

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

ACC

10000/100/1020

31 pp.

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785015

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LOCAL RESOURCES BOARD,
FILE NO. 412
DEC. 1943, JAN. 1944

31 pp.

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

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705015

RESTRICTED

292304A

N-4459

RAD

1990

PENINSULAR BASE SECTION
SIGNAL MESSAGE CENTER

30 JAN 44

RESTRICTED

ROUTINE

CG PES PARCO FOR ADAMS

NONE

SIGNED CINC

291545A

292304A

44606

FHMGS



MAY WE HAVE EARLIEST REPLY TO OUR REF 27727 OF 12TH JANUARY.

PBS DIST

ACTION AMG HQ
INFO SECY
1 - CG

ACC DIST

ACTION ECON SEC (2)
INFO COL SPOFFORD (2)

3475

11717

RESTRICTED

P. A. memo 3/12/44

N 2293

(Info) DCB-5 (OSI)
R. 1124

SECRET PRIORITY TELEGRAM

SECRET

RECEIVED AT

FBS SIGNAL MESSAGE CENTER

15 JANUARY 44

SECRET

PRIORITY

TO...ACTION.....CG FBS FOR FARGO FOR GUTTERBOCK AND CARTER,
FABLE FOR MATTHEWS

INFO.....NONE

FROM.....SIGNED GINO FROM KOENIG

DATE TIME SIGNED.....151806A

DATE TIME RECEIVED...160440A

REFERENCE NR.....29162

CITE.....FHMS



Orig. Econ. Div. (3)

IN SPITE OF FACT THAT MACDONALD ADVISES ONLY SMALL QUANTITY OF MINE
TIMBER WILL BE READY FOR SHIPMENT FROM PECCARY IN NEAR FUTURE THE SS
LUCERA WILL STILL CALL THERE FOR MISCELLANEOUS SUPPLIES FOR SARDINIAN
COAL MINES. ADVISE GILLESPIE BY COURIER THAT HE SHOULD ASSEMBLE AT
PECCARY OLIVE OIL, COKE, ALL POSSIBLE DIMENSION LUMBER AND ALL PIT
PROPS HE CAN PROCURE EITHER FROM SMALL LOCAL STOCKS OF ROUGH SQUARED
TIMBER OR FROM FORESTS. AM MAKING SOME PROGRESS PROCURING NECESSARY
TRANSPORTATION, FOOD, CLOTHING FOR INITIATION OF CORSICAN MINE TIMBER
PRODUCTION. MACDONALD LEAVING FOR CORSICA WITHIN SEVERAL DAYS. KOENIG
EXPECTS RETURN DUKO ABOUT 20TH THIS MONTH. AM ALSO WORKING ON
PROCURING NECESSARY TRUCKS AND JEEPS FOR MATTHEWS SARDINIAN OPERATIONS.
COAL SECTION QM WANTS PRODUCTION OF BETWEEN 45000 AND 50000 TONS
SARDINIAN COAL PER MONTH. 110 POUNDS OF CASABLANCA PERMISSIBLE COAL
MINE EXPLOSIVES SHIPPED TO MATTHEWS BY AIR FOR IMMEDIATE TRIAL.
REPORT ON THIS EXPLOSIVE REQUESTED BY RADIO TO MGS AFHQ AND MINING
DIVISION DUKO SO THAT REPEAT ORDER CAN BE PLACED ON RECOMMENDATIONS
MADE FOR NEXT LOT TO BE MANUFACTURED.

SECRET

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
Industrial Planning Staff.

FMR/1a

15 January 1944

SUBJECT: Caustic Soda Production.

TO : Economic Director.

1. Requisitions for imports of caustic soda at present consist of 100 Tons per month for Region II and 240 T per month for Apulia.

2. These importation requisitions are in addition to laundry soap totaling 756.4 Tons for Jan., 100 Tons Region II, 300 Tons Region III, 356.4 Tons Region IV, with the exception of Region II, these requisitions continue monthly through June. Toilet soap imports would add 54.6 Tons per month for Region IV.

3. There are several possible sources of caustic soda in Italy as it formed a basis of rayon and artificial fibers. Hence many fiber producers have self contained caustic plants.

a. Cellulose-Chloro-Soda Plant, Naples, with 2500 KW power could produce 15 Tons caustic soda and 14 Tons calcium carbide per day, as well as sizeable quantities of chlorine. They have a motor-generator set.

b. Ist. Poligrafico dello Stato, Foggia. Capacity and condition not known.

c. Soc. Ind. Cellulosa d' Italia, Foggia. Capacity and condition not known.

d. From these three plants it is believed possible to produce, compatible with power allocation, sufficient caustic soda to eliminate imports, and help the soap situation, which with typhus, etc., is a health problem; some cannibalization may be necessary.

4. The power allocation may obtainable by curtailing current supply for scheduled periods, other less-essential industries or operations. Scheduling industries by weeks may provide a better balance of products.

3,73

5. Capt. Mydans stated that sodium silicates by products from phosphate fertilizer plants, form substitutes for caustic soda for soap making. Caustic soda production might well be considered in parallel with soap making, other soda substitutes being part of total caustic soda requirements.

a. The Grotone fertilizer plant produces caustic solutions, but these are not available as surplus, beyond intra-plant operations.

b. The Barletta Montecatini plant has a production capacity of approximately 40 tons of sodium silicate solution per month. It also can produce materials used in glass making: sodium sulphate, 250 tons per month; and sodium flosilicate, 12 tons per month.

6. Raw materials for the manufacture of caustic soda, other than power, are available in the occupied areas of Italy. Ample salt is obtainable in Sicily and Sardinia.

7. It is recommended that

a. Total military and essential civilian requirements for all purposes be determined scheduled, by months.

b. Power and raw material requirements to meet these needs be scheduled, for purpose of transportation, shipping, and other items requiring prior planning.

c. Caustic soda production be initiated to the extent needed to meet above schedules and allocations.

d. Power companies be required to submit reports to Public Works and Mines Sub-Commission, through channels, showing consumers of power, in KW and KWHours per month, using in excess of 50 KW and 1000 KWHours per month. Such reports received monthly or as often as desired would permit Public Works and Mines Sub-Commission, in collaboration with AFLE (I) B. Power Committee, to guide other Sub-Commissions and Agencies in production schedules and planning rehabilitation.

For the Industrial Planning Staff.

FRED M. RESTER
Lt. Colonel
Senior Staff Officer

Distribution:
D C C A C

3472

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
Industrial Planning Staff.

PAR/ln

15 January 1944

SUBJECT: Memberships on Engineering Materials Committee
and Sub-Committees, AFLR (I) B,

TO : AFLR (I) B, Engineering Materials Committee
Attention Major Ramsden, Sec'y.

1. Capt. W.E. Mydans has been appointed by AMG-Hq. to represent AMG-Hq. on the Acetylene (Industrial Gases) Sub-Committee. It is requested that this appointment be made official so that he may ^{be} free to carry on the work with proper authority.

2. Attention is invited to two items:

a. Lt. Col. F.M. Reiter, Industrial Planning Staff, was appointed as member of the Engineering Materials Committee from AMG-Hq on Nov. 22, 1943. Capt. A.B. Austin, Civilian Supply Committee, was appointed to the Committee by and for AMG-15th Army Group, ACC Brindisi were to appoint their representative.

b. Copies of minutes had been sent to AMG-15th Army Gp., to ACC-Brindisi. AMG-Hq was not on the distribution.

3. This memo, is submitted to place the names in writing for official recognition. As per phone call of this date, Major Ramsden is completing his name records, assuring ACC representation, and putting AMG-Hq on distribution list, so that no further action is believed necessary. AMG-Hq would like their quota of copies of minutes of past meetings, if available from spares.

For the Commanding Officer,

FRED M. REITER, 71
Lt. Colonel
Senior Staff Officer

Distribution
DCCAO
Economic Director

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
Industrial Planning Staff.

FMR/ln

15 January 1944

SUBJECT: Excess Lead and Zinc.

TO : Public Works and Mines Sub-Commission:
Attention: Lt. Col. Koenig.

1. At its meeting held 14 January 1944, the Engineering Materials Committee, AFMR (Italian) Board, released for civilian use or export:
 - a. All zinc stocks
 - b. All lead stocks over 1200 tons.
2. The minutes of the meeting have not yet been published.

For the Industrial Planning Staff.

FRED M. REITER
Lt. Colonel
Senior Staff Officer

Distribution:
D C G A O
Economic Director
Industry & Commerce Sub-Commission

5479

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
Industrial Planning Staff.

RAM/ln

18 January 1944

SUBJECT: Importation and Use of Italian Pumice in Germany.

TO : Allied Intelligence Committee (Attn: Major J.V. Hinkel)

1. Copy of letter from SCAG, Solie Islands relating to subject matter is being returned herewith.

2. It is interesting to note the uses to which pumice has been employed as a war material. However, it is believed that its utilization can be extended to more practical purposes such as in the production of soap for commercial, and essential civilian needs. It is requested, therefore, that information be obtained concerning present production capacity of the industry, number, location, and condition of plants, availability of raw materials, etc. Copies of a questionnaire for obtaining this data are being sent herewith.

3. It is suggested that this questionnaire be submitted to the SCAG, SOLIE ISLANDS for such disposition as he may care to make in order to obtain the desired information. Upon completion of these forms, they should be returned to this office.

For the Industrial Planning Staff.

FRED M. REITER
Lt. Colonel
Senior Staff Officer

Inclosures:

- 1 Ltr. from SCAG Solie Islands
- 4 copies of questionnaire

5469

312-8
H/2

CONFIDENTIAL



CIPHER MESSAGE IN

CONFIDENTIAL

IMPORTANT

SIGS:2136

TO : PLAMBO FOR HENDERSON AND TO FARGO FOR GUETERBOCK AND
SPOFFORD

FROM : SIGNED CINC CITE FHMG

27727

12

FOLLOWING IS PARAPHRASED CABLE CAL 114 FROM AGWAR: CLOTHING.
DATA NEEDED ON POSSIBILITY OF MENDING AND DYING IN ITALY OF ARMY
UNIFORMS THAT CANNOT BE REPAIRED FOR ARMY PURPOSES YET USABLE FOR
CIVILIANS. WE CAN SUPPLY COMMERCIAL DYES. SINGER SEWING MACHINE
CO ADVISES ADEQUATE FACILITIES IN NAPLES. END PARAPHRASE. PARA.
ADVISE IMMEDIATELY LOCATION AND CAPACITY OF ALL FACTORIES EQUIPPED
WITH SEWING MACHINES? DYEING EQUIPMENT AND OTHER FACILITIES. CONSULT
EVANS AND ADVISE ALSO QUANTITY OF NEEDLES, THREAD, DYES REQUIRED PER
100000 GARMENTS PER MONTH. PARA. INCLUDE ANY OTHER PERTINENT DATA
IN REPLY. ANSWER QUICKEST

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IMPORTANT

SMC

DISTRIBUTION.....ACTION...MGS(A)
INFO.....AMG(HQ)

[Signature]
SMC 130820A

3468H.

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*Copy to Brig Gueterbock
Info to G-4
Info - Econ. Div.*

COPY

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SECRET

ALLIED FORCE HEADQUARTERS

Military Government Section

JCH/TBI/ALO
7 January 1944

SUBJECT: Price Policy Conference

1. Sets of the Minutes of the Italian Price Policy Conference held at AFHQ 5-6 January are forwarded herewith in accordance with the distribution set out below.

2. The recommendations contained in the minutes will be submitted to the Combined Chiefs of Staff for approval. The Central Economic Board will until such time as its powers are surrendered to AOC/AMG, be the body responsible for carrying out the policies in question.

/s/ J. C. Holmes
/t/ J. C. HOLMES
Brigadier General, C.S.O.
Chief, Military Government Section

Distribution:

Central Economic Committee	3 sets
HQ AOC/AMG	6 sets
AOC (Region 6)	2 sets
HQ AMG, 15th Army Group	3 sets
CAO	1 set
C-4	2 sets
QM (Coal Section)	2 sets
Ref. Sec. AFHQ	2 sets
AFHQ	2 sets
NAHQ	4 sets
MCS	12 sets

5467

SECRET

SUBJECT: Price Policy Conference

1. Sets of the Minutes of the Italian Price Policy Conference held at AFHQ 5-6 January are forwarded herewith in accordance with the distribution set out below.
2. The recommendations contained in the minutes will be submitted to the Combined Chiefs of Staff for approval. The Central Economic Board will until such time as its powers are surrendered to ACC/AME, be the body responsible for carrying out the policies in question.

/s/ J. C. Holmes
/t/ J. G. HOLMES
Brigadier General, G.S.C.
Chief, Military Government Section

Distribution:

Central Economic Committee	3 sets
HQ ACC/AME	6 sets
ACC (Region 6)	2 sets
HQ AMG, 15th Army Group	3 sets
CAC	1 set
G-4	2 sets
QM (Coal Section)	2 sets
Port. Sec. AFHQ	2 sets
AFHQ	2 sets
NAEB	4 sets
MES	12 sets

0467

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ALLIED FORCE HEADQUARTERS

Military Government Section

AGENDA

Conference on Price Policy to be followed in Italy.

2-6 January 1944

5 January

1000 - Preliminary remarks by the Chairman.

1000-1030 - A view of domestic price situation in Italy: evaluation of price policy currently being followed, with particular reference to:

a) Effectiveness of current controls of general price ceilings.

b) Consideration of current control of prices of important foods -- especially wheat, flour, bread, and pasta.

c) Critical consideration of proposals for modification of current price-control policy and mechanism.

1400-1630 - Report on price policy, with particular reference to:

a) Desirability of charging all importers to the Italians at landed cost.

b) In particular, the attitude to be taken by A.C.A.C.C. towards sales of imports at a loss, as an element in price control.

1600-1830 - Price and marketing problems of certain coal industry:

a) Evaluation of current practice of selling at very low subsidized prices for local Sardinian consumption.

b) Policy to be followed in exporting to other parts of Italy.

c) Policy to be followed in pricing and handling of mined coal.

d) Export to foreign markets will be considered at a subsequent session of the Conference.

6 January

0930-1100 - Export price policy, with particular reference to:

a) Problems involved in determining an FOB price to be paid to producers.

b) Consideration of price to be charged in foreign markets.

c) Payment procedure to be followed in foreign markets.

3466

2 January

1000 - Preliminary remarks by the Chairman.

1000-1200 - A view of domestic price situation in Italy: evaluation of price policy currently being followed, with particular reference to:

- a) Effectiveness of current enforcement of general price ceilings.
- b) Consideration of current control of prices of important items -- especially wheat, flour, bread, and pasta.
- c) Critical consideration of proposals for modification of current price-control policy and mechanism.

1400-1600 - Import price policy, with particular reference to:

- a) Desirability of charging all imports to the Italians at landed cost.
- b) In general, the attitude to be taken by A.G.-ACC towards sales of imports at a loss, as an element in price control.

1600-1800 - Price and marketing problems of Sardinian coal industry:

- a) Evaluation of current practice of selling at very low subsidized price for local Sardinian consumption.
- b) Policy to be followed in exporting to other parts of Italy.

- c) Policy to be followed in pricing and handling imported coal.
- d) Export to foreign markets will be considered at a subsequent session of the Conference.

6 January

5466

0900-1100 - Export price policy, with particular reference to:

- a) Problems involved in obtaining an FOB price to be paid to producers.
- b) Consideration of price to be charged in foreign markets.
- c) Payment procedure to be followed in foreign markets.

1100-1200 - Application of export price policy to:

- a) Sardinian coal) in North African market.
- b) Sicilian sulphur)

1400-1600 - Various matters, including:

- a) Consideration of setting up an Allied Export-Import Agency to handle all export and import accounts.

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ALLIED FORCE HEADQUARTERS

Military Government Section

January 1944

Conference on Price Policy - Italy
held 5 and 6 January at A.F.H.Q.

General

1. For list of those present see Appendix A.

2. In opening Colonel Maxwell pointed out that it was the purpose of the conference, on the matters under discussion, to arrive at a medium term as distinct from a long term policy, and that there was no suggestion of a change of charter on which ACC was to act. It was stated that so far as the import side was concerned, shipments now appeared to be coming in steadily and would continue to do so, and that a number were being worked out to deal with transport organization for distribution in Italy.

Colonel Maxwell then referred in general terms to the suggestions for price policy which had been circulated by M.G.S. prior to the conference and to the written views of ACC/AMF (copies of which had also been circulated) and in which CEC generally concurred from which it appeared that there was already a very large measure of agreement both as to general policy and as to the way in which the policy involved should be applied. Copies of the M.G.S. policy suggestions and the views of ACC/AMF as shown in the revised form in which copies were distributed at the meeting will be attached to and form part of the master copy of these minutes. 360

3. Review of domestic price situation in Italy.

(1) On behalf of HQ ACC/AMF, Colonel Bernstein gave a general review of the rise in prices which had been going on and is tending to go on in all regions of Italy and dealt with the price control system adopted to arrest such upward movements, namely the fixing of legal prices for basic goods and the issuance of a general list of price maxima as a guide to local enforcement. The view was expressed that rise in prices was inevitable, but that it should be slowed down, particularly during the next 3 to 6 months. In his view it would continue to be necessary to subsidize certain basic commodities and to control prices for them, as letting all prices move up to the level of landed cost would only upset the present structure and would lead to further increases in wages.

(II) Representatives of CEC 15 Army Group and of Region 6 generally agreed with the views put forward by ACC/AMF, but it became clear in the course of the discussion that a sharp difference of opinion existed with

Distribution:-

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	3	Vice Chairman (Sr)
	4	ED/CL
	5/6	C.G., PBS.
	7/9	C.P.C. No. 2 District
	10	P.Q.N.C.
	11/15	Flag Officer, Western Italy
	16/21	IC. XII A.F.S.C.
	22/24	H.G.U. (Adv).
	25/26	JMG., 15 Army Group
	27/28	H. J. A.C.C. BRINDISI
	29/31	H. J. A.F.L.R.S. AMB.
	32	K.A. (Sr)
	33	H.F.A. PBS.
	34	Q.1
	35	Q.2.
	36	Chairman, Food Supply Committee
	37	Chairman Control of Wages Committee
	38	Chairman Engineering Materials Committee
	39	Chairman Electric Power Committee
	40/42	Central Economic Committee
	43/52	Local Resources Section
	53	File
	54/55	H. J. A.H.G. C.M.F.
	56/60	Spares.

785015

your Formation on A.F.L.R. (I).P. be discussed, and decided, at the next meeting of the Board to be held in the Conference Room, FLAMEO, on 28 Dec 43 at 1100 hrs.

2. It is requested that a suitably qualified representative attend that meeting.

- (a) to explain the reasons why this election is desirable.
- (b) to represent your Formation, in the event of the Election being approved.
3. For your guidance a copy of the Agenda is attached.

3457



Lt. Col.
AGMC.
Local Resources Section.

NLP/hlo
GIF.

Copies to : MGS (Adv) 2
AGMC., 15 Army Gp.
AGC

