italian civilian users for whom they are intended.

d. The preparation and maintenance of proper records and inventories of all such medical supplies on hand and awaiting distribution.

e. The maintenance of an appropriate control system in the various Regional warehouses and the Central warehouse.

f. Transportation of such medical supplies from the time they reach the Central Depot to the Regional Depots established.

g. Submission to the Central Economic Committee of proper requisitions for CAD Medical items for the several AMG/ACC areas in Italy.

h. Submission to the Central Economic Committee of recommendations for the allocations of medical supplies as between the various Regions or other areas in occupied Italy.

i. The Central Economic Committee will maintain responsibility for the allocation of medical supplies in occupied Italy.

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2. Accordingly, the Public Health Subcommittee will have the responsibility for the following functions:

- a. The establishment and maintenance of a system to handle the receipt and proper warehousing of all medical supplies, including all items listed in the list of "Medical Supplies for Occupied Areas" and such other medical items as may be received in Italy for ultimate or immediate civilian use.
- b. The accounting for all such supplies until delivered to Regional Depots and the supervision and control of the payment for the same.
- c. Supervision, through such Regional or Provincial or other warehouses or control points as may from time to time be deemed by it as necessary of such medical supplies to the first Italian civilian users for whom they are intended.
- d. The preparation and maintenance of proper records and inventories of all such medical supplies on hand and awaiting distribution.
- e. The maintenance of an appropriate control system in the various Regional warehouses and the Central warehouse.
- f. Transportation of such medical supplies from the time they reach the Central Depot to the Regional Depots established.
- g. Submission to the Central Economic Committee of proper requisitions for CAD Medical items for the several AMG/ACC areas in Italy.
- h. Submission to the Central Economic Committee of recommendations for the allocations of medical supplies as between the various Regions or other areas in occupied Italy.

3. The Central Economic Committee will maintain responsibility for the final allocations of medical supplies in occupied Italy.

4. Responsibility for the safeguarding, distribution, and payment of medical supplies within established AMG/ACC Regions, will be in accordance with directives to be promulgated by the Public Health Subcommittee and the Finance Subcommittee.

5. Prices of medical items will be established by the Central Economic Committee.

DISTRIBUTION:
"C"

Plus: Heads All Subcommittees
Central Economic Committee - 5
Regions I and II - 5 each
AMG 15th Army Group - 5
AG Files - 2

Charles H. Spofford
CHARLES H. SPOFFORD
Colonel, G.S.C.
D.C.C.a.O., AMG HQ

ALLIED FORCE
CENTRAL ECONOMIC COMMITTEE
APO 400

RJM/fpd

16 January 1944

CEC 105

SUBJECT: Assignment of Vehicle and Driver for Road Trip.

TO : Chief, HQ. AMG, APO 394.

1. Provision of a command and reconnaissance car and driver for a period of approximately one week beginning Tuesday, 18 January 1944, is requested. The driver should be provided with rations for seven days also.
2. The vehicle and driver are needed for a trip by five officers and civilians throughout Apulia and Region II to acquire all surplus stocks of olive oil in that area. This trip is being undertaken by agreement with your headquarters.
3. The driver should report to Major Duncan at Region III Headquarters at 0900 on Tuesday, 18 January 1944, prepared for the trip.
4. Confirmation by 1200 hours on 17 January 1944 that the vehicle will be provided is requested.

For the Committee:

A. I. Henderson

A. I. HENDERSON,
Lt. Col., A.U.S.,
Chief Executive,
Central Economic Committee.

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458
ALLIED PRICE
CENTRAL ECONOMIC COMMITTEE
APO APO

15 January 1944

SUBJECT: Establishment of a Central Medical Supply Depot.

TO : Deputy President, ACC
DCCAG, AND
DCCAG, AND 15th Army Group

1. Minute # 6 of the minutes of the Central Economic Committee meeting held 12 January 1944 reads in part as follows:

"6.

b. It was agreed:

1. A Central Medical Supply Depot will be established. Operation of the depot will be under the Public Health Sub-Commission while control of the depot and allocation of medical supplies will be under the Central Economic Committee."

2. DCCAG, AND will issue the necessary orders to establish the depot and to transfer all medical supplies under the control of Region II to the control of the Central Medical Depot.

3. DCCAG, AND 15th Army Group will issue the necessary orders to transfer all medical supplies under control of Regions III, and IV and under AND Eighth Army and AND Fifth Army to the control of the Central Medical Depot.

4. Deputy President, ACC will direct the Italian Government to transfer all imported medical supplies under its control to the control of the Central Medical Depot.

5. It is requested that a copy of these orders be supplied to the Committee for its information.

For the Committee:

A. I. HARRISON,
Lt. Col., A.S.C.,
Chief Executive,
Central Economic Committee.

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PA CEC
PENINSULAR BASE SECTION
SIGNAL MESSAGE CENTER
WY

CONFIDENTIAL

900.

0.075 1000
13 JANUARY. 1944

CONFIDENTIAL
PRIORITY

FLAMBO (FOR HENDERSON) CG PBS (FOR FARGO FOR GUETESBOCK AND SPOFFORD)

NONE

SIGNED CINC

121911A

130445A

27727

FKMGS



FOLLOWING IS PARAPHRASED CABLE CAL 144 FROM AGWAR: CLOTHING DATE NEEDED ON POSSIBILITY OF MENDING AND DYEING IN ITALY OF ARMY UNIFORMS THAT CANNOT BE REPAIRED FOR ARMY PURPOSES YET UNABLE FOR CIVILIANS. WE CAN SUPPLY COMMERCIAL DYES. SINGER SEWING MACHINE CO ADVISED ADEQUATE FACILITIES IN NAPLES. END PARAPHRASE.

ADVISE IMMEDIATELY LOCATION AND CAPACITY OF ALL FACTORIES EQUIPPED WITH SEWING MACHINES, DYEING EQUIPMENT AND OTHER FACILITIES. CONSULT EVENS AND ADVISE ALSO QUANTITY OF NEEDLES, THREAD, DYES REQUIRED PER 100,000 GARMENTS PER MONTH.

INCLUDE ANY OTHER PERTINENT DATA IN REPLY. ANSWER QUICKEST.

My - [unclear] (21)
[Signature]
9180.

CONFIDENTIAL

5399

SECRET

FROM PLANS FROM CENTRAL ECONOMIC COMMITTEE

13 JANUARY 1944

TO: TAIKMA FOR KIRKWOOD, FILPOT FOR AMG

IMPORTANT

INFO: DISTNO
FREEDOM FOR WMS
By hand Fargo

SECRET



C&C 9243 SECRET X Detailed breakdown of supplies arriving on HR 789 and H R 754 and John Steel as contained in Freedom Message FIMGS 27118 dated 11 January is solely for the purpose of indicating the flow of supplies which can be expected in the area to which Italian refugees will be admitted and is not intended as an allocation of those or future supplies X Paren Signed Henderson Paren X Such allocations will be made by Central Economic Committee X

Signed: B.H. SHANLEY, 1ST LT

Handwritten:
Dmg: Econ Div
Wf: Adm Div

SECRET

5389

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
APO 512
Public Health Sub-Commission

13 January 1944

MEMORANDUM }

TO : - Major Van Dusen

1. In view of the approval of a Central Medical AMG Warehouse to be operated by the Public Health Sub-Commission under policies of distribution laid down by the Central Economic Committee the request for adequate personnel, transport and equipment is submitted as being an Advance Platoon, Medical Depot Company (USA) with its complete personnel, equipment and transport. With the arrival of this personnel this Sub-Commission will have the handling of welfare clothing as to warehousing and accounting handled by this group of trained officers and men.

2. A requirement still exists for one trained medical supply officer in each Region established in Italian territory and in addition a minimum of three OR/EM of non-commissioned grade as assistants. On this basis ten trained medical supply officers of the grade of Captain or Lieut. is requested and thirty OR/EM. These officers and men will work in the several Regions as a part of the T/O of the Regions receiving instructions and supervision from this Sub-Commission only.

3. It is known that these officers and men are available in the NATOUSA area and could be supplied quickly on request. It is suggested that the undersigned be authorized to take this request for personnel to AFHQ by air for conference with Surgeons Office NATOUSA.

For Brigadier G. S. PARKINSON

M. E. Griffin
M. E. GRIFFIN
Colonel, M.C.
Chief, Medical Supply Sub-Section.

FH/MEO/ja

Major Van Dusen

1. This is the request for personnel to be

2. This request has been submitted to the Surgeons Office for

action

C/S

5388

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
APO 512

1834
Full
LVD/AMD/mrd
12 January 1944

Ref/AMG/408.

SUBJECT: Personnel Required for Duty with
Central Economic Committee

TO : Lt. Col. A. I. Henderson, C.E.C.

1. Reference is made to your letter of 9 January 1944, Ref. CEC 301.
2. This office will make available at once 1st Lt. Richard L. Criley, and Pvt. Alvaro B. Pirani, 31359456.
3. However, it is regretted that at this time the Agriculture Subcommittee can not spare Captain James M. Merritt, Cav., O-268972 and that the Public Works Subcommittee can not spare Lt. William Gentry. Both of these are at present engaged in important work which would be seriously handicapped by their absence.



Charles M. Spofford
CHARLES M. SPOFFORD
Colonel, G.S.C.
D.C.C.A.O., AMG, HQ.

1st Ind. ALH/rjs
CENTRAL ECONOMIC COMMITTEE, APO 400, U. S. ARMY, 15 January 1944.

TO: Headquarters A.M.G., APO 512, U. S. Army.

1. Reconsideration of action proposed in paragraph 3 basic letter is requested.
2. It is essential that the CEC Staff shall be organized so that it may begin functioning with the least practicable delay. While the two officers in question are not known personally to the undersigned, it is reported that the duties on which they are now engaged do not take advantage of their particular expertness. It is agreed that in general the policy of requesting individuals by name is not desirable. In view of the shortness of the time available for organizing the CEC Staff exceptions to the desired policy appear necessary. If any of the personnel desired are occupying key jobs in AMG there will be full consultation with you prior to making formal demands for their assignment. When individuals are asked for by qualification it is expected that the officers and men produced will be qualified for the duties for which requested. If the contrary should happen they will be returned with adverse reports and AFHQ informed.

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3. It must be presumed that the CEC was organized because of the failure of existing bodies satisfactorily to perform the functions which are turned over to CEC. The tasks which face CEC are onerous and important and must be performed without fail. It must further be presumed that this situation was realized when under the provisions of paragraph 2, Administrative Memorandum No. 22, AFHQ, 19 November 1943, it was directed that the three headquarters concerned would turn over to CEC the necessary staff. The tasks to be performed are of mutual interest to all three headquarters. As long as CEC keeps its demands for personnel to the minimum and proportions them equitably it is hoped and expected that every effort will be made promptly to meet these demands.



A. L. HAMBLET
Brigadier General, U.S.A.
Deputy Chairman

P.A. C.E.C. 408
SUBJECT: Personnel

TO : Col. Spofford

1. Captain Merritt: Now employed on work in C.E.C., e.g., preparing complete production estimates to be ready for C.E.C. on 15 February. Is an expert on insecticides and fungicides and Major Hartman's only statistician. Also 1st class office organizer. Merritt considered indispensable but if ordered to go, suggest not until end of February, i.e., a few weeks after 15 February, because discussions will still be going on. Merritt will be required by Hartman and Dickie for C.E.C. matters.

✓ 2. Major Humphries: Available

3. Major Watts: Palermo agriculture. Specialist in Entomology - collecting butterflies etc. and quite without knowledge of warehousing.

4. Lt. Gentry: Will be in Salerno another month or so.

✓ 5. Lt. Juditz: Available. Latter has been interviewed by Capt. Austin under whom he will work at C.E.C., and is approved.

6. Lt. Shadwick: Now working as Assistant to Lt. Zimmerman on Transport.

7. Have asked G-1 for 2 Junior Officers for Transport and one for Food.

ROME PLANNING

Capt. Uttley: AMG 15 Army Group cabled direct to Region II asking for him. Region II replied to us refusing. We (G-1) then cabled 15 Army Group saying impossible. He (Uttley) in Region II Intelligence Officer at Headquarters.

Capt. George Hewitt: Lt. Col. Harris says he can only be released for property planning - but Col. Gerry tells me he is wanted for supply. Harris has the following away:

(1)	Capt. Siroka	-	Salerno Hq. Commandant
(2)	Major Evans	-	Naples Hq. Commandant
(3)	Major Sanson	-	
(4)	Capt. Wellington	-	3-4
(5)	Major King	-	Brindisi, Displaced Persons

Harris is left with:

(1)	Himself
(2)	Col. Glenn (Not yet arrived)
(3)	Capt. Cavanagh
(4)	Capt. Hewitt

He wants all this staff in view of turnover of Region III - understood to be very imminent.

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ET 1911

ALLIED FORCE HEADQUARTERS
ADVANCE ADMINISTRATIVE ECHELON
CENTRAL ECONOMIC COMMITTEE
AFO 400

RJM/hgd

9 January 1944

CEC 301

SUBJECT: Personnel Required for Duty with
Central Economic Committee

TO : Chief, AMG HQ.

1. In accordance with the provisions of paragraph 2, section I of AFHQ Admin. Memo. No. 92, dated 19 December 1943, it is requested that the following officers and enlisted men be made available for temporary duty with this committee.

Capt. James M. Merritt, Cav., O-268972 (A)
1st Lt. Richard L. Cripe, (A)
Pvt. Alvaro B. Pirani, 31359457 (A)

2. These officers and enlisted men are needed urgently. It would be appreciated if they could be made available within the next two or three days.

For the Committee:

A. I. Henderson
A. I. HENDERSON,
1st. Col. A. U. S.,
Chief Executive

685

SECOND MEETING
OF
CENTRAL ECONOMIC COMMITTEE
To be held in the Conference Room at AFHQ
Advanced Administrative School, at 1000 hrs.
12 January 1944

HEADQUARTERS
10 JAN 1944
AMG.

1. Report from the Chief Executive.
2. Report on the general food supply situation.
3. Consideration of the action taken by the Italian Government in fixing olive oil prices.
4. Consideration of the proposal to establish a central medical supply depot in Naples under the direction of the Central Economic Committee.
5. Consideration of a general report on the hemp situation including estimated fertilizer requirements.
6. Consideration of a retroactive price increase for the 1943 wheat crop.
7. Consideration of the proposed increase in petroleum prices.
8. Consideration of coal prices.
9. Consideration of the proposed 100% increase in passenger tariffs on the Italian State Railways.
10. Any other matters.

L. S. Plummer

L. S. PLUMMER,
Capt., A.U.S.,
Secretary
Central Economic Committee

DISTRIBUTION:

- 1.--DOAG
- 2.--D/CAO
- 3.--DOAG (M)
- 4.--Asst. Deputy President, AEC
- 5.--AMG HQ (Attn: Col. G. W. Spofford) ✓
- 6.--AMG 15th Army Group (Attn: Brig. W. B. Lush)
- 7.--Asst. Executive, SEC.

3383

pa

03245
(051)

Allied Force
CENTRAL ECONOMIC COMMITTEE
APO 400

11 January 1944

SUBJECT: Central Economic Committee.

TO: Chief, Headquarters AMG.

1. Reference your letter of 9 January 1944, AMG/408, subject as above.
2. The Central Economic Committee is now addressing correspondence to the Sub-Commissions in the following form:

Chief, Headquarters AMG
Attention: _____ Sub-Commission.

3. Instructions have been given that the original and two copies of each communication will be furnished. This will provide the one extra copy required by Army Regulations and one additional copy.

4. It is not considered feasible for the Committee to furnish more than two copies.

For the Committee:

A. I. Henderson
A. I. HENDERSON,
Lt. Col., A. U. S.,
Chief Executive,
Central Economic Committee.

Copies: ① to Mr. Gaddy
② to Comd. Dir. & Admin. Dir.
for circulation sub-Com.

0382

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
AMG 512

9 January 1945

Ref/AMG/25.

SUBJECT: Central Economic Committee

TO: Chairman, C.E.C. (Attention: Mr. Col. Henderson
Chief Executive Officer)

1. It is requested that, now that the heads of the Economic and Administrative Section (Lord Stansgate and Mr. Grady) have taken office and entered into the chain of command in AMG 512, copies of documents for action or information sent to this Headquarters should be in sufficient quantity to assure distribution to the officers named.

2. It is also requested that in those cases where questions on technical matters are submitted direct to Subcommittees in the Economic and Administrative Section, copies of the papers may be sent to the Vice President of the Section for information.

3. Lord Stansgate and Mr. Grady are located in the offices of Headquarters, AMG 512, Trivindia Building, Naples. Rooms and telephone numbers are as follows:

Lord Stansgate -- Room 15 (2nd Floor)
Phone -- Vapour 6

Mr. Grady -- Room 23 (3rd Floor)
Phone -- Vapour 11

(Number of Vapour exchange is 10/50)

4. Any changes in location, etc. notified in paragraph 3 above, will be communicated to you.

for *to* *John D. White* *Major Gen.*
Charles H. Gifford
Colonel, C.E.C.
D/S of 3 (C. & S.I.)

Copy to:

Chief of Staff
Vice President, Economic &
Administrative Sec.
D.S.
Heads of Subcommittees (by circulation)

5381

CENTRAL ECONOMIC COMMITTEE
APO 400

9 January 1944

SUBJECT: Agenda for Second Meeting of Central Economic Committee.

TO : Members of Central Economic Committee:

1. Agenda previously distributed is amended by inclusion of the following item for consideration by the Committee:

#10--Status of plans for distribution of imported food items.
(Previous item 10 on Agenda becomes item 11)

2. Supporting data for items 3, 4, 5, 6, and 8 is attached.

L. S. Plummer x
L. S. PLUMMER,
Capt. A. U. S.,
Secretary,
Central Economic Committee.

DISTRIBUTION:

- 1.--DCAO
- 2.--H/CAO
- 3.--DCMS (H)
- 4.--Asst. Deputy President, AEC (Provincias)
- 5.--AGS HQ (Attn: Col. G. W. Spafford)
- 6.--AGS 15th Army Group (Attn: Brig. W. B. Bush)

Item / 3--Consideration of the action taken by the Italian Government in fixing olive oil prices.

Prices now being paid producers of olive oil range as follows:

Apulia-----	2500 Lire per quintal
Salerno province--	2400 Lire per quintal
8th Army AMG-----	1900 Lire " "
Region IV (Foggia)	1900 Lire " "
Region III-----	1900 Lire " "
Region II-----	1850 Lire " "

This diversity developed as follows:

At a meeting held in Naples on 23 November 1943 attended by representatives of all regions, 15th Army Group, and Apulia it was decided that the maximum price to producers should be 1900 Lire per quintal. Apulia price was then 1720 Lire and the Italian Government was not prepared at that time to revise its price upward.

Around December 15 Italian officials in Salerno, without notice to AMG, raised price to 2400 Lire. At a later but as yet unascertained date the Italian Government in Apulia raised its price to 2500 Lire.

Since then 8th Army AMG has asked permission to raise its price to 2400 Lire since producers in that area refuse to sell at 1900 Lire while farmers in Apulia are getting 2500 Lire. Region IV (Foggia) has also asked permission to raise to 2500 Lire.

On 1 January 1944 message was sent to AMG by Brig. Gen. Hamblen stating that reports had been received that the Italian government was considering a change in olive oil and grain prices, and requesting that the Italian government be advised that no change in price be made without obtaining prior approval from AMG.

On January 3 message was received from Major General Joyce stating that the Italian government had been notified as requested.

On January 6 message was sent to AMG by Brig. General Hamblen stating that it was understood here that Italian government had increased price to 2500 Lire and requesting an explanation. No answer has thus far been received.

Item #4 -- Consideration of the proposal to establish a central medical supply depot in Naples and creation of a medical supply section in the Central Economic Committee staff.

Two letters bearing on this subject are appended: (1) a letter to the Chairman of the CEC from Brig. Lash dated 24 December 1943, and (2) a letter to the Chief of Staff, Hq. JAG from Brig. G. B. Parkinson dated 4 January 1944.

COPY

SUBJECT: Medical Supply Section - Central Economic Committee

HQ AMG
15 ARMY GROUP
CMB

AMG/157/42
24 Dec 43

Chairmen.
Central Economic Committee,
AFHQ ADV ADV ECH.

1. The position of the supply of medical equipment and drugs, dressings, biologicals, sanitary supplies, etc., has not in the past been completely satisfactory.
2. The need for medical supplies arises immediately a town or district is liberated and these requirements must be met if ordinary humane consideration is to be given to the plight of wounded and sick civilians.
3. The Army medical services, in view of their primary commitments, cannot be expected to help much other than in the most serious emergencies. Stockpiles of essential drugs, dressings from AMG resources have therefore to be maintained in forward positions to be ready to meet these emergencies.
4. Following a discussion between the Director of Public Health, 15 Army Group, Colonel Griffin, of AMG/ACC, US Military Authorities in Naples and others, it was decided to recommend that all demands for medical requirements should be prepared centrally, preferably at Naples. Such estimation of requirements, prepared as they are practically wholly on a population basis, present no difficulties and should form part of the normal planning.
5. It is further recommended that the medical stores depot at Naples should become the central depot for the whole of the mainland of Italy and that stockpiles for regional needs be forwarded there for distribution as required on the liberation of a part or the whole of a region.
6. The establishment of such a central depot as this will involve the creation of an adequate office and clerical establishment with the requisite amount of transport for the staff and for transporting equipment to make the depot practically an independent unit.
7. The logical office for the co-ordination of all demands for medical requirements, submission of these demands to AFHQ, control of all imported and local civil medical supplies and issue of all medical supplies for civil use, is a Medical Supply Section of the Central Economic Committee. It is recommended that Colonel Griffin of AMG/ACC be appointed Director of Civil Medical Supplies for mainland Italy to be chief of this section.
8. I approve of turning over the AMG Region 3 medical stores depot at Naples to the control of Colonel Griffin for the establishment of a Central Civil Medical Stores Depot for mainland Italy.

(Continued Medical Supply Section)

9. It is understood that the DIME, AFHQ, and Netouss are in agreement in principle with these recommendations, which are now submitted for consideration.

(Signed) M. B. Lush

Brigadier,
DOCAO

CO/ALB/Fad.

5376

QUEY

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
AFC 394
Public Health Sub-Commission

4 January 1944

AMG/3006/34

SUBJECT: Medical Supply Personnel

THRU : The Administrative Directorate

TO : The Chief of Staff, Hq. AMG

1. Under date of 27 November 1943 request was submitted for Medical Supply personnel by letter to the Chief of Staff, Hq., AMG.. "Subject: Request for Medical Supply Personnel." Copies of this correspondence are attached. To date this office has no official knowledge of the status of this request.

2. As a result of a conference between the DPH, 15 Army Group and the Medical Supply Office, this Sub-Commission a letter has been written to the Central Economic Committee by the DCCAG, Hq., AMG, 15 Army Group requesting that the Medical Supply Officer this Sub-Commission be responsible for all Medical Supplies for 15 Army Group AMG. in addition to ACC/AMG. This same letter also recommended the establishment in Naples of a Central Medical Depot for AMG supplies since at the present time, and for some time in the future, Medical Supplies for Regions II, III and IV will arrive at Naples.

3. Inspection trip through part of Region II shows a complete absence of proper accounting records with a resultant failure to obtain proper payment for Medical Supplies. In Region III the Region Warehouse was operated by the SAHBO, Naples City, who could not devote sufficient time to have an inventory taken or to establish a proper accounting and warehousing system. Lt. Light (AM) of this Sub-Commission was loaned to Region III on the verbal request of DPH, 15 Army Group AMG and RUSH Region III to put this warehouse in some semblance of order and accomplish an inventory in order that supplies held which belong to Regions II and IV might be released to the proper authorities. Trained personnel for Region II and IV are not now available.

4. To date the Finance Sub-Commission is unable to furnish this Sub-Commission with an approved formula for a price list. It is understood as a result of a conference that such an approved formula will be available after the Algiers conference.

5. The Finance Sub-Commission, Accounting Division, has approved the system of obtaining payment for AMG Medical Supplies and recognizes the absolute necessity for the Medical Supply personnel requested in the previous letter referred to in paragraph 1.

(continued)

6. As a result of an informal conversation with representatives of the Medical Section Matouse, it is known that trained personnel is available in this theater due to changes in T/O of Medical Supply Depots.

7. If and when the authorization to establish a Central Medical Depot ASD for Italy is received there will be a further requirement for a Medical Depot Company (USA) less part of the enlisted personnel, but including all equipment and transport.

8. It is again requested that favorable consideration be given the request for personnel and that this request be forwarded to AFHQ. If this request is not given favorable consideration this Sub-Commission and the Finance Sub-Commission can assume no responsibility for payment for Allied Medical Supplies turned over to the Italian Government, and this Sub-Commission can assume no responsibility for the proper distribution of these supplies to the Regions and Provinces. Col. Crutchaw of the Finance Sub-Commission concurs in this decision, and has agreed to assist in obtaining an accounting officer for use in this Sub-Commission.

G. E. PARKINSON, Brig.
Director, Public Health
Sub-Commission.

Item #5 -- Consideration of a general report on the hemp situation including seed and fertilizer requirements.

Following is a summary of an extensive report on the hemp situation prepared by Lt. Col. G. W. Herrmann, including his recommendations in Paragraph 6 with regard to the 1942 and 1943 crops; in Paragraph 7, seed for the 1944 crop; and in Paragraph 8, fertilizer requirements for the 1944 crop.

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
Economic Directorate
APO 512

CMR/r1

5 January 1944

SUBJECT: Summary - Hemp Report

TO : Agriculture Sub-Committee

1. There are now 470 short tons 1942 hemp fibre available in Anagnino warehouses for manufacture or export. In addition there are 297 tons of 1942 hemp fibre and 220 tons of Stoppe Pettini (waste too low for military use) in the warehouses of manufacturers. The status of stocks in manufacturers warehouses is uncertain because mob violence has prevented an accurate census.

2. The 1943 crop in Naples area is estimated at 18,700 tons. However 30% not retted last fall will not come into commercial channels until after July 1944. Thus available fibre prior to July 1944 will not exceed 13,000 tons for all uses. No amassing of hemp fibre to date because growers say price too low and because of bad treatment in past by Anagnino. Status of available stocks of 1943 crop therefore uncertain.

Of 13,000 tons of 1943 hemp fibre to come to market prior to July 1944 roughly 44% or 5,760 tons will fall in the Scolorato Anagnino class above; another 43% or 5,630 tons will be classified as in the grades of Extra Scolorato Forestiero to Spargo Chiaro Forestiero inclusive. The remainder will be 705 tons of Sotto Fredotti (sub products) and 915 tons of Stoppe (waste).

3. Cannot quote prices because present demoralized condition of market. Black Market prices 60 to 100% above AMG legal prices.

4. Military needs not stated but assume military can take entire crop above fishing and essential civilian needs. In past 50% hemp crop exported, 25% used for military and 25% for essential civilian use. Fishing needs begin I and II 750 tons of high grade hemp. Hemp for tuna nets should be released and shipped at once. Further information required on military and essential civilian needs.

5. Sufficient rope making facilities available to absorb most of 1943 crop. Power needed. Rope now being made by hand process for British Navy and for Air Corps. Some socks being made for British Army. Prices paid for these products out of line with legal price of hemp.

(continued - Hemp Report)

6. Recommendations with regard to the 1942 and 1943 crops:

(a) Raise average assessed price from 1500 Lira per quintal to 2250 Lira per quintal of raw hemp.

(b) Order the assessing of the 1942 and 1943 hemp crops and be prepared to enforce the order by the use of troops if necessary.

(c) That Mr. Backhouse be made Hemp Controller. In that capacity be requested to review existing hemp manufacturing contracts and be directed to make recommendations to the Central Economic Committee with respect to future manufacturers margins and prices. It is further suggested that Mr. Backhouse be given authority to allocate such existing stocks of hemp to manufacturers to fill military contracts and other authorized needs as are submitted to his office.

7. Plans for 1944 crop must be determined at once. Need 2000 quintals seed of Fatma or Uniaak variety to be imported from Turkey by Feb. 25. Italian importer in past has been Bottaro Gnefric firm of Naples. Turkish exporter Siya Yucel, Istanbul, Turkey. Bahce Kapu Salamat Han. 12. Cable address: Sitki-Istanbul.

8. Normal requirements conservatively 5,000 tons superphosphate, 2,000 tons ammonium sulphate and 1,000 tons ammonium nitrate to prevent drop of 7,000 tons production on same acreage as last year. Urgency of need should determine whether available fertilizer should be used on hemp or on food crops. Quality of crop will also suffer if no fertilizer received.

O. E. HERGMANN
Lt. Col., AUS
Economic Directorate

Item #6-- Consideration of a retroactive price increase for the 1943 wheat crop
(Regions III and IV)

Prices being paid for wheat are as follows:

Region I	500 Lire per quintal
Region II	300 Lire per quintal
	(There have been complaints that Region II price are under Reg. I)
Region III	official price 300 Lire but verbal promise has been made that more will be paid retroactively.
Region IV	Same as Region III

The verbal promises of Regions III and IV to pay more than 300 Lire (no figure was given the farmers as to the amount of the promised increase) were necessitated in order to get the wheat in.

It appears that there is at least a moral obligation to pay the promised increase. Furthermore, reversion now to the 300 Lire price after promising to pay more would probably have a very detrimental effect so far as getting in the 1944 crop.

Lt. Col. Merrill estimates that the share of the 1943 crop involved in Regions III and IV amounts to around 50,000 tons or 100,000 quintals. On this basis the total price to be paid would be between 275,000,000 and 300,000,000 Lire (based on an increase of 250 to 300 Lire).

RRR

Item #8: Consideration of coal prices.

There are two principal problems: 1. Determination of prices at which coal in stockpiles owned by private companies in the Naples area shall be sold to the army for use in plants producing materials for military use, to AND/ACC for use by hospitals, bakeries, and other essential civilian users and to private Italian companies.

2. Prices at which imported coal shall be sold to essential civilian users such as hospitals, bakeries, and gas plants

1. PRICES OF COAL IN THE POSSESSION OF PRIVATE OWNERS IN THE NAPLES AREA

There are at present some 23,000 tons of coal (part good German coal and part Sardinian coal) owned by approximately 12 private firms in the Naples area. This coal is subject to allocation by the Coal Section. At present 2,000 tons have been allocated to AND for use in hospitals, bakeries, etc., 500 tons from the five plant at Torre Annunziata for the gas works at Castellammare, and 400 tons a month for the next three months to the Director of Works, AFMA, Adv. Adm. Sub.

It appears that the German portion of this coal was purchased by the present owners at prices of 300 to 400 lire per ton. These prices reflected (a) an exchange value for the lire well above the present level of 100 to the dollar and 400 to the pound, and (b) an unknown but substantial subsidy by the Italian government through the coal monopoly operated by the Italian State Railroad system.

It was decided as a matter of policy at the Algiers price conference that all imported products should be charged to the Italian government at landed cost. Exceptions are to be made in cases of basic products which have a material effect on costs of living. It was considered that coal is such a product and should be subsidized by the Italian government so that it might be sold at a lower price to consumers. No prices were set at Algiers but the general discussion favored 1200 for high grade imported coal.

The following possible solutions to the problem of pricing privately owned coal are suggested:

a. The private owners sell their German coal at the current CIF cost of imported coal or 2500 to 3000 lire per ton. This would result in windfall profits for the present owners.

b. The present owners sell at the lire price they paid of 300 to 400 lire per ton. Because of the devaluation of the lire and the general rise of prices this would impose a severe penalty on the owners.

c. Assuming an arbitrary pre-war value for the lira of 4 cents, multiply the price paid (300 lire) by this figure to arrive at an equivalent price in terms of the present lire of 1200 lire. This is the price proposed by ACC/ACC for coal not being imported.

d. A combination of solutions a and c with the private owners selling to the Italian government, the Director of Works, or ANS at a price determined as in (c) above and these buyers selling to non-subsidized users at the price of imported coal of equivalent grade (2500 to 3000 Lire per ton) or to subsidized users at the price of 1200 lire per ton.

e. Sale of Sardinian coal from stockpiles at the prices proposed by ACC/ACC for new imports of such coal--namely, 550 and 650 Lire per Metric ton, CIF mainland ports.

For any given stockpile of coal, the Coal Section should make a determination as to whether it is German or Sardinian coal and the grade thereof. This being done, the formula decided upon to determine the price could then be applied without further reference to the Central Economic Committee.

2. PRICES OF IMPORTED AND SARDINIAN COAL NOW BEING DRAFTED.

The Economic Directorate of ACC/ACC has recommended that imported coal be sold on behalf of the Italian Government at a price of 1200 Lire per Metric Ton CIF Italian ports. Landed cost of such coal is 2500 to 3000 Lire. Therefore, the subsidy borne by the Italian government on coal for essential civilian needs (principally civilian hospitals and bakeries) would be 1300 to 1800 Lire. Sardinian coal would be sold on the mainland at prices of 550 to 650 Lire CIF Italian ports, depending on the grade.

Importations of coal have been scheduled by the Coal Section as follows:

January, 64,625 tons; February, 77,350 tons; March, 85,600 tons; and April 77,950 tons. The following breakdown of January imports indicated the proportion subject to the subsidy: Military needs (including military trains, hospitals, and industrial plants manufacturing goods for the army) will account for all but 10,000 to 12,000 tons of the 64,625 tons to be imported in January. Civilian needs (10,000 to 12,000 tons) will include 7,850 tons allocated to ANS and 2,000 to 4,000 tons required to operate civilian trains. (The State Railroads are now preparing a report for the Coal Section breaking down use of railroad coal as between military and civilian trains.)

The 7,850 tons allocated to ANS will be divided as follows: Civilians Hospitals, 1,500 tons and gas plants, 6,350 tons. However, only about 3,000 tons of the 7,850 allocated to ANS will be good British or American coal (landed cost 2500 to 3000 lire) and thus subject to the subsidy.

The subsidy apparently will apply, therefore, to 3,000 tons of imported British or American coal allocated to ANS plus that portion of British or American coal required to operate civilian trains. Since the subsidy will range from 1300 to 1800 lire per ton it may be assumed to average 1550 lire per ton. In this basis the subsidy will amount in January for ANS coal (excluding as as yet undetermined amount for operation of civilian trains) to 3,000 X 1550 lire or 4,650,000 lire or \$77,500

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N-1158

RAD

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Signal Corps, United States Army

Telegram

FORM 3-1000

Received at

SECRETPENINSULAR BASE SECTION
SIGNAL MESSAGE CENTER

19

PRIORITY~~9 JANUARY 1943~~

SECRET

PRIORITY
TO (ACTION)FROM : FREEDOM, FLAMEO FOR ROBERTSON, FILPOT FOR AMG,
FARGO FOR GUETERBOCK
(INFORMATION) : NONE

FROM : FATIMA SIGNED JOYCE

DATE TIME SIGNED: 081410A

DATE TIME REC'D : 090438A

REFERENCE NR. : 1883

CITE : NONE

HEADQUARTERS

19 JAN 1944

AMG...

*Action: Defs (one)
(Info) from (one)
Cly to offer*

UNDER ADMINISTRATIVE MEMORANDUM NUMBER 74, ALLIED CONTROL

COMMISSION WAS CREATED AS THE ORGAN THROUGH WHICH THE POLICY OF THE UNITED NATIONS TOWARD THE ITALIAN GOVERNMENT WAS TO BE CONDUCTED AND THE RELATIONS OF THE UNITED NATIONS WITH THE ITALIAN GOVERNMENT WERE TO BE HANDLED. TO FORMULATE THESE POLICIES A HIGHLY QUALIFIED STAFF HAS BEEN ASSEMBLED FROM BRITISH AND AMERICAN SOURCES.

THE CENTRAL ECONOMIC COMMITTEE HAS BEEN RECENTLY CREATED BY ADMINISTRATIVE MEMORANDUMS NUMBER 92 WITH FUNCTIONS RELATING PRIMARILY TO THE SUPPLY SITUATION BUT ALSO COVERING THE DETERMINATION OF WAGES AND PRICES, AND THUS VIRTUALLY THE WHOLE RANGE OF ECONOMIC PROBLEMS. REPRESENTATIVES OF THE CENTRAL ECONOMIC COMMITTEE HAVE INDICATED THE VIEW THAT ADMINISTRATIVE MEMORANDUM NUMBER 92 PLACES ON THE COMMITTEE FULL RESPONSIBILITY IN THESE FIELDS THROUGHOUT OCCUPIED AND CONTROLLED ITALY.

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

785015

SECRET

PRIORITY

TO (ACTION)

(INFORMATION)

FROM

DATE TIME SIGNED

DATE TIME REC'D

REFERENCE NR.

CITE

FREEDOM, FLAMBO FOR ROBERTSON, FILPOT FOR AMG,
FARGO FOR GUETERBOCK

NONE

FATIMA SIGNED JOYCE

081410A

090438A

1883

NONE

HEADQUARTERS

19 JAN 1944

AMG.

UNDER ADMINISTRATIVE MEMORANDUM NUMBER 74, ALLIED CONTROL COMMISSION WAS CREATED AS THE ORGAN THROUGH WHICH THE POLICY OF THE UNITED NATIONS TOWARD THE ITALIAN GOVERNMENT WAS TO BE CONDUCTED AND THE RELATIONS OF THE UNITED NATIONS WITH THE ITALIAN GOVERNMENT WERE TO BE HANDLED. TO FORMULATE THESE POLICIES A HIGHLY QUALIFIED STAFF HAS BEEN ASSEMBLED FROM BRITISH AND AMERICAN SOURCES.

THE CENTRAL ECONOMIC COMMITTEE HAS BEEN RECENTLY CREATED BY ADMINISTRATIVE MEMORANDUMS NUMBER 92 WITH FUNCTIONS RELATING PRIMARILY TO THE SUPPLY SITUATION BUT ALSO COVERING THE DETERMINATION OF WAGES AND PRICES, AND THUS VIRTUALLY THE WHOLE RANGE OF ECONOMIC PROBLEMS. REPRESENTATIVES OF THE CENTRAL ECONOMIC COMMITTEE HAVE INDICATED THE VIEW THAT ADMINISTRATIVE MEMORANDUM NUMBER 92 PLACES ON THE COMMITTEE FULL RESPONSIBILITY IN THESE FIELDS THROUGHOUT OCCUPIED AND CONTROLLED ITALY. ON THIS CONCEPTION OF THE COMMITTEE'S RESPONSIBILITIES IT WOULD SEEM THAT

FORM #10-A

SECRET

CRYPTO

PAGE 2

SECRET

N-1158

POLICY MAKING FUNCTION IN ECONOMIC MATTERS HAVE BEEN LARLELY TRANS-
FERRED FROM ACC TO CEC.

THIS SEEMS TO ME TO BE A MAJOR CHANGE IN THE EXISTING
ARRANGEMENTS FOR DEALING WITH ITALIAN AFFAIRS WHICH PRESENTS A NUMBER
OF QUESTIONS AFFECTING THE ORGANIZATION AND FUTURE OPERATION OF ACC.
IN ORDER THAT THE NECESSARY REORGANIZATION MAY BE PROMPTLY ACCOMPLISHED
I SUGGEST THAT THE PRESENT POSITION OF ACC SHOULD BE REVIEWED AND A
DIRECTIVE BE ISSUED CLARIFYING ITS RESPONSIBILITIES IN THE ECONOMIC
FIELD.

Action - Aug 14
Info - memo added
CH
Secy



8500

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HEADQUARTERS
ALLIED MILITARY GOVERNMENT
APO 512

3
SIN/AMG/amt
4 January 1944

SUBJECT: Minutes - Central Economic Committee

TO : Chief Executive Officer - C.E.C.

1. Receipt of copy No. 3 of minutes of meeting held on 27 Dec. is acknowledged.
2. It would be appreciated if two further copies of these minutes could be furnished to this office.
3. It is considered that the Vice President of the Economic Section of this Headquarters should have a copy for his file. Could we therefore be provided with three copies of minutes of future meetings.

WLB
for CHARLES E. SPITFORD
Colonel, C.E.C.
D.C.C.A.C., AMG, HQ.

Minutes taken by Col Spifford
on visit to Bari & Brindisi
Jan 4th

5366

SECRET
HEADQUARTERS
ALLIED MILITARY GOVERNMENT
APO 512

Ref. AMG/312.01

W3/AMG/ord
4 January 1944

SUBJECT: Flour and Wheat for Region II

TO : U.S.A.G. Region II, Attention Lt. Col. Buck

1. Attached is copy of schedule received from Central Economic Committee January 3, 1944, for information and action as considered necessary.
2. Please report arrivals by cable to this Headquarters as they occur.

CHARLES M. STOFFORD
Colonel, U.S.C.
U.S.C.A.G., AMG, RM

SECRET

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
APO 394
Public Health Sub-Commission

AMG/3006/PH

4 January 1944

SUBJECT: Medical Supply Personnel

THRU : The Administrative Directorate

TO : The Chief of Staff, Hq. AMG

1. Under date of 27 November 1943 request was submitted for Medical Supply personnel by letter to The Chief of Staff, Hq., AMG., "Subject: Request for Medical Supply Personnel." Copies of this correspondence are attached. To date this office has no official knowledge of the status of this request.

2. As a result of a conference between the DPH, 15 Army Group and the Medical Supply Office, this Sub-Commission a letter has been written to the Central Economic Committee by the DCCAO, Hq., AMG, 15 Army Group requesting that the Medical Supply Officer this Sub-Commission be responsible for all Medical Supplies for 15 Army Group AMG. in addition to ACC/AMG. This same letter also recommended the establishment in Naples of a Central Medical Depot for AMG supplies since at the present time, and for some time in the future, Medical Supplies for Regions II, III and IV will arrive at Naples.

3. Inspection trip through part of Region II shows a complete absence of proper accounting records with a resultant failure to obtain proper payment for Medical Supplies. In Region III the Region Warehouse was operated by the SAPHO, Naples City, who could not devote sufficient time to have an inventory taken or to establish a proper accounting and warehousing system. Lt. Light (QM) of this Sub-Commission was loaned to Region III on the verbal request of DPH, 15 Army Group AMG and RDPH Region III to put this warehouse in some semblance of order and accomplish an inventory in order that supplies held which belong to Regions II and IV might be released to the proper authorities. Trained personnel for Region II and IV are not now available.

4. To date the Finance Sub-Commission is unable to furnish this Sub-Commission with an approved formula for a price list. It is understood as a result of a conference that such an approved formula will be available after the Algiers conference.

5. The Finance Sub-Commission, Accounting Division, has approved the system of obtaining payment for AMG Medical Supplies and recognizes the absolute necessity for the Medical Supply personnel requested in the previous letter referred to in paragraph 1.

6. As a result of an informal conversation with representatives of the Medical Section NATOUSA, it is known that trained personnel is available in this theater due to changes in T/O of Medical Supply Depots.

7. If and when the authorization to establish a Central Medical Depot AMG for Italy is received there will be a further requirement for a Medical Depot Company (USA) less part of the enlisted personnel, but including all equipment and transport.

8. It is again requested that favorable consideration be given the request for personnel and that this request be forwarded to AFHQ. If this request is not given favorable consideration this Sub-Commission and the Finance Sub-Commission can assume no responsibility for payment for Allied Medical Supplies turned over to the Italian Government, and this Sub-Commission can assume no responsibility for the proper distribution of these supplies to the Regions and Provinces. Col. Crawshaw of the Finance Sub-Commission concurs in this decision, and has agreed to assist in obtaining an accounting officer for use in this Sub-Commission.

G. S. Parkinson
Brig

G. S. PARKINSON, Brigadier
Director, Public Health Sub-Commission

Incl - Copy of letter dated 27 November 1943

GSP/nc

14

HEADQUARTERS
ALLIED MILITARY GOVERNMENT

2. As a result of the reports of inspection made by the
Public Health Sub-Commission

27 November 1943

AMG/3006/11

SUBJECT : - Request for Medical Supply Personnel.

FROM : - The Director, Public Health Sub-Commission

TO : - Chief of Staff, Hq. A.M.G.

1. The pharmaceutical and chemical industry of Italy has been located in Naples and Milan in the past, and both of these places are now unable to supply any merchandise to the drug trade. At this time, an Engineer Company is billeted in the largest chemical plant in Naples which prevents any attempt at resumption of operations. The plants in Milan are obviously under German control. Even if these chemical and pharmaceutical plants were available for resumption of operations, there is a marked shortage of glassware suitable for chemical operations or packaging of drugs. There is not available in that part of Italy now occupied the necessary basic chemicals with which to manufacture drugs, and it will therefore be necessary to import these basic ingredients in order to resume the pharmaceutical and drug industry. It is felt that shipping space will not be available for this commercial venture for many months. It is therefore necessary that the drug and chemical requirements of the entire Italian nation be supplied from Allied stocks. Provisions have been made for the acquisition of these required stocks. In order that the present black market in drugs may be controlled it is the opinion of this Sub-Commission that the control of warehousing and distribution must remain in the hands of qualified Medical Supply Officers for many months. The use of Italian distributors under either A.M.G. or under A.C.G. is considered most inadvisable until Allied forces have completely withdrawn from Italy. The Sub-Commission of Industry and Commerce has requested this Sub-Commission to continue the control of imported medical stores until the transfer of the Regions to the Italian Government, pending a decision as to the ultimate disposal of such Medical Supplies. This has been requested in an effort to maintain control of imported Medical Stores, so that these stores might be transferred to another Region, or if turned over to the Italian Government, satisfactory payment will have been accomplished. It is the further opinion of this Sub-Commission, that the control and distribution of Medical Supplies is of secondary importance only to the distribution of Food Supplies. The Medical Supply Division of the Public Health Sub-Commission will be the last division of this Sub-Commission to turn over its responsibilities to the Italian Government, and it is therefore essential that adequate personnel be available to make the control of Medical Supplies a continuous operation throughout the several Regions to be established.

2. As a result of the reports of inspection made by the various members of this Sub-Commission, it is considered essential that provisions be made immediately for the assignment of properly trained personnel to supervise and direct the warehousing and distribution of medical supplies in the Central warehouses in each Region, and in the larger and more densely populated provinces where medical supplies in quantity must be warehoused and distributed.

Return to Public Health file 5363

Page 125

3. This personnel must be thoroughly familiar with medical supplies and have a good knowledge of warehousing procedures and be capable of preparing clear and accurate requisitions (orders) for medical supplies required for a period of six (6) months in advance to be stored in the Central Regional Warehouse, and three (3) months for the larger Provincial Medical Stores. This personnel must also know how to keep accurate accounting records and have a thorough knowledge of distribution methods.

4. It is considered of paramount importance that there be an officer with the above noted qualifications in each Region whose only responsibility and duty will be the handling of medical supplies, moving directly under the A.C.M.F. who will in turn see that proper and adequate reports are rendered to this Headquarters in order that a proper and adequate control may be maintained of medical supplies throughout the entire Italian Nation. For this work it is requested that ten (10) officers, having the qualifications mentioned in par. 2 above, of the grade of Captain or First Lieutenant be obtained immediately on not less than a number two (2) priority in order that they may arrive at this Headquarters as soon as possible and obtain the necessary additional training required prior to assignment to Regions.

5. In order that proper personnel may be available to assist these Regional Medical Officers it is considered essential that a number of W/O's be available to assist in this work, both in the Central Regional Warehouse and in the Provincial Medical Stores. These men should be thoroughly familiar with the records and accounting procedures required in a medical depot, and sufficiently reliable to take over the operation of a depot for short periods should the officers be away on inspection trips, or sick. These W/O's should be of a grade of not less than Sgt., and preferably of the grade of Tech. Sgt., and if possible should have a conversational knowledge of Italian, although this is not imperative.

6. It is requested that a minimum of thirty (30) O's be obtained immediately on the same priority as the Officer personnel, for the same reasons indicated in paragraph 3, above.

By command of Brigadier General [Signature]

G. S. [Signature], Brigadier
Director, Public Health Sub-Department

Public Health file
3362

CENTRAL ECONOMIC COMMITTEE
APO 400

2 January 1944

SUBJECT: Price Policies.

TO: Military Government Section, AFHQ, APO 512.

1. Reference a memorandum, Views of the Economic Directorate, AGC/AME, on Price Policies in Italy. Copy is attached.
2. This Committee concurs in the memorandum except paragraphs 10 and 18.
3. With respect to paragraph 10 the Committee recommends that petroleum products should be charged at landed cost, and that retail prices should be established sufficient to cover landed cost, distribution costs, taxes, and a reasonable profit. It is recommended that a retail price of 16 lire for gasoline, 14.50 lire for kerosene, and 14.20 lire for gas oil be established and a compensation fund be set up to provide for adjustments when the elements used in establishing this price are more definitely determined.
4. With respect to paragraph 18 the Committee agrees that the necessary staff be organized to set up and operate a proper system of accounting for imports and exports. It does not recommend the creation of a separate agency. Since this system will be applicable to imports and exports from points in all parts of Italy, it is recommended that it be set up under the authority of the Central Economic Committee, rather than as a part of a sub-commission, even though it may be desirable to attach this staff to the appropriate sub-commission.

For the Committee:

A. I. HENDERSON,
Lt. Col., A. U. S.,
Chief Executive,
Central Economic Committee.

SECRET

FLOUR AND WHEAT FOR REGION II

SECRET

SHIP	CARGO	TONS	FROM	DESTINATION	E. T. A.
David L. Swain HR 719 Liberty	Flour	3320 3320	Syracuse	Grotone	9 Jan.
Peter Minuit Coaster	Wheat	2724 2724	H A	Grotone	14 Jan.
Houston Coaster	Wheat	2524 2524	HA	Raggio	14 Jan.
Forte Donadomont Coaster	Wheat	2500	H A	Grotone	14 Jan.
James Gam BA 211 Liberty	Wheat	2522	Palermo	Raggio	21 Jan.
Louis Marshall HR 742	Flour	1500		Raggio	Check Region III
		12,236			

→ { Doc
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 → Copy to Col. R. H. R.

Copy to AIC HQ

FLOUR AND WHEAT FOR REGION II

SECRET

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	CARGO	TONS	FROM	DESTINATION	E. T. A.
main Liberty	Flour	1520 3320	Syracuse	Grotone	9 Jan.
it ster	Wheat	272 272	H A	Grotone	14 Jan.
ster	Wheat	2500 2524	HA	Raggio	14 Jan.
admont ster	Wheat	2300	H A	Grotone	14 Jan.
Liberty	Wheat	2322	Palermo	Raggio	24 Jan.
hall	Flour	1500		Raggio	Check Region III
		<u>12,236</u>			

Approved by
9 - 10 - 1950

15 Col. R. C. R.

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CENTRAL ECONOMIC COMMITTEE
APO 400

1 January 1944

SUBJECT: Establishment of Uniform or Standard Wage Scale.

TO: Acting Deputy President, Allied Control Commission.
Chief, AEC 15th Army Group.
Chief, Headquarters AEC.

1. Paragraph 3, f of AFHQ Administrative Memorandum No. 92, dated 19 December 1943, directs the Central Economic Committee to establish such uniform or standard wage scales for civilian employment as may be considered necessary. It is requested, therefore, that copies of all proclamations, regulations and orders issued by you or Regions under your jurisdiction and still in force be forwarded with any necessary explanatory comments to this office at the earliest possible date.

2. It is also requested that any further orders designed to establish uniform or standard wage scales be referred to the Committee for approval before issuance.

FOR THE COMMITTEE:

s/ A. I. Henderson
A. I. HENDERSON,
Lt. Col., A. U. S.,
Chief Executive,
Central Economic Committee.

*Copy given to
Lt. Col. Henderson*

3359

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CENTRAL ECONOMIC COMMITTEE
APO 100

1 January 1944

SUBJECT: Establishment of Uniform or Standard prices.

TO: Acting Deputy President, Allied Control Commission.
Chief, AMG 15th Army Group.
Chief, Headquarters AMG.

1. Paragraph 3, c of AFHQ Administrative Memorandum No. 92, dated 19 December 1943, directs the Central Economic Committee to establish the prices at which supplies imported for the civilian population will be sold, and to establish uniform or standard prices for such other essential commodities or services as may be considered necessary.

2. It is requested, therefore, that all proposals designed to establish uniform or standard prices for essential commodities or services be referred to the Committee for approval prior to their issuance.

For the Committee:

s/ A. I. HENDERSON
A. I. HENDERSON,
Lt. Col., A. U. S.,
Chief Executive,
Central Economic Committee.

*Copies given to
Lt Col Henderson X*

FALGO

30 DEC 43

SECRET

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ROUTINE

IBS FOR SEARS FOR BROWN FOR STANBATH FOR ACTION TO FATIMA FOR INFO TO FREEDOM
FOR ACC FOR INFO

Pending your concurrence Grady appointed as AME/ACC representative on
Central Economic Committee. Suggest you come to Naples early to get in
picture before you go Brindisi. Reference our JGR One Nine Three Grady now
remaining Naples temporarily. Further cable follows about AME/ACC
representatives price control meeting Algiers

J. F. NICHOL,
Lt. Col., A.G.,
Adj. General

5357

P.A. *408*
CENTRAL ECONOMIC COMMITTEE
APO 400

E
30 December 1943

SUBJECT: Channels for Submission of Requisitions for Civilian Supplies.

TO: Acting Deputy President, Allied Control Commission.
Chief, AMG 15th Army Group.
Chief, Headquarters AMG. ✓

1. Paragraph 4 of AFHQ Administrative Memorandum No. 92, dated 19 December 1943, requires that all requisitions for civilian supplies for areas on the mainland be forwarded through the Central Economic Committee. All Requisitions will continue to be addressed to AFHQ, attention Military Government Section, and the following procedure is prescribed for their processing:

- a. For occupied territory (including areas under the Italian Government).
- (1) Requisitions will be prepared by regions and areas, which at present include the following: (a) Territory in Apulia under the jurisdiction of the Italian Government and subject to control of the AOC, (b) A. M. G. Region II, (c) A.M.G. Region III, (d) A.M.G. Fifth Army Area, (e) A.M.G. Eighth Army Area.
 - (2) These requisitions will then be forwarded through the respective higher headquarters to the Central Economic Committee.
- b. For territory in advance of our occupation:
- (1) Short term requisitions will be prepared by A.M.G. 15th Army Group, will be phased in accordance with tactical plans, and will be submitted direct to the Central Economic Committee.
 - (2) Long term requisitions will be prepared jointly by AMG/AOC and AMG 15th Army Group and will be submitted to the Central Economic Committee.
- c. Whenever considered desirable, consolidated requisitions may be prepared by any headquarters for all the territory under its jurisdiction.

Copy 6
Done Comm
How from Dir
for action & file

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- d. It will be the responsibility of the originating headquarters to assign and justify the appropriate rating as prescribed by GAI Airgram 5 of 30 November 1943, subject "Essentiality of Civilian Supplies for Sicily, Italy (and Sardinia)." All other headquarters will make appropriate comment with reference to the rating assigned but the original rating will not be changed except by Military Government Section, Allied Forces Headquarters.
- e. Requisitions will be forwarded to reach the Central Economic Committee in triplicate at least five days prior to any date set by AFHQ for their arrival at AFHQ. When forwarded to the Committee, they will be addressed "Central Economic Committee, FLAMEO."

For the Committee:

A. I. Henderson

A. I. HENDERSON,
Lt. Col., A. U. S.,
Chief Executive,
Central Economic Committee.

*Copy given to
Lt. Col. Henderson*

5355

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
APO 512

30 December 1943

MEMORANDUM

TO : Lt. Col. A. I. Henderson,
Chief Executive, Central Economic Committee

1. In accordance with our previous arrangements discussions are being held on 29/30 December between representatives of this headquarters and representatives of Regions I and II on price policy in preparation for the conferences called by AFHQ at Algiers on 5th and 6th January. At the conclusion of these discussions representatives of this headquarters would be glad to meet with you as executive of C.E.C. or any of your staff to discuss their results at a time and place to be fixed by you.

CHARLES M. STOFFORD
Colonel, G.S.C.
D.C.C.A.C., AMG HQ

*Copy given to
Lt. Col. Henderson*

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CENTRAL ECONOMIC COMMITTEE
APO 400

30 December 1943

SUBJECT: Office Equipment for the Central Economic Committee

TO: Chief, Headquarters A M G

In accordance with the provisions of AFHQ Administrative Memorandum No. 92 dated 19 December 1943, it is requested that the following office equipment be made available for use by personnel of the Central Economic Committee and delivered without delay to the temporary offices of the Committee at MGS Advance, FLAMBO Headquarters:

- 3 Typewriters, standard
- 1 Duplicating machine

For the Committee:

A. I. HENDERSON,
Lt. Col., A. U. S.,
Chief Executive,
Central Economic Committee.

*Copy to Lt
Col. Pickens
Copy to 6853*

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CENTRAL ECONOMIC COMMITTEE
AMG ACC

30 December 1943

SUBJECT: Channels for Submission of Requisitions for Civilian Supplies.

TO : Acting Deputy President, Allied Control Commission.
Chief, AMG 15th Army Group.
Chief, Headquarters AMG.

1. Paragraph 4 of AFHQ Administrative Memorandum No. 52, dated 19 December 1943, requires that all requisitions for civilian supplies for areas on the mainland be forwarded through the Central Economic Committee. All Requisitions will continue to be addressed to AFHQ, attention Military Government Section, and the following procedure is prescribed for their processing:

- a. For occupied territory (including areas under the Italian Government).
 - (1) Requisitions will be prepared by regions and areas, which at present include the following: (a) Territory in Apulia under the jurisdiction of the Italian Government and subject to control of the ACC, (b) A.M.G. Region II, (c) A.M.G. Region III, (d) A.M.G. Fifth Army Area, (e) A.M.G. Eighth Army Area.
 - (2) These requisitions will then be forwarded through the respective higher headquarters to the central Economic Committee.
- b. For territory in advance of our occupation:
 - (1) Short term requisitions will be prepared by A.M.G. 15th Army Group, will be phased in accordance with tactical plans, and will be submitted direct to the Central Economic Committee.
 - (2) Long term requisitions will be prepared jointly by AMG/ACC and AMG 15th Army Group and will be submitted to the Central Economic Committee.
- c. Whenever considered desirable, consolidated requisitions may be prepared by any headquarters for all the territory under its jurisdiction.

- d. It will be the responsibility of the originating headquarters to assign and justify the appropriate rating as prescribed by GAI Airgram 5 of 30 November 1943, subject "Essentiality of Civilian Supplies for Sicily, Italy (and Sardinia)." All other headquarters will make appropriate comment with reference to the rating assigned but the original rating will not be changed except by Military Government Section, Allied Force Headquarters.
- e. Requisitions will be forwarded to reach the Central Economic Committee in triplicate at least five days prior to any date set by AFHQ for their arrival at AFHQ. When forwarded to the Committee, they will be addressed "Central Economic Committee, FLAMBO."

For the Committee:

s/ A.I.H.

A. I. HENDERSON,
Lt. Col., A.S.S.,
Chief Executive,
Central Economic Committee.

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CENTRAL ECONOMIC COMMITTEE
APO 800

1 January 1944

SUBJECT: Establishment of Uniform or Standard Wage Scale.

TO: Acting Deputy President, Allied Control Commission.
Chief, AEC 15th Army Group.
Chief, Headquarters AEC.

1. Paragraph 3,f of AFHQ Administrative Memorandum No. 92, dated 19 December 1943, directs the Central Economic Committee to establish such uniform or standard wage scales for civilian employment as may be considered necessary. It is requested, therefore, that copies of all proclamations, regulations and orders issued by you or Regions under your jurisdiction and still in force be forwarded with any necessary explanatory comments to this office at the earliest possible date.

2. It is also requested that any further orders designed to establish uniform or standard wage scales be referred to the Committee for approval before issuance.

FOR THE COMMITTEE:

s/ A. I. Henderson
A. I. HENDERSON,
Lt. Col., A. U. S.,
Chief Executive,
Central Economic Committee.

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CENTRAL ECONOMIC COMMITTEE
APO 400

1 January 1944

SUBJECT: Establishment of Uniform or Standard Prices.

TO: Acting Deputy President, Allied Control Commission.
Chief, AMG 15th Army Group.
Chief, Headquarters AMG.

1. Paragraph 3, a of AFHQ Administrative Memorandum No. 92, dated 19 December 1943, directs the Central Economic Committee to establish the prices at which supplies imported for the civilian population will be sold, and to establish uniform or standard prices for such other essential commodities or services as may be considered necessary.

2. It is requested, therefore, that all proposals designed to establish uniform or standard prices for essential commodities or services be referred to the Committee for approval prior to their issuance.

For the Committee:

s/ A. I. HENDERSON
A. I. HENDERSON,
Lt. Col., A. U. S.,
Chief Executive,
Central Economic Committee.

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CENTRAL ECONOMIC COMMITTEE
APO 1500

30 December 1943

SUBJECT: Price Policies.

TO: Chief, Headquarters A M U.

1. It is directed that your recommendations of price policies for submission to the meeting at Algiers 5 and 6 January be delivered to this office not later than 1700 hours on 1 January. This will permit the members of the Central Economic Committee to consider these recommendations and, if necessary, to discuss them with your Headquarters prior to their submission to the Algiers meeting on behalf of the Central Economic Committee.

2. The recommended policies should be stated in such form that they may be presented to the Algiers meeting for action.

By direction of the Committee:

s/ A. I. Henderson
A. I. HENDERSON,
Lt. Col., A. U. S.,
Chief Executive,
Central Economic Committee.

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FLOUR AND WHEAT FOR REGION II

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<u>SHIP</u>	<u>CARGO</u>	<u>TONS</u>	<u>FROM</u>	<u>DESTINATION</u>	<u>E.T.A.</u>
David L. Swain HR 719 Liberty	Flour	3320	Syracuse	Crotone	9 Jan.
Peter Minuit Coaster	Wheat	272	N A	Crotone	14 Jan.
Houston Coaster	Wheat	2524	N A	Reggio	14 Jan.
Forte Donadorment Coaster	Wheat	2300	N A	Crotone	14 Jan.
James Gunn RA 211 Liberty	Wheat	2322	Palermo	Reggio	21 Jan.
Louis Marshall HR 742	Flour	1500		Reggio	Check Region III
		12,238			

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CENTRAL ECONOMIC COMMITTEE
APO 400

30 December 1945

SUBJECT: Price Policies.

TO: Chief, Headquarters A M G.

1. It is directed that your recommendations of price policies for submission to the meeting at Algiers 5 and 6 January be delivered to this office not later than 1700 hours on 1 January. This will permit the members of the Central Economic Committee to consider these recommendations and, if necessary, to discuss them with your Headquarters prior to their submission to the Algiers meeting on behalf of the Central Economic Committee.

2. The recommended policies should be stated in such form that they may be presented to the Algiers meeting for action.

By direction of the Committee:

P. D. Henderson

A. I. HENDERSON,
Lt. Col., A. U. S.,
Chief Executive,
Central Economic Committee.

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Copy given to
Lt Col Henderson

108 Col Spotters has no another copy

11/26/64

COPY

FROM FLANGIO

29 DEC 1630 A

TO FILPOT FOR AME FOR LASH

IMPORTANT CONFIDENTIAL

Info Copies by hand to Fargo for Spotters, for Merrill, DGAD, DECAD

M G B A 6064 CONFIDENTIAL Preliminary meetings here are being held for purpose of formulating recommendations on price policy. Meetings are being held with approval Central Economic Committee. (Signed Washburn in absence of Robertson to AME Fifteenth Army Group for Lash). Central Economic Committee will present recommendations at meetings in Algiers. Cite your 657.

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FROM FLA000

29 DEC 1630 A

TO FILPOT FOR AMG FOR LASH

IMPORTANT CONFIDENTIAL

Info Copies by hand to Fargo for Spofford, for Merrill, DOAO, DDOAO

M G S A 6064 CONFIDENTIAL Preliminary meetings here are being held for purpose of formulating recommendations on price policy. Meetings are being held with approval Central Economic Committee. (Signed Hasbani in absence of Robertson to AMG Fifteenth Army Group for Lash). Central Economic Committee will present recommendations at meetings in Algiers. Cite your 657.

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CENTRAL ECONOMIC COMMITTEE
AFO 400

28 December 1943

SUBJECT: Transportation for the Central Economic Committee.

TO: AMC Headquarters.

1. In accordance with the provisions of AFHQ Administrative Memorandum No. 92 dated 18 December 1943, it is requested that the following vehicles, with drivers, be made available for use by the personnel of the Central Economic Committee:

4 Jeeps
1 C and R

2. Until other arrangements are made, the drivers of these vehicles should remain under your administration, reporting for duty each morning at AFHQ Advanced Administrative Echelon and returning to their quarters after completion of duty each day.

3. As soon as the drivers have been designated please notify this office by calling ELABHO Extension 200.

4. It is anticipated that one truck, GMC, 2 1/2 ton, will be required also, but the need is not considered urgent, particularly if arrangements can be made for the Central Economic Committee to use the AMC Hq. truck pool.

For the Committee:

P. I. Henderson

A. I. HENDERSON,
Lt. Col., A. U. S.,
Chief Executive,
Central Economic Committee.

*Copies given to
Lt. Col. Henderson
to file 12/28/43*

CENTRAL ECONOMIC COMMITTEE
APO 400

28 December 1943

SUBJECT: Personnel Required for Duty with the Central Economic Committee

TO: AMC Headquarters.

1. In accordance with the provisions of AFHQ Administrative Memorandum No. 92 dated 19 December 1943, it is requested that the following officers be made available to work with the Central Economic Committee:

Lt. Col. Fred W. Reiter, A. U. S. (O-185849)
Lt. Col. Oscar W. Hermann, A. U. S. (O-919922)
Lt. Col. Walter J. Legg, R. A. S. C. (115835)
Captain David A. Morse, A. C. (O-902599)
Captain George A. Doerr, M. A. C. (O-363382)
Captain Allen S. Austin, S. R. (O-516745)
Captain Leigh S. Plummer, S. R. (O-521546)

2. It is suggested that the above-named officers be placed under temporary duty orders and attached for duty to the Central Economic Committee for an indefinite period. Although office accommodations at AFHQ Advanced Administrative Echelon will not be available for all of these officers immediately, their services are required at once. It is requested, therefore, that they be relieved of other duties immediately and permitted to continue to use their present accommodations, if necessary, for a period of one week or ten days.

For the Committee:

A. I. HENDERSON,
Lt. Col., A. U. S.,
Chief Executive,
Central Economic Committee.

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*Copy given to
Lt Col. Plummer*

CENTRAL ECONOMIC COMMITTEE

Minutes of First Meeting Held at HQ AFHQ on 27 December 1943
Conference Room, AFHQ Advanced Administrative School

Agenda

1. Organization and composition of the Committee.
2. Consideration of procedure and staff.
3. Relations with Allied Force Local Resources (Italian) Board.
4. Consideration of prices of imported petroleum products.
5. Consideration of value and tariff matters of the Italian State Railways.
6. Report on the general supply situation.
7. Other matters.

Officers In Attendance

1. Major General Sir Brian H. Robertson, DCMO
2. Brig. General W. L. Hamblen, D/DCMO
3. Col. C. A. Spofford, Headquarters AFHQ
4. Lt. Col. A. I. Henderson, Food Controller.
5. Lt. Col. C. R. Merrill, AGO 15th Army Group.
6. Lt. Col. D. Logan-Gray, AFHQ Adv Admin Section
7. Lt. Col. Bernard Bernstein, AGO/AGO Finance Sub-Commission.
8. Major J. A. Todd, AGO Adv Sec.

1. Organization and Composition of the Committee.

The following organization of the Committee was agreed upon.

- a. Chairman: Major General Sir Brian H. Robertson, DCMO
- b. Deputy Chairman: Brigadier General W. L. Hamblen, D/DCMO
- c. Chief Executive: Lt. Col. A. I. Henderson, Food Controller.
- d. Col. C. A. Spofford stated that he would serve temporarily as the AGO/AGO representative pending appointment of a permanent representative.
- e. With reference to a representative of AGO 15th Army Group, the Chairman stated that he proposed replying to a letter he had received from Brigadier Lush on this subject, suggesting that the representative from AGO 15th Army Group be Lt. Col. Gerry.
- f. It was decided that it would be desirable to have a transportation representative on the Committee and Brigadier H. G. D. Fellows, Chairman of Flambo Transportation Committee, was designated, with Col. C. A. Fitch, Chairman of the Internal Transportation Sub Commission as alternate.
- g. Lt. Col. C. R. Merrill: Chief, Economics and Supply Division, AGO 15th Army Group.
- h. Col. Spofford suggested that a representative of the Finance Sub-Commission be on the Committee, but it was decided that any technical financial advice should be obtained on specific proposals before being considered by the Committee.

5342

1. The Chairman stated that he proposed to take up the revision of Administrative Memorandum No. 92 to accomplish necessary changes to effectuate these decisions and that he believed they would be acceptable.

2. Consideration of procedures and Staff.

The Committee will initially be composed of the following sections:

- a. Supply;
- b. Distribution;
- c. Transportation (including shipping) and warehousing;
- d. Industry;
- e. Financial Section, to deal with prices, wages and black market rebates;
- f. Statistics.

The following points regarding procedure were agreed upon:

a. The Chairman stated that a circular would go out from his headquarters stating the functions and methods of procedure of the Committee.

b. Directives of the Committee may or may be signed by the Chief Executive on behalf of the committee.

c. It was noted that the Committee was authorized to communicate directly with all requests and orders, but it was decided that such direct communication would be used only in those cases where communication through channels was not considered satisfactory. In all cases of direct communication, all intermediate headquarters will be kept fully informed.

d. The Committee will meet fortnightly. The second meeting will be held in approximately ten days on a date to be fixed by the Chairman.

e. The Chairman directed that a paragraph be inserted in the administrative instructions stating that requirements for vehicles, office equipment and personnel be met by AGO 15th Army Division HQ Headquarters and AGO. Expendable office supplies, facilities and accommodations will be provided for the Committee by the Commandant, AGO, Adv. Adm. Sch. AGO (Adv) will requisition the Commandant for the above.

f. The Chairman stated that the Committee should, if possible, be given its own Table of Organization.

3. Relations with Allied Force Local Resources (Italian) Board.

The Chairman stated that liaison between the Central Economic Committee and the Allied Force Local Resources (Italian) Board is assured by the fact that, while the functions and purpose of the two bodies are distinct, they both have the same Chairman and Deputy Chairman and the Chief Executive also attends the meetings of the latter in his capacity as representative of AGO (Adv).

4. Consideration of Prices of Imported Petroleum Products.

It was decided that, pending determination of a basic price policy, prices would remain those given in a Flombo message to-

graphed on 20 December 1943 to ACC-Apulia, AMG 15th Army Group, AMQ-Rear and repeated to AFHQ and Pet 600-Flambo. Those prices are: Petrol- -11 Lire per litre; Kerosene- -10 Lire per litre; Gasoil- -9.25 Lire per litre, effective 1 January 1944.

5. Consideration of wage and tariff matters of the Italian State Railways.

The Deputy Chairman referred to correspondence received from the Italian Secretary of State for Railways and Highways recommending an increase in wages of Italian railway workers and also an increase of 100% in passenger tariffs. It was determined that wages for railway workers should be made uniform throughout various portions of the Italian mainland. It was further determined that internal lines relating to bombing and the war should be eliminated in those areas where conditions no longer warrant their payment, and that this policy should be considered in establishing uniform wage rates. The Chief Executive was directed to make the necessary investigations and prepare the directives required to implement this policy.

General action of the proposed increase of passenger tariffs was postponed until the next Committee Meeting because of the lack of information produced in support of the proposal.

6. Report on the General Supply Situation.

The MSG (Adv) representative presented a report on the general supply situation as of 27 December 1943. No action was found necessary. A similar report is to be presented at each Meeting of the Committee.

7. Other Matters.

The Deputy Chairman cited a request made by a representative of Region I to FBS for flour for issue on the civilian ration and expressed the opinion that requests of this kind should be transmitted through the Committee. It was decided that in the future all such agency requests for military stocks should be submitted to the Committee.

8. The meeting adjourned at 1400 hours.

Naples. 30 December 1943.

L. S. Plummer
L. S. PLUMMER
Captain, A. G. E.
Secretary,
Central Economic Committee

0341

DISTRIBUTION:

- Copy No. 1 - DCAO
2 - D/DCAO
3 - AIG HQ (Attn: Col. Spafford)
4 - DQMG (H)
5 - AIG 15th Army Group (Attn: Lt. Col. Garry)
6 - AIG 15th Army Group (Attn: Lt. Col. G. M. Herrick)
7 - CG/ANG Finance Sub-Commission (Attn: Lt. Col. Bernard Bornstein)
8 - AIG/ANG Internal Transportation Sub-Commission (Attn: Col. R. A. Fitch)
9 - AIG/ANG (Attn: Lt. Col. D. Logan Gray)
10 - DCA AFHQ
11 - HQ AF
12 - Local Resources Board (Italian)
13 - Per Sec FIAMG
14 - File
15 - 30 Spares

Copy No. 3

A.P.H.Q. ADV ADMIN ESCALON
CENTRAL ECONOMIC COMMITTEE
C. M. F.

Reference:- Agenda No. 1/CEC

25 December 1943

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CENTRAL ECONOMIC COMMITTEE

The first meeting of the Central Economic Committee will be held in the Conference Room at FLAMBO on 27 December 1943 at 1100 hours to consider the following Agenda:-

- ✓ 1. To receive the names of the representatives of ADO/AMC and 15th Army Group (AMG).
- ✓ 2. Consideration of procedures and staff.
3. Relations with Allied Forces Local Resources (Italian) Board.
- X 4. Consideration of prices of imported petroleum products.
5. Consideration of wage and tariff matters of the Italian State Railways.
- ✓ 6. To receive a report on the general supply situation and consider any action required.
7. Any other matters.

C. I. Henderson
A. I. HENDERSON,
Lt. Col., A. U. S.

DISTRIBUTION:-

Copy No. 1 - D/GAO
2 - HQ/GAO
3 - AMG HQ (Attn.: Col. Spofford) ✓
4 - AMG 15th Army Group (Attn.: Lt. Col. Gorry)
5 - Files.

5349

ALLIED FORCE HEADQUARTERS
APO 512

ADMINISTRATIVE MEMORANDUM)
NUMBER 92)

19 DECEMBER 1943

Establishment of the Central Economic Committee (Italian Mainland) 1
Civil Food Controller (Italian Mainland) 11

4. 1- ESTABLISHMENT OF CENTRAL ECONOMIC COMMITTEE (ITALIAN MAINLAND)

1. To insure the necessary coordination and control of civilian supply and economic matters in occupied or controlled territory of the Italian mainland, there will be established in NAPLES a Central Economic Committee under the Chairmanship of the Deputy Chief Administrative Officer or his Deputy, responsible direct to this headquarters. In addition to the chairman, there will be one senior representative of AMG 15th Army Group and one senior representative to be designated jointly by the Allied Control Commission and AMG Headquarters. The representative of ACC/AMG will be the executive vice chairman. The vice Chairman and the representative of ACC/AMG 15th Army Group will devote their full time to the work of the committee.

2. Such other personnel as may be required will be made available by the Allied Control Commission, AMG Headquarters and AMG 15th Army Group upon the request of the committee. Necessary vehicles and other equipment will also be provided by these three headquarters as requested by the committee.

3. The functions of the Central Economic Committee will be as follows:

a. To determine the essential requirements of the civilian population.

b. To control and allocate local resources of essential civilian supplies in coordination with the Local Resources (Italian) Board, and particularly to control the collection and distribution of wheat and olive oil. -----over

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Cont. From Page 1

c. To coordinate the work of the ACC/AMB representatives on committees and sub-committees of the Allied Force Local Resources (Italian) Board.

d. To make necessary arrangements for the receipt, warehousing and distribution of supplies imported for the civilian population.

e. To establish the prices at which supplies imported for the civilian population will be sold, and to establish uniform or standard prices for such other essential commodities and services as may be considered necessary.

f. To establish such uniform or standard wage scales for civilian employment as may be considered necessary.

g. To coordinate requests for transportation of civilian supplies by facilities under the control of the allied military services. The internal transportation sub-commission will exercise such functions as may be delegated to it by the Central Economic Committee and shall be subject to its authority insofar as matters outside the jurisdiction of the ACC are concerned.

h. To coordinate the use of motor and sea transportation under control of ACC/AMB in the transportation of civilian supplies, including the requisitioning and pooling of civilian motor transport if this should be necessary.

i. To undertake such additional functions as may be recommended by the committee and approved by this headquarters, or as assigned to it from time to time by this headquarters.

4. To facilitate the formulation of a comprehensive program for the distribution of essential civilian supplies, copies of all outstanding requisitions for each area or region will be forwarded immediately by the responsible higher headquarters to the committee at PLAMBO. All future requisitions will be forwarded through the committee for concurrence or comment.

5. In the discharge of its responsibilities, the committee will make the maximum use of Italian governmental agencies, the existing machinery of ACC/AMB, and the facilities of the Allied Force Local Resources (Italian) Board. At an appropriate date to be determined by this headquarters, the functions of the Central Economic Committee will pass to the Allied Control Commission.

Cont. on page 3

Cont. From Page 2

6. The representatives designated by AGO/AMG and AMG 15th Army Group will report to the chairman of the committee in BARBERI as soon as possible and not later than 30 December 1943. Accommodations for the committee and attached personnel will be given priority over all other AGO/AMG personnel except those of Allied Military Government Region III.

7. Direct communication between the committee and AGO/AMG areas and regions on the mainland is authorized, but arrangements for such direct communication will be coordinated with the appropriate higher headquarters. Within the scope of its assigned functions, the decisions of the committee will be binding upon all AGO/AMG organizations on the mainland and its orders will be enforced by them.

8. Movement matters will be dealt with through local movement channels or coordinated with Movements, PLANSO, as directed by the chairman.

11--CIVIL FOOD CONTROLLER (ITALIAN MAINLAND)

1. The situation in regard to supply and distribution of food for the Italian civil population is grave, and is liable, if unremedied, to have an adverse effect on our ability to conduct operations. It may be desirable in certain cases to accept some diversion of military transport and/or supplies in order to alleviate situations which would result in internal security commitments, rather than to allow such internal security commitments to arise. The primary interest of this headquarters, in meeting the minimum food requirements in ITALY is to avoid interference with military operations. It is an over-riding military consideration that the Civil population be fed. In emergencies where this consideration involves direct interference with military build-up and maintenance, the decision of the General Officer Commanding-in-Chief, 15th Army Group, will govern. Machinery for dealing with such matters is, therefore, being established immediately.

2. The machinery for the execution of this policy will be that of the Central Economic Committee established by Section 7, above, under the Chairmanship of the Deputy Chief Administrative Officer, AFHQ Advanced Administrative Echelon (PLANSO.)

3. Colonel M. E. Ruse, GSC, United States Army, is hereby appointed additional Vice-Chairman for food control and Civil Food Controller for the mainland of ITALY. 337

CONT. FROM PAGE 3

4. The duties of the Civil Food Controller for the mainland of ITALY are:

a. To coordinate the requirements for foodstuffs for the civilian population and insure that these requirements are placed upon this headquarters through the approved channels.

b. To keep under constant supervision the food situation in the occupied portions of the mainland of ITALY.

c. To keep under constant supervision the status of the distributing agencies available for the distribution of the food stocks to civilian consumers.

d. To bring to the notice of the Deputy Chief Administrative Officer at the earliest possible moment any situation which is likely to create a civilian food crisis which might be prejudicial to the conduct of military operations.

5. The Civil Food Controller shall consult with the Deputy Chief Administrative Officer and a representative of the General Officer Commanding-in-Chief, 15th Army Group, on all cases brought to notice under 4d. above. If, as a result of this contact, it is considered that the situation brought to notice by the Civil Food Controller is in fact such as may prejudice military operations, then this situation will be brought to the notice of the General Officer Commanding-in-Chief, 15th Army Group, and his directions obtained. The Deputy Chief Administrative Officer, AFHQ Advanced Administrative Echelon is hereby authorized to divert, under direction of the General Officer Commanding-in-Chief, 15th Army Group, the minimum army resources for the minimum time necessary to correct the situation under discussion. General Officer Commanding-in-Chief, 15th Army Group, is authorized in his discretion to limit military operations for this period to such an extent as shall be deemed necessary by him to compensate for the diversion of the military resources in question.

BY COMMAND OF GENERAL RICHMOND:

5336

DISTRIBUTION:

2

T. J. Davis,
Brigadier General, United States Army,
Adjutant General.

1-340

U.S. SECRET AGENCIES HEADQUARTERS

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ALLIED FORCE HEADQUARTERS
AFO 542RECEIVED
FROM: CMC, AF
Initials:
19 December 43.

ADMINISTRATIVE MEMORANDUM

NUMBER

92

19 December 1943

Establishment of the Central Economic Committee (Italian, Mainland) I
Civil Food Controller (Italian Mainland) II1. ESTABLISHMENT OF CENTRAL ECONOMIC COMMITTEE (ITALIAN MAINLAND)

1. To insure the necessary coordination and control of civilian supply and economic matters in occupied or controlled territory of the Italian mainland, there will be established in NAPLES a Central Economic Committee under the Chairmanship of the Deputy Chief Administrative Officer or his Deputy, responsible direct to this headquarters. In addition to the chairman, there will be one senior representative of the 15th Army Group and one senior representative to be designated jointly by the Allied Central Commission and AFHQ Headquarters. The representative of AFHQ will be the executive vice-chairman. The vice chairman and the representative of the 15th Army Group will devote their full time to the work of the committee.

2. Such other personnel as may be required will be made available by the Allied Central Commission, AFHQ Headquarters and the 15th Army Group upon the request of the committee. Necessary vehicles and other equipment will also be provided by these three headquarters as requested by the committee.

3. The functions of the Central Economic Committee will be as follows:

- To determine the essential requirements of the civilian population.
- To control and allocate local resources of essential civilian supplies in coordination with the Local Resources (Italian) Board, and particularly to control the collection and distribution of wheat and olive oil.
- To coordinate the work of the AFHQ/15th representatives in committees and sub-committees of the Allied Force Local Resources (Italian) Board.
- To make necessary arrangements for the receipt, warehousing and distribution of supplies imported for the civilian population.
- To establish the prices at which supplies imported for the civilian population will be sold, and to establish uniform or standard prices for such other essential commodities or services as may be considered necessary.

933

785015

1. -ESTABLISHMENT OF CENTRAL ECONOMIC COMMITTEE (ITALIAN HEADQUARTERS)

1. To insure the necessary coordination and control of civilian supply and economic activities in occupied or controlled territory of the Italian mainland, there will be established in MAF 22 a Central Economic Committee under the Chairmanship of the Deputy Chief Administrative Officer or his Deputy, responsible direct to this headquarters. In addition to the chairman, there will be two senior representatives of MAF 15th Army Group and one senior representative to be designated jointly by the Allied Control Commission and MAF Headquarters. The representative of MAF 15th Army Group will be the executive vice-chairman. The vice chairman and the representative of MAF 15th Army Group will devote their full time to the work of the committee.
2. Such other personnel as may be required will be made available by the Allied Control Commission, MAF Headquarters and MAF 15th Army Group upon the request of the committee. Necessary vehicles and other equipment will also be provided by these three headquarters as requested by the committee.
3. The functions of the Central Economic Committee will be as follows:
 - a. To determine the essential requirements of the civilian population.
 - b. To control and allocate local resources of essential civilian supplies in coordination with the Local Resources (Italian) Board, and particularly to control the collection and distribution of wheat and olive oil.
 - c. To coordinate the work of the MAF/ACG representatives on committees and sub-committees of the Allied Force Local Resources (Italian) Board.
 - d. To make necessary arrangements for the receipt, warehousing and distribution of supplies required for the civilian population.
 - e. To establish the prices at which supplies imported for the civilian population will be sold, and to establish uniform or standard prices for such other essential commodities or services as may be considered necessary.
 - f. To establish such uniform or standard wage scales for civilian employment as may be considered necessary.
 - g. To coordinate requests for transportation of civilian supplies by facilities under the control of the Allied military services. The internal transportation sub-committee will exercise such functions as may be delegated to it by the Central Economic Committee and shall be subject to its authority insofar as matters outside the jurisdiction of the AOC are concerned.
 - h. To coordinate the use of motor and sea transportation under control of MAF/ACG in the transportation of civilian supplies, including the maintenance and pooling of civilian motor transport if this should be necessary.
 - i. To make such additional functions as may be recommended by the Committee and approved by this headquarters, or as assigned to it from time to time by this headquarters.

2/11/45
2/11/45

785015

ALM.

ALM. MEM. NO. 52. Cont.

-2-

4. To facilitate the formation of a comprehensive program for the distribution of essential civilian supplies, copies of all outstanding requisitions for each area or region will be forwarded immediately by the responsible higher headquarters to the committee of FLASPO. All future requisitions will be forwarded through the committee for concurrence or dissent.

5. In the discharge of its responsibilities, the committee will make the maximum use of Italian governmental agencies, the existing machinery of JOC/ALM, and the facilities of the Allied Force Local Resources (Italian) Board. At an appropriate date to be determined by this Headquarters, the functions of the Central Economic Committee will pass to the Allied Central Organization.

6. The representatives designated by JOC/ALM and the 15th Army Group will report to the chairman of the committee in RUFES as soon as possible and not later than 20 December 1945. Recommendations for the committee and attached personnel will be given priority over all other JOC/ALM personnel except those of Allied Military Government Region III.

7. Direct communication between the committee and JOC/ALM areas and regions on the mainland is authorized, but arrangements for such direct communication will be coordinated with the appropriate higher headquarters. Within the scope of its assigned functions, the decisions of the committee will be binding upon all JOC/ALM organizations in the mainland and its orders will be enforced by them.

8. Movement matters will be dealt with through local movement channels or coordinate with Movement, FLASPO, as directed by the Chairman.

II -- CIVIL FOOD CONTROLLER (ITALIAN MAINLAND)

1. The situation in regard to supply and distribution of food for the Italian civil population is grave, and is liable, if unremedied, to have an adverse effect on our ability to conduct operations. It may be desirable in certain cases to accept even diversion of military transport and/or supplies in order to alleviate situations which would result in internal security problems, rather than to allow such internal security conditions to arise. The primary interest of this Headquarters, in securing the minimum food requirements in ITALY is to avoid interference with military operations. It is an overriding military consideration that the civil population be fed. In emergencies where this consideration involves direct interference with military build-up and maintenance, the decision of the General Officer Commanding-in-Chief, 15th Army Group, will govern. Machinery for dealing with such matters is, therefore, being established immediately.

2. The machinery for the execution of this policy will be that of the Central Economic Committee established by Section I, above, under the Chairmanship of the Deputy Chief Administrative Officer, ALM, Advanced Administrative Division (FLASPO).

3. Colonel A.E. Hunt, GSO, United States Army, is hereby appointed Additional Vice-Chairman for Food Control and Civil Food Controller for the mainland of ITALY.

6. The representatives designated by JOC/AMC and AHC 15th Army Group will report to the chairman of the committee in WELLES as soon as possible and not later than 20 December 1943. Accommodations for the committee and attached personnel will be given priority over all other JOC/AMC personnel except those of Allied Military Government Region III.

7. Direct communication between the committee and JOC/AMC areas and regions on the mainland is authorized, but arrangements for such direct communication will be coordinated with the appropriate higher headquarters. Within the scope of its assigned functions, the decisions of the committee will be binding upon all JOC/AMC organizations on the mainland and its officers will be enforced by them.

8. Movement matters will be dealt with through local movement channels or coordinate with elements, FLASO, as directed by the Chairman.

II -- CIVIL FOOD CONTROLLER (ITALIAN MAINLAND)

1. The situation in regard to supply and distribution of food for the Italian civil population is grave, and is likely, if unremedied, to have an adverse effect on our ability to conduct operations. It may be desirable in certain cases to accept some diversion of military transportation or supplies in order to alleviate situations which would result in internal security casualties, rather than to allow such internal security casualties to arise. The primary interest of this headquarters, in meeting the minimum food requirements in Italy is to avoid interference with military operations. It is an ever-present military consideration that the civil population be fed. In emergencies where this consideration involves direct interference with military build-up and maintenance, the decision of the General Officer Commanding-in-Chief, 15th Army Group, will govern. Machinery for dealing with such matters is, therefore, being established immediately.

2. The machinery for the execution of this policy will be that of the Central Economic Committee established by Section I, above, under the Chairmanship of the Deputy Chief Administrative Officer, AFH, Advanced Administrative Division (FLASO).

3. Colonel E.G. Huse, GSC, United States Army, is hereby appointed additional Vice-Chairman for food control and Civil Food Controller for the mainland of Italy.

4. The duties of the Civil Food Controller for the mainland of Italy are:

- (a) To coordinate the requirements for foodstuffs for the civilian population and insure that those requirements are placed upon this headquarters through the approved channels.
- (b) To keep under constant supervision the food situation in the occupied portions of the mainland of Italy.
- (c) To keep under constant supervision the status of the distributing agencies available for the distribution of the food stocks to civilian consumers.
- (d) To bring to the notice of the Deputy Chief Administrative Officer at the earliest possible moment any situation which is likely to create a civilian food crisis which might be prejudicial to the conduct of military operations.

-3-

5. The Civil Food Controller shall consult with the Deputy Chief Administrative Officer and a representative of the General Officer Commanding-in-Chief, 15th Army Group, on all cases brought to notice under 4, d, above. If, as a result of this contact, it is considered that the situation brought to notice by the Civil Food Controller is in fact such as may prejudice military operations, then this situation will be brought to the notice of the General Officer Commanding-in-Chief, 15th Army Group, and his directions obtained. The Deputy Chief Administrative Officer, AFHQ Advanced Administrative Echelon is hereby authorized to divert, under direction of the General Officer Commanding-in-Chief, 15th Army Group, the minimum army resources for the minimum time necessary to correct the situation under discussion. General Officer Commanding-in-Chief, 15th Army Group, is authorized in his discretion to limit military operations for this period to such an extent as shall be deemed necessary by him to compensate for the diversion of the military resources in question.

by command of General EISENHOWER:

T.J. DAVIS,
Brigadier General, United States Army,
Adjutant General.

DISTRIBUTION:

15

5334

ORIGINAL

187

SECRET

EQUALS BUT NOT THE SAME AS SECRET

INCOMING MESSAGE

NR: 13409
SECRET

ADDRESSED FOR ACTION TO : FATIMA FOR JOYCE ** IBS NUMBER : 5509
FOR INFORMATION TO : TIME SENT : 131016A
FROM : GING TIME REC'D : 012355A
IN REPLY REFER TO : 13409, FIDR09 PRECEDENCE : ROUTINE

**DETD FARGO FOR GILSTERHOCK

- EDITED LITERAL TEXT -

ORIGINAL



Our letter of 8th December subject Central Economic Committee.
Robertson has accepted Chairmanship Administrative Memorandum will be
issued immediately. You will appoint AOC/AND representative as executive
vice chairman. He will arrive Naples 20th December or earliest to take
up duties. Suggest he report to MGS ADV for orientation.

Copy to Gen Div.

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AOC (ACTION)

01

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ORIGINAL

158

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ORIGINAL

CLASSIFICATION PRIORITY
TIME OF ORIGIN 131933A
TIME OF RECEIPT 140405A
TIME DECODED 140440A

MSG NR 13524
MSG CEN NR
TO FARGO

TO ENSURE NECESSARY COORDINATION AND CONTROL OF CIVILIAN SUPPLY AND
PATTERS ON ITALIAN MAINLAND CMA A CENTRAL ECONOMIC COMMITTEE WILL BE
ESTABLISHED IN NAPLES X PAREN TO FATIMA FOR JOYCE AND TO FILPOT FOR
AMG REPEATED FARGO FOR ACC SLANT AMG REPEATED FLAMBO FOR MGS ADV SIGNED
CINC CITE FHMGS PAREN X GENERAL ROBERTSON IS CHAIRMAN X GENERAL HAMBLEN
IS ALTERNATE X IN ADDITION WILL BE ONE SENIOR REPRESENTATIVE OF AMG
FIFTEENTH ARMY GROUP AND ONE SENIOR REPRESENTATIVE TO BE DESIGNATED
JOINTLY BY ACC SLANT AMG HEADQUARTERS CMA WHO WILL BE VICE CHAIRMAN X
THE ACC SLANT AMG AND AMG FIFTEENTH ARMY GROUP MEMBERS WILL DEVOTE FULL
TIME TO WORK OF COMMITTEE AND WILL REPORT WITH NECESSARY STAFFS TO CHAIR-
MAN IN NAPLES AT EARLIEST CMA AND NOT RPT NOT LATER THAN TWENTY DECEMBER
OTHER PERSONNEL CMA EQUIPMENT AND VEHICLES WILL BE MADE AVAILABLE BY
ACC RPT ACC CMA AMG AND AMG FIFTEENTH ARMY GROUP CMA AS REQUESTED BY
COMMITTEE X AN ADMINISTRATIVE MEMO WILL BE PUBLISHED IMMEDIATELY STATING
FUNCTIONS OF COMMITTEE X MGS RPT MGS ADV AT FLAMBO WILL BE COMMUNICATION
CHANNEL BETWEEN THIS HEADQUARTERS AND COMMITTEE

ORIGINAL

9332

? Col. Gamm.

SECRET

(Equivalent British / MOST SECRET)

ATM/mt

ALLIED FORCE HEADQUARTERS

Military Government Section

8 November 1943

SUBJECT: Central Economic Committee

TO : Major General Kenyon A. Joyce, Acting Deputy President, ACC.

1. I enclose for your advance information copies of letter from SAC to General Robertson, together with a draft charter for the Central Economic Committee which it has been decided to appoint on the mainland.

2. The papers are on their way to General Robertson by courier and the plan will not be implemented until his approval has been received.

3. As you will see, AME/ACC must find a really good man; as Executive Vice Chairman in the event that General Robertson is agreeable for himself or General Hamblen to serve as Chairman; or as Chairman, in the event that neither he nor General Hamblen takes office.

4. We have undertaken on your behalf that you will appoint a really good man to this job, as it is obvious that he must be acceptable not only to AFHQ but to 15 Army Group also. The officer whose name was mentioned here is Colonel Evans, who would be very acceptable at AFHQ, but I realize that this means deflecting him either permanently or temporarily, depending on the future, from his present executive functions in his Sub-Commission.

5. We shall, of course, be entirely satisfied at any selection you make.

A. T. MAXWELL
Acting Chief,
Military Gov't Section

3331

Copy to:

Col. Spefford, DEACAC, AME HQ, Palermo ✓

SECRET

(Equivalent British / MOST SECRET)

