

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

ACC

10000/101/424

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

4
RESOURCES, INDUSTRY & ECONOMICS
FEB. - SEPT. 1944

LIST OF PAPERS

File under No. 091.33

"B" FILES

(4) SECRET

RESOURCES, INDUSTRY AND ECONOMICS

SECRETARY
GENERAL'S
OFFICE

SERIAL NUMBER	FROM--	DATE	TO--	SYNOPSIS
77)	Capt Stone	4 Sept?	VP Econ Sec	Draft ltr re 73-Committee for relief and rehabilitation.
78)	Capt Stone	4 "		MEMO on conference with Bonomi on: (1) Greek Government; (2) Funds for Marchese del Vascello; (3) Rehabilitation Committee; (4) Withdrawal of PC ACC from Sicily.
79)	Capt Stone	4 "	Economic Sec	Fuel for Central Institute of Statistics - Fwding copy of 76.
80)	Mr Antolini	5 "	Capt Stone	Ital Civilians for Istituto Statistica failing to show up for demographic & industrial census.
81)	Col Densmore	6 "	Economic Sec	Use of Materials & Unused Ground (68)
81a) 091.3	Capt. Stone	6 "	Economic Sec (1119)	Coordinate with WMD & IPS S/C.
82)	Mr Antolini	23 Aug	Secy Gen	SILURIFICIO ITALIANO PLANTS at
ES/13A	FOUIT	17 "	Adm Casardi	Baia - Subject now closed.
ES/13A	Mr Antolini	7 Sept	Secy Gen	
83)	Capt Stone	8 "	Fenoaltea	Fuel for Central Institute Statistics-special attention given.
84)	Mr Antolini	6 "	A/CC	On resumption of work - TERNI
004.04	Col Densmore	9 "	Mr Antolini	Steel Works
85)	Capt Stone	12 "	Bonomi	
86)	Col Densmore	9 "	Mr Antolini	Use of Alpha Romeo Factory as
ES/43	Col Densmore	13 "	A/CC	Warehouse - almost impossible fix.
87)	Maj Quayle	13 "	Densmore-Economic	Ceprano Paper Mill.
88)	Capt Stone	16 "	Bonomi	Legislative decree on constitution
98a) ES/7	ANTOLINI	7 "	A/CC	regional bldg bodies for urgent repairs & construction works (ans. 70)
89)	Bonomi	15 "	Capt Stone	Revision of Italian Census.
091.3	Maj Quayle	18 "	Upjohn & Antolini	
90)	Col Densmore	13 "	A/CC	Electric Power for Printing Presses of Ministry of Foreign Affairs.
004.04	Maj Quayle	17 "	Ministry For. Affairs	Requisitioned plants-possibility of
91)	Gen Robertson	14 "	Capt Stone	release by AAI for civilians
004.04	Capt Stone	19 "	Economic Sec	Re 87. Ceprano paper mill.
92)	Colonel Todd	18 "	CSO to A/CC	
93)	STONE	18 ..	Cartore di Segnano	CEPRANO PAPER MILL

78)	--	Capt Stone	4 "		MEMO on conference with Bonomi on: (1) Greek Government; (2) Funds for Marchese del Vascello; (3) Rehabilit- ation Committee; (4) Withdrawal of PC ACC from Sicily.
79)	091.3-1	Capt Stone	4 "	Economic Sec S.	Fuel for Central Institute of Sta- tistics - Fwding copy of 76.
80)	--	Mr Antolini	5 "	Capt Stone	Ital Civilians for Istituto Statis- tica failing to show up for demogr- aphic & industrial census.
81)	004.04 81a) 091.3	Col Densmore Capt Stone	6 "	Economic Sec S.	Use of Materials & Unused Ground (68) Coordinate with WMD & IPS S/C.
82)	ES/13A --	Mr Antolini POWIT	23 Aug 17 "	Secy Gen Adm Casardi	SILURIFICIO ITALIANO PLANTS at Baia - Subject now closed.
83)	ES/13A 091.3-1	Mr Antolini Capt Stone	7 Sept 8 "	Secy Gen Fenoaltea	Fuel for Central Institute Statis- tics-special attention given.
84)	5644/IND 004.04	Mr Antolini	6 "	A/CC	On resumption of work - TERNI Steel Works
85)	004.04	Col Densmore	9 "	Mr Antolini	
86)	--	Capt Stone	12 "	Bonomi	Use of Alpha Romeo Factory as Warehouse - almost impossible fix.
87)	ES/43 004.04	Col Densmore	9 "	Mr Antolini	
88)	004.04	Col Densmore	13 "	A/CC	Ceprano Paper Mill.
89)	ES/7 11216/12410	Maj Quayle Capt Stone	13 "	Densmore-Economic	Legislative decree on constitution regional bldg bodies for urgent re- pairs & construction works (ans. 70)
90)	ES/16 004.04	Col Densmore	16 "	Bonomi	Revision of Italian Census.
91)	5001/9/CAO 004.04	Gen Robertson Capt Stone	7 "	A/CC →	Electric Power for Printing Press- es of Ministry of Foreign Affairs.
92)	5609/IND	Col Densmore	13 "	Ministry For. Affs	Requisitioned plants-possibility of release by AAI for civilians
93)	5609/IND	Col Densmore	17 "	Capt Stone	Re 87. Ceprano paper mill.
94)	5609/IND	Col Densmore	14 "	Economic Sec	CEPRANO PAPER MILL IND Plants in No. 1 Caly
95)	5609/IND	Col Densmore	19 "	GSO to A/CC	CENSUS
96)	5609/IND	Col Densmore	18 "	Capture di Segno	
97)	5609/IND	Col Densmore	23 "	Densmore Census	
98)	5609/IND	Col Densmore	21 "	BONOMI	

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"B" FILES

HQ ACC, AFO 394
Sec'y Gen.

RESOURCES, INDUSTRY AND ECONOMICS

(3)

SECRET

SERIAL NUMBER	FROM--	DATE	TO--	SYNOPSIS
54) Phone Call	Comdr Lawler	20 Aug	Capt Stone	Dope on Dr Draghi.
55) 004.04	Capt Stone	21 "	Bonomi	Re organization & administration of I.R.I. ACC recommends Draghi as Commissioner, etc., etc.
See # 70.				
56) ACC/158/PWJ	Gen O'Dwyer	14 "	A/CC	Electric Power sitn in Central Ital
57) 322/3/44	Noel Charles	16 "	Capt Stone	Coordination of Economic activities with Nosworthy, of British Embassy at Rome.
- -	Capt Stone	21 "	Econ Sec	
A/CC 091.3	Capt Stone	26 "	Noel Charles	
58) 10026-3/1-1-16	Bonomi	22 "	Capt Stone	Agreed 51. Cave instructions for Central Inst. of Statistics to be helped get economic sitn in Italy
ES/13A, 23 Aug - 64 & 82.				
59) - -	Bonomi	24 "	Capt Stone	Agreed 55. However recommend Piccardi in lieu of Draghi.
60) 004.04	Capt Stone	25 "	AFHQ via AAI	Electric Power Supply in Italy.
61) 091.3	Capt Stone	26 "	Economic Sec	Fwds copy of 58 for action.
62) 004.04	Capt Stone	26 "	Economic Sec	Fwds copy of 55. Is Piccardi OK?
63) 004.04	Capt Stone	28 "	AAI, Local Resource	ACC Representation on AFIRB(33)
64) ES/5	Gen O'Dwyer	28 "	" " "	Col Evans as Chairman of Central Price Committee of AFIRB.
65) - -	Col Spofford	23 "	Capt Stone	1) Ministry of Supply; 2) Ital Foreign Trade, economic Policy, etc.
091.1	Capt Stone	28 "	Econ Sec	Document filed in 430 (ff 49)
66) Aide Memoire I				Ital Exports - Principles to guide ACC in supervision/control over resuscitating Ital Foreign Trade
- -	Col Spofford	23 "	Capt Stone	Document filed in 430 (ff 50)
091.3	Capt Stone	29 "	Econ Sec	Electric power for printing press of Min. Foreign Affairs.
67) 004.04	Capt Stone	30 "	Econ Sec	
68) AFSC/R/662/EQ	AOC Air S/C	29 "	Capt Stone	"Use of Materials and Unused Ground" - re Piacentini's letter.
004.04	Capt Stone	31 "	ECONOMIC Sec	
004.04	Capt Stone	31 "	AVM Buscarlet	InterMinisterial Committee for supply of commodities/materials pending estab. price administration.
69) 091.3	Capt Stone	31 "	Bonomi	Legislative Decree on Constitution of Regional Bldg Bodies for Urgent
70) 1/285	Min. Foreign Affrs	19 Aug	ACC	
	Capt Stone	21 "	Econ Sec	

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56) ACC/158/PWJ	Gen O'Dwyer	14 "	A/CC	of I.R.I. ACC recommends Draghi as Commissioner, etc., etc.
57) 322/3/44	Noel Charles Capt Stone	16 "	Capt Stone	Electric Power sitn in Central Ital
- -	Capt Stone	21 "	Econ Sec	Coordination of Economic activities with Nosworthy, of British Embassy at Rome.
A/CC 091.3	Capt Stone	26 "	Noel Charles	
58) 10026-3/1-1-16	Bonomi	22 "	Capt Stone	Agreed 51. Cave instructions for Central Inst. of Statistics to be helped get economic sitn in Italy
ES/13A, 33 Aug - 6 Aug 12.				
59) - -	Bonomi	24 "	Capt Stone	Agreed 55. However recommend Piccardi in lieu of Draghi.
60) 004.04	Capt Stone	25 "	AFHQ via AAI	Electric Power Supply in Italy.
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64) ES/5	Gen O'Dwyer	28 "	" "	Col Evans as Chairman of Central Price Committee of AFRRB.
65) - -	Col Spofford	23 "	Capt Stone	1) Ministry of Supply; 2) Ital Foreign Trade, economic Policy, etc.
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67) 004.04	Capt Stone	30 "	Econ Sec	"Use of Materials and Unused Ground" - re Piacentini's letter.
68) AFSC/R/662/EA	AOC Air S/C	29 "	Capt Stone	InterMinisterial Committee for supply of commodities/materials pending estab. price administration.
004.04	Capt Stone	31 "	ECONOMIC Sec	Legislative Decree on Constitution of Regional Bldg Bodies for Urgent Repairs & Construction Works.
004.04	Capt Stone	31 "	AVM Buscarlet	Prof. Boncinelli as Candidate for Commissioner of I.R.I.
69) 091.3	Capt Stone	31 "	Bonomi	On possible resumption of work by 'Terni' Company.
70) 1/285	Min. Foreign Affrs	19 Aug	ACC	Representations to Ital. Govt to appoint Committee on Rehabilitation and Relief of Unemployment, etc.
- -	Capt Stone	21 "	Econ Sec	Piccardi OK (re 59)
71) - -	Ettore Boncinelli	31 "	Capt Stone	Electric power in Italy (60)
- -	Capt Stone	31 "	Finance S/C	Fuel for Central Institute of Statistics
72) 004.04	Col Densmore	2 Sept	Mr. Antolini	583
73) ES/74	Gen O'Dwyer	16 Aug	A/CC	
000.1	Capt Stone	20 "	VP Econ Sec	
ES/74	Gen O'Dwyer	22 "	Capt Stone	
74) 004.04	Capt Stone	28 "	Bonomi	
75) 5022/CAO	C-in-C AAI	29 "	AFHQ via AAD	
76) 12706/10026-5	Fenoaltea	1 Sept	Capt Stone	
1/1.16				

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HQ ACC, APO 394
Sec'y Gen.

RESOURCES, INDUSTRY AND ECONOMICS

(2)

SECRET

SERIAL NUMBER	FROM--	DATE	TO--	SYNOPSIS
27) 5009/CAO	Gen Robertson	11 July	A/CC ACC	Cordination of Industry-Re 21. Would like discuss some points of Anti-Inflation Report, with CAO, AF.
28) ACC/051/PWU	Col Jenny, PWU S/C	14 "	VP Econ Sec	Re 24.-Supply of Electricity for forward areas.
29) A/CC 04.04	Capt Stone	18 "	Mr. Grady	Requisitioned plants.
30) " "	" "	20 "	VP Econ Sec	Subphur for Sardinia.
31) 2131/Q2	CAO AAI for Cinc	22 "	AFHQ	Recommend Abolition of present Central Electrical Board.
32) ES/13A	Col O'Dwyer	24 "	A/CC	Requisitioned Plants.
33) 5025/CAO	Cinc AAI	24 "	AFHQ	AFIRB. Anti-Inflation Report's recommendation re AFIRB not agreed, for Allied Economic Council-Italy. ACC more participation in AFIRB.
34) A/CC 321	Capt Stone	24 "	Members A/Inflation Committee.	Re 31. Request cooperation in abolition of Central Electric Board.
35) 004.04	" "	25 "	Gen Robertson	Requisitioned Plants, list of.
36) 004.04	" "	27 "	" "	Re 33. AFIRB & Report of A/Inflation Committee's recommendations.
37) A/CC 100.	" "	26 "	AFHQ, Tac AAI	Control of Hemp.
38) FOWIT 913	FOWIT	27 "	CC ACC, etc.	Re 28. Requisitioning of equipment for electric supply in forward areas
39) -	Capt Stone	1 Aug	VP Econ Sec	Requisitioned plants, Re 36. Cy to Econ Sec for guidance, etc.
40) 5001/9/CAO	Gen Robertson	1 "	Capt Stone	Control of Hemp. Please answer 38.
41) - -	Col Densmore	2 "	Econ Sec	Request send rep. to Meeting Electrical Reconstruction Committee.
42) ACC 1350	Cable FOWIT	4 "	CC ACC	1. Abolishment of Central Electrical Bd; 2. ACC taking planning duties on Electrical supply; 3. Requisitioning of equipment for PWU.
43) ACC/051/PWU	Cable PWU S/C	4 "	PBS, FOWIT	Control of Hemp; re 41: report will be forwarded today.
44) ACC 1514	Col O'Dwyer	5 "	A/CC	Control of Hemp. Fwd draft decree therefor.
45) A/CC 091.3	Cbl-Slaughter	8 "	FOWIT	Future Administration of I.R.I.
46) A/CC 091.3	Capt Stone	8 "	FOWIT	STIMULATING PLANTS.
47) 13197/F	Col O'Dwyer	1 "	Capt Stone	
48) ES/13A	Mr. Antolini	8 "	Secy Gen	

28) ACC/051/PWU	Col Jenny, PWU S/C	14 "	VP Econ Sec	Anti-Inflation Report, with CAO, AF. Re 24.-Supply of Electricity for forward areas.
29) A/C 004.04	Capt Stone	18 "	Mr. Grady	Requisitioned plants.
30) " "	" "	20 "	VP Econ Sec	Sulphur for Sardinia.
31) 2131/Q2	CAO AAI for Cinc	22 "	AFHQ	Recommend Abolition of present Central Electrical Board.
32) ES/13A	Col O'Dwyer	24 "	A/CC	Requisitioned Plants.
33) 5025/CAO	Cinc AAI	24 "	AFHQ	AFIRB. Anti-Inflation Report's recommendation re AFIRB not agreed, for Allied Economic Council-Italy. ACC more participation in AFIRB.
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35) 004.04	" "	25 "	Gen Robertson	Requisitioned Plants, list of.
36) 004.04	" "	27 "	" "	Re 33. AFIRB & Report of A/Inflation Committee's recommendations.
37) A/CC 100.	" "	26 "	AFHQ, Tac AAI	Control of Hemp.
38) FOWIT 913	FOWIT	27 "	CC ACC, etc.	Re 28. Requisitioning of equipment for electric supply in forward areas
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40) 5001/9/CAO	Gen Robertson	1 "	Capt Stone	Control of Hemp. Please answer 38.
41) - -	Col Densmore	2 "	Econ Sec	Request send rep. to Meeting Electrical Reconstruction Committee.
42) ACC 1350	Cable FOWIT	4 "	CC ACC	1. Abolishment of Central Electrical Bd; 2. ACC taking planning duties on Electrical supply; 3. Requisitioning of equipment for PWU.
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45) A/CC 091.3	Capt Stone	8 "	FOWIT	Future Administration of I.R.I.
46) 13197/F	Col O'Dwyer	1 "	Capt Stone	SILURIFICIO PLANTS.
47) ES/13A	Mr. Antolini	8 "	SEcy Gen	No. 46 approved. Please prepare ltr to Bonomi
48) - -	Capt Stone	11 "	VP Econ Sec	Thank for 47. Upon last report I'll reply to No. 23.
49) 004.04	Capt Stone	9 "	Econ Sec	Need of accurate picture of economic conditions in Italy-use of Istituto Centrale de Statistica therefore
50) ES/13A	Maj Thompson	11 "	Industry S/C	Cooking Gas for Rome
51) (ES/7A (091.3	Capt Stone	15 "	Bonomi	Possible resumption of work by 'Terni' Company.
52) - -	Col O'Dwyer	13 "	Ex. Director Econ	
53) 11379/3/1-10	Bonomi	14 "	Capt Stone	
- -	Capt Stone	17 "	Economic Sec	

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Sec'y Gen.

RESOURCES, INDUSTRY AND ECONOMICS

(1) SECRET

SERIAL NUMBER	FROM--	DATE	TO--	SYNOPSIS
1) Adm Instr 27	AFHQ Adv Adm Ech 8 Feb		-	Creation of ACME Central Electrical Board.
2) Fargo 642	Mr. Grady	10 "	AGWAR	Expedite supplies already requisitioned for Sardinian coal mines.
3) CC/G/45	Gen MacFarlane	11 "	AFHQ MRS	Have fwded your 091.33 of 31 Jan to Prunas.
4) DCC 463.3	DCC-Stone	17 "	Gen Aliberti, Min. of War	Procedure for applying for coal.
5) ES/12	Gen MacFarlane	28 "	Chf, Coal Sec AFHQ	Re ACC assuming certain functions of Coal Section, AFHQ.
AG 463.3-1-D-0 Col Tarr		30 Mar	Dep Pres ACC	
6) ACC/5056/IC	Min. Lucifero	16 Apr	Stone	Electrical power for hemp-factories at Sarno.
DCC 004.04	Industry & Com. Capt Stone	21 "	Econ Sec	
7) 2059/5/Q2	CAO AAI	25 "	Lucifero	
CC/P/189	Gen MacFarlane	4 "	CC	Meeting of Allied Forces Local Resources Board to discuss Pay & Labor Disputes-Electric Power Co's.
194/2/CA	Brig Iush	9 "	Gen Robertson	
8) ACC/051/PWU	Gen MacFarlane	11 "	CC	Functions of ACC in re Electricity Supply in Italy.
9) EstO/Ma-5	"	27 "	CAO AAI	I feel ACC should not provide personnel for Central Electrical Bd.
10) M-200	"	5 May	AFHQ MRS	Production of engineer products in Naples depends on available coal.
11) 1537	Badoglio	14 "	Troopers	SULURIFICIO PLANTS AT BAIA and FUSARO.
12) 1468	Badoglio	20 "	Gen MacFarlane	Probable bombing of dams on Salto and Turano rivers.
CC/G/326	Gen MacFarlane	16 "	Gen MacFarlane	Factories - Paper Manufacture.
13) ES/13A	"	23 "	Hq AAI	SILURIFICIO PLANTS.
14) FOWIT 1034	FOWit-Adm Morse	26 "	Hq AAI	" " " Answer to 11.
15) - -	Gen MacFarlane	27 "	Gen MacFarlane	Fertilizer Plants-Reactivation of Montecatini planta at Pontecagnano for production of superphosphates.
16) SG 091.33	"	29 "	Badoglio	SILURIFICIO PLANTS.
	"	2 June	AAI Adm Ech	" " " "
17) 5001/9/CAO	Gen Robertson	3 "	Gen MacFarlane	Plan for Coordination of Industry.
18) CC 000.8	Gen MacFarlane	10 "	CAO AAI	Ans to 20. " " " " "
19) CC 000.8	"	10 "	Adm Morse FOWIT	
20) 5009/CAO	Gen Robertson	14 "	CC ACC	
21) CC/G/405	Gen MacFarlane	19 "	CAO AAI	

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2) Fargo 642	Mr. Grady	10 "	AGWAR	Board. Expedite supplies already requisitioned for Sardinian coal mines.
3) CC/G/45	Gen MacFarlane	11 "	AFHQ MGS	Have fwded your 091.33 of 31 Jan to Prunas.
4) DCC 463.3	DCC-Stone	17 "	Gen Aliberti, Min. of War	Procedure for applying for coal.
5) ES/12 AG 463.3-1-D-0	Gen MacFarlane Col Tarr	23 " 30 Mar	Chf, Coal Sec AFHQ Dep Pres ACC	Re ACC assuming certain functions of Coal Section, AFHQ.
6) ACC/5056/IC DCC 004.04	Min. Lucefero Industry & Com. Capt Stone	16 Apr 21 " 25 "	Stone Econ Sec Lucifero	Electrical power for hemp-factories at Sarno.
7) 2059/5/Q2 CC/P/189 194/2/CA	CAO AAI Gen MacFarlane Brig Lush	4 " 9 " 11 "	CC Gen Robertson CC	Meeting of Allied Forces Local Resources Board to discuss Pay & Labor Disputes-Electric Power Co's.
8) ACC/051/PWU	Gen MacFarlane	27 "	CAO AAI	Functions of ACC in re Electricity Supply in Italy.
9) EstO/Ma-5	"	5 May	AFHQ MGS	I feel ACC should not provide personnel for Central Electrical Bd.
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11) 1537	Badoglio	20 "	Gen MacFarlane	SILURIFICIO PLANTS AT BAIA and FUSARO.
12) 1468 CC/G/326	Badoglio Gen MacFarlane	16 " 23 "	Gen MacFarlane Hq AAI	Probable bombing of dams on Salto and Turano rivers.
13) ES/13A	"	26 "	Hq AAI	Factories - Paper Manufacture.
14) FOWIT 1034	FOWIT-Adm Morse	27 "	Gen MacFarlane	SILURIFICIO PLANTS.
15) - -	Gen MacFarlane	29 "	Badoglio	" " " Answer to 11.
16) SG 091.33	"	2 June	AAI Adm Ech	Fertilizer Plants-Reactivation of Montecatini planta at Pontecagnano for production of superphosphates.
17) 5001/9/CAO	Gen Robertson	3 "	Gen MacFarlane	SILURIFICIO PLANTS.
18) CC 000.8	Gen MacFarlane	10 "	CAO AAI	" " "
19) CC 000.8	"	10 "	Adm Morse FOWIT	" " "
20) 5009/CAO	Gen Robertson	14 "	CC ACC	Plan for Coordination of Industry.
21) CC/G/405	Gen MacFarlane	19 "	CAO AAI	Ans to 20. " " " " "
22) CC/P/412	"	20 "	Gen Robertson	My views tally with Anti-Inflation report, copy attached. Leaving for UK. We shd make certain factories, etc shd not be requisitioned, etc.
23) 7881	Bonomi	2 July	Capt Stone	SILURIFICIO PLANTS AT BAIA.
24) DSG 483	Densmore	7 "	Econ Sec	Electrical Supply, 5 & 8 Armies to restore operations of mines, etc.
25) ES/16	Col Adams, Econ	8 "	Col Densmore	
26) A/CC 004.04	Capt Stone	10 "	Bonomi	SILURIFICIO PLANT-Interim reply to 23.

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BWS/ajp

A/CC 001.3-1

21 September 1944

My dear Mr. Prime Minister:

This is in reference to your letter N. 14216/12410 2/1.6.1 of 15 September 1944 wherein it is suggested that there be included a "Family Questionnaire" with the schedules which are being delivered in connection with the Census of National Reconstruction that is being conducted by Statistics Central Institute.

We are in complete accord as to the purpose and necessity for the Family Questionnaire, and agree it is important that the information be made available. At the same time I must point out a difficulty in the working of the scheme as you propose it.

As you know, both your government and the Commission are anxious to have the major portion of the Census of National Reconstruction completed by 15 November. Schedules have all been printed, a portion has already been delivered and the balance is in the process of delivery. Now in order to include the Family Questionnaire it would be necessary to delay forwarding the balance of the Census of National Reconstruction schedules until the Government could prepare and print the Family Questionnaire. It is estimated that this would delay the Reconstruction Census at least two weeks.

So as to avoid this delay, would it not be possible for the Government to extract sufficient information from one of the Reconstruction schedules as it stands (schedule attached) to compile a population list at the same time as the Reconstruction information is tabulated?

The Statistics Central Institute in Rome could prepare copies of the relevant portion of the family schedule which could then be sent to each commune as its electoral roll. This work could be begun on 15 November when the basic tabulation has been compiled and finished by 20 November without interfering with the other census plan.

Though it is not suggested that a complete electoral roll will thus be obtained showing paternity, maternity, and place of birth, yet I do suggest that sufficient information might be tabulated for your needs.

In the meantime, I must point out that the process of delivering the Reconstruction schedules is going ahead daily, and for your information I enclose a complete set of the schedules and instructions which are being distributed for the census.

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A/CC 091.3-1

21 September 1944

Finally I again want to assure you that we are in accord on this matter and wish to take this opportunity to thank you for the splendid attitude of the government towards the Reconstruction Census.

Sincerely yours,

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

Incls:
as above.

His Excellency Ivanoe Bonomi,
President of the Council of Ministers,
Italian Government,
Rome.

c.c. Economic Section
Administrative Section.

31304

Hq ACC	Sec'y Gen.
DISPATCHED	
Date-Time	22 Sept 1944
Via	fly
Initials	per

579

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

Office of the Acting Chief Commissioner

A/CC 004.04

Industrial Plants in North Italy

23 September 4

Colonel Densmore, Economic Section

1. Attached communication from the Prime Minister is brought to your notice so that you may investigate the points raised in the letter.
2. In the light of your decisions would you please draft a suitable reply for Captain Stone's signature.

J. A. QUAYLE,
Major, R. A.
Chief Staff Officer

1 Incl
14405/3.1.10 18/9

A 316

Hq ACC - Sec'y Gen.
DISPATCHED
Date - Time 22 SEP 1944
Via 1500
Initials

141.33

0 9 9 0.

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

J. A. QUAYLE,
Major, R. A.
Chief Staff Officer

2. In the light of your decisions would you please draft a suitable
reply for Captain Stone's signature.

1 Incl

14405/3.1.10 18/9

141.33

ACC - Secy Gen.

DISPATCHED

Date Time 23 SEP 1944

Via air 1500

Initials JS

FILED 0 578

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

HEADQUARTERS
ALLIED CONTROL COMMISSION JSET/vb
OFFICE OF THE ACTING CHIEF COMMISSIONER
APO 394

Ref. ACC/5609/IND

18th September, 1944.

SUBJECT : Ceperano Paper Mill.

TO : Cartiere di Ceperano & di Atina Visocchi & Arata,
Via Bertoloni, No.1,
Rome.

1. With reference to your GV/ac of the 5th September, I would bring to your notice that it is the policy of this Commission to render any such assistance as may be practicable to the rehabilitation of essential key industries, and I consider the production of paper as within that category.

2. In view, however, of the tremendous damage to Italian industries as a whole, as the result of the war, and to the acute shortage of such critical materials as cement, reinforcing rods and glass, it is necessary that all applicants for assistance should confine their requests to an absolute basic minimum for the operational resumption of production, and I must point out to you that the commodities for which you have put in a request are in extremely short supply.

3. It is also the policy of this Commission to do everything it can to hand over all executive detail to the Italian Government, and I would therefore recommend that you address your request to the Ministry of Industry Commerce and Labor, who are coordinating all such demands and will no doubt allocate to your firm such proportion of your demands as may be appropriate at the present juncture.

ELLERY W. STONE,
Captain, USNR,
Acting Chief Commissioner.

FILES A-3

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

JSET/VB.

Tel. 489081

18th September, 1944.

Ref. ACC/5609/IND

HQ ACC, APO 394

267
Rec'd 17 Sept 1945
By 1918

SUBJECT: Industrial Rehabilitation.

TO : Chief Staff Officer to the Acting Chief Commissioner.

1. Reference your A/CC 004.04 of the 15th September on the above subject, which has been passed to this Sub-Commission for reply.
2. Attached hereto is the suggested reply for the Acting Chief Commissioner to send to the firm in question.
3. In order that you may be aware of the background we think it appropriate to inform you that this concern, Cartiere di Ceperano & di Atina Visocchi & Arata, has already been given a great deal of assistance, and that whilst Sig. Lombardi, the Manager of the plant, has been very cooperative, Visocchi, who is one of the proprietors, takes the attitude that he is doing the Allies a favour in attempting production, rather than showing any appreciation for our efforts.
4. This Sub-Commission sent down one of its Italian experts, Ing. Gigli, to inspect the works as we considered the demands of the firm for cement, glass and reinforcing rods, excessive. He reported that Visocchi was attempting practically to rebuild his entire plant, substituting for the old roofs new double reinforced concrete ones with air space between to afford condensation. In this way Visocchi had hoped virtually to get a new factory in first class condition through the medium of our assistance, and we are informed that he could have been in a position to commence production a month ago if he had been content to go in for temporary repairs and to await the end of hostilities for his more ambitious programme.
5. In view of the facts enumerated above we consider that the Acting Chief Commissioner would be well advised to refer this gentleman to his own Government as we consider that he is merely trying to exploit Allied resources for his own personal needs, and we have therefore drafted the letter on this premiss.

Enc.

JSE
J.S.E. TODD,
Colonel,
Acting Director,
Industry Sub-Commission.

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

HEADQUARTERS ALLIED CONTROL COMMISSION
Office of the Acting Chief Commissioner
APO 394

EMS/ajp

A/CC 004.04

19 September 1944

Subject: De-Requisitioning of Plants

To : Economic Section

1. The attached copy of letter from General Robertson together with report by Brigadier Anderson, Director of Works (HQ AAI) is passed to you for information.

2. Please draft suitable acknowledgement for my signature embodying any point which you may wish to raise.

E. W. S.

2 Incls:
as in para 1 above.

09133

575

20 Sept 11 00

mmg.

RRR

91

Major-General B.H. Robertson, Bt.,
Chief Administrative Officer,
Adv Headquarters,
Allied Armies in Italy.

5001/9/CAO

14 Sept 44

Dear Captain Stone:

Further to my letter Number 5001/9/CAO dated 1 Aug., 1944
I am now in a position to give you further information in respect of
the requisitioned plants, details of which were forwarded with your
letter dated 27 July, 44.

- (a) Your para. 1 - Oleificio di CASERTA.
This is situated in an area controlled by AFHQ, and
the question has been referred to that HQ. A reply
is still awaited.
- (b) Your para. 2. - Zarelli Via Salcizzo 37, ROME.
The premises at No. 37 are not requisitioned. Premises
at 35, the property of Signor Zarelli, are requisitioned
as an equipment store and cannot be released at present.
- (c) Your para. 3 - Giacomo Costa, TARANTO.
The main part of this building was derequisitioned early
in July. The whole property was released to the owners
on 12 Aug., 44.
- (d) Your para. 4 - Mira Lanza Plant, NAPLES.
The building was heavily damaged as a result of operations
and has now been demolished, only the factory chimney
remains. The owner has inspected the site and is fully
aware of the position.
- (e) Your para. 5 - Soda Solway Plant.
The main Solway Plant is not used by the military, except
the power plant, which is required for supplying power to
Loughran. The chemical plant, the building and equipment

0 9 9 5

this is situated in an area controlled by ARHQ, and the question has been referred to that HQ. A reply is still awaited.

- (b) Your para. 2. - Zarelli Via Salcizzo 37, ROME.
The premises at No. 37 are not requisitioned. Premises at 35, the property of Signor Zarelli, are requisitioned as an equipment store and cannot be released at present.
- (c) Your para. 3 - Giacomo Costa, TARANTO.
The main part of this building was derequisitioned early in July. The whole property was released to the owners on 12 Aug., 44.
- (d) Your para. 4 - Mira Ianza Plant, NAPLES.
The building was heavily damaged as a result of operations and has now been demolished, only the factory chimney remains. The owner has inspected the site and is fully aware of the position.
- (e) Your para. 5 - Soda Solway Plant.
The main Solway Plant is not used by the military, except the power plant, which is required for supplying power to LEGHORN. The chemical plant, the building and equipment, of which are badly damaged, is used by Fifth Army as an Ordnance repair shop.
There is no objection to initiating repairs to the main plant and to those parts of the chemical plant not being used. 574
This HQ letter AAI/921.1/DCAO dated 2 Sept., 44, addressed to Industry and Commerce Sub-Commission gives the latest position at this plant.
- (f) Your para. 7 - Fertiliser Plant, TUSCOLANO
My staff are still unable to trace this plant.
- (g) Your para. 8 - TERNI
The position remains unchanged. The attached report by my Director of Works will, I think, give you a good idea of the difficulties in operating a plant of this magnitude, and I feel sure that you will appreciate that it is in everybody's interest that it remains under military control.

Yours sincerely

/s/ B.H. ROBERTSON

Capt. Ellery W. Stone, USMR.
HQ, Allied Control Commission

COPY

COPY

SUBJECT: TERNI WORKS

Directorate of Works
HQ AAI
CMF.

1772/14/DW
7 Aug 44.

D.Q.M.G.

Reference TWM G.2740 of 5 Aug.. 44.

1. TERNI Steel Works, originally a large armament works employing 10,000 workers has not operated for about eleven months on account of Allied bombing. During this period the Germans removed much of the most valuable equipment for use farther north and in Germany. A large portion of the remaining plant in special armament machinery which will probably be no longer required.
2. The starting and running of TERNI Works as a normal steel works depends on the supply of many special materials and of electric power. The supply in Italy of processed ferro manganese, ferro silica, calcined dolomite, silica, pig iron, special fire clay and testing chemicals, is limited and must be conserved to produce the steel required by the Allied Armies and Navies. Electric power is similarly limited. For these reasons it is not desirable the start up steel works indiscriminately. The industry must be considered as a whole.

3. The following cases will illustrate the interdependence of the TERNI Works and others working under military control in Italy:-

Steel sections are being produced by the British Army at GIOVINAZZO and by the P.S. at TORRE ANNUNZIATA. Tin plate is being produced by us at CASTELLAMARE and TERNI has the only available heavy plate mill in Italy.

Dolomite is quarried under the direction of the Works Directorate at ROCHE, moved by ship to BAGNOLI, calcined at BAGNOLI and moved by rail from there to GIOVINAZZO, TORRE ANNUNZIATA and TERNI.

Fire Clay is brought from Sardinia, made into special bricks at BAGNOLI and then moved by rail as required. Silica for special furnace bricks is in short supply and we are reliant on existing stocks in Italy. TERNI, however, holds sufficient to keep three furnaces going for several

supply in Italy of processed ferro manganese, ferro silica, calcined dolomite, silica, pig iron, special fire clay and testing chemicals, is limited and must be conserved to produce the steel required by the Allied Armies and Navies. Electric power is similarly limited. For these reasons it is not desirable the start up steel works indiscriminately. The industry must be considered as a whole.

3. The following cases will illustrate the interdependence of the TERMI Works and others working under military control in Italy:-

Steel sections are being produced by the British Army at GIOVINAZZO and by the P.B.S. at TORRE ANNUNZIATA. Tin plate is being produced by us at CASTELLAMARE and TERMI has the only available heavy plate mill in Italy.

Dolomite is quarried under the direction of the Works Directorate at ROCHE, moved by ship to BAGNOLI, calcined at BAGNOLI and moved by rail from there to GIOVINAZZO, TORRE ANNUNZIATA and TERMI.

Fire Clay is brought from Sardinia, made into special bricks at BAGNOLI and then moved by rail as required. Silica for special furnace bricks is in short supply and we are reliant on existing stocks in Italy. TERMI, however, holds sufficient to keep three furnaces going for several months.

The necessary rail and shipping movement for the materials is arranged and bid for by the Works Directorate. Similarly provision has been made for the future import of pig iron to mix with scrap steel so as to regulate the quality of the new steel we are making. 573

4. For the next few months the limiting factor in developing TERMI, will be the supply of electricity and it is proposed to employ the works as follows during this period:-

- (a) Carry out repair of adjacent electric powerstations which will involve the setting up of a cast iron cupola, various large forging machines and a machine shop.
- (b) Start one Siemens furnace and the medium plate mill.
- (c) Set up a steel fabrication shop to make bridge parts, shedding and hutting required for winter accommodation. (the importation of hutting from England has been stopped). The steel sections for this shop will be brought from our workshops at GIOVINAZZO, and TORRE ANNUNZIATA.

- (d) Start the light sheet mill to jaks hut linings for winter accomodation.
- (e) Start the brick works to make silica bricks for the relining of the furnaces at TERNI, GIOVINAZZO and TORRE ANNUNZIATA.
- (f) Start the light section mill to save the moving of steel sections from GIOVINAZZO. (This will take about three months).
- (g) Start at once machine shops to make tools which are in very short supply and small parts for the repair of the surrounding power stations.

It is anticipated that the foregoing programme will fully employ the works for about three months and will find for about 2,000 to 3,000 workmen.

5. At presents Eight Army have a B.S.D. in the works and will only admit 450 workers. These are employed as follows:-

Repairing Siemens - Martin Furnace	7
" Plate and Section Mill	21
" Power Plant in machine shops	32
Preparing moulds for power plants	69
Machine shop, D.P. Orders and General Works	20
Making Corrugated Iron	6
Making Butting	10
Erecting Cupola for new foundry	41
Repairing reheating furnace for shaft forging for power stations	8
Repairing Forging Machine	21
" Gas Generator	27
" Section Mill	26
" Electric Cable and Water Mains	12
General labourers loading wagons, crane drivers etc.	93
Repairing refractory brick kilns	18
Charging Siemens Furnace	19
	438

Until the B.S.D. moves the works activities are very limited.

6. You will see from para 3. above that the A.U.C. would be unable to run the TERNI works without having recourse to resources and movement to military agencies. It is not seen

Repairing Siemens - Martin Furnace	7
" Plate and Section Mill	21
" Power Plant in machine shops	32
Preparing moulds for power plants	69
Machine shop, D.V. Orders and General Works	20
Making Corrugated Iron	6
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Erecting Cupola for new foundry	41
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" Gas Generator	27
" Section Mill	26
" Electric Cable and Water Mains	12
General labourers loading wagons, crane drivers etc.	93
Repairing refractory brick kilns	18
Charging Siemens Furnace	19
	<u>498</u>

Until the B.S.D. moves the works activities are very limited.

6. You will see from para 3. above that the A.C.C. would be unable to run the TERNI works without having recourse to resources and movement facilities which can only be supplied by military agencies. It is not seen therefore that A.C.C. control of the works would convey any advantage to:-

- (a) the Terni workers
- (b) the war effort
- (c) the rehabilitation of Italy

7. The question of the finance of the works is however a difficult and pressing one. According to A.F.H.Q. Admin Memo No.95, this should be provided by the Italian Government with, I presume, A.C.C. backing. Can they please be pressed to take action in this direction.

(t) P.L. ANDERSON,
Brigadier,
Director of Works.

Copy to:- C.I. IAI
Local Resources Section

C O P Y

1 0 0 0

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

HEADQUARTERS ALLIED CONTROL COMMISSION
Office of the Acting Chief Commissioner
APO 394

JAG/ajp

A/CC 091.3

18 September 1944

Subject: Revision of Italian Census

To : Admin. Section (Att: Brigadier Upjohn)
Economic Section (Att: Mr. Antolini)

With reference to attached copy of letter No. 14216/12410 -
2 /1.6.1 from H. E. Bonomi, dated 15 September 1944, please coordinate
and prepare reply for the Acting Chief Commissioner's signature.

For the Acting Chief Commissioner:

J. A. QUAYLE
Major, R. A.
Chief Staff Officer

1 Incl:
as above.

See 95

2413

FILES A (B)

Hq	571
18 Sept 1944	
msg.	
DKR.	

89

TRANSLATION

THE PRESIDENT OF THE
COUNCIL OF MINISTERS

n. 1,216/12,10 - 2 /1.6.1

Rome, 15 September 1944

Dear Captain Stone,

HQ ACC, APO 396
232 Sec'y Gen.
Rec'd 16 Sept 1945
By JRR

I want to draw your attention on the following matters:

1 - the dispositions taken about the measures which are necessary for the compilation of administrative electoral lists have made evident the necessity of an extraordinary revision of the population lists, which, because of the displacement of large masses of population caused by the war, do not correspond anymore to the census situation of the municipalities. Such a revision means gathering a few essential census particulars (name, surname, paternity, maternity, date and place of birth, civil status, place of residence..)

2 - To proceed quickly and economically, these particulars could be gathered by means of appropriate family questionnaires, prepared in agreement with the Statistics Central Institute, which would be distributed together with the census papers which will soon be made; after the compilation they would be kept by the municipalities, which would use them as a basis for the census revision.

The distribution and compilation of the family questionnaires would in no way hinder the rapidity of the census, which would take place on entirely autonomous lines during its following phases; yet it would be a great help to the municipalities for the organization of the various services.

3 - The questionnaires should be sent to the prefectures, by the same means which will be employed for the transportation of census material, so that their distribution should correspond with the census in most municipalities at least. This to avoid expenses and transportation difficulties.

4 - as for the provinces where the census papers have already been sent, the family questionnaires should be sent by means provided by the control commission, and this without delay, for the reasons expressed in n. 3.

5 - considering that many provinces lack paper and equipment for printing-offices, the State should have to provide the questionnaires.

Before giving the necessary instructions, I should like

FILES 40

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

to know whether you approve of n. 2, 3, 4, about the simultaneous distribution of the family questionnaires and of the census papers, and about the granting of means for forwarding them to the prefectures.

As the revision of the census material is essential for the formation of administrative electoral lists, and therefore for the reorganization of the life of the country on steady democratic basis, I trust that you will give a favourable answer to the above-mentioned requests.

Thanking you, I remain,

Yours sincerely,

/s/ I. Bonomi

ADMIRAL STONE

Allied Control Commission

R O M E

Trans. E.C.

569

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Declassified E.O. 12356 Section 3.3/NND No. 785015HEADQUARTERS ALLIED CONTROL COMMISSION
Office of the Acting Chief Commissioner
APO 394

JAQ/ajp

A/CC 004.04

13 September 1944

Subject: Industrial Rehabilitation

To : Economic Section
(Att: Colonel L. D. Densmore)

1. The writer of the attached letter applied for an interview with Captain Stone, but I turned him down.
2. I gather that an engineer of the Industry Sub-Commission has in fact visited the factory and also that the whole situation is in the hands of Dr. Apatowski of Industry Sub-Commission.
3. The writer, however, expressed the fear that Opatowski is so bureaucratic and so slow that all the work and production will be endangered by the arrival of the rain before the roofing is completed, and they are extremely anxious that the work should be speeded up as far as it is possible.
4. Would/draft a suitable reply for Captain Stone's signature?

For the Acting Chief Commissioner:

J. A. QUAYLE
Major, R. A.
Chief Staff Officer1 Incl:
Ltr fr Visocchi e Arata, 5 Sept 44.

84204

Hq. ACC - Sacy Com.	
DISPATCHED	
Date - Time	14 SEP 1944
Via	1455
Initials	7M SP

568

FILES A (B)

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C O P Y

CARTIERE DI CEPRANO & DI ATINA
VISOCCHI & ARATA

Soc. in Acc. Semplice-Soci Acc.: Enrico Arata e Guglielmo Visocchi
Sede in NAPOLI - Via Medina 5

Stabilimenti:

Cartiera "Orazio Arata" - Ceprano
Cartiera "Fratelli Visocchi" - Atina

Rome, September the 5th 1944
Via Bertolani N°1

GV/ac.

To Captain Stone
Acting Chief Commissioner

R O M E

Following an invitation by Economic and Supply Division Reg. IV we started, since June last, the reparation works at our Ceprano Paper Mill.

According to your instructions we submitted in June our production schedule and a list of materials necessary for repairing the plant.

We beg now to state the work we did and what remains to do, so that you can support as effeciently for the completion of the work.

- 1) We removed about 300 cubic meters of waste materials
- 2) We repaired the most urgent and slightly damaged buildings=
- 3) We planned a plan of reconstruction of the damaged walls and roofs. Copy of this plan is enclosed.
- 4) We have completed demolition works in the damaged buildings for about 750 cuic meters=
- 5) About two hundred tons of constrctional wood and the equipment for the building engineers was transported on the site =
- 6) The rebuilding -planned for 550 cubic meters - was carried out for 400 cubic meters up to date.

Cartiera "Fratelli Visocchi" - Atina
 Rome, September the 5th 1944
 Via Bertolani N°1
 To Captain Stone
 Acting Chief Commissioner

R O M E

GV/ac.

Following an invitation by Economic and Supply Division Reg. IV we started, since June last, the reparation works at our Ceprano Paper Mill.
 According to your instructions we submitted in June our production schedule and a list of materials necessary for repairing the plant.

We beg now to state the work we did and what remains to do, so that you can support as efficiently for the completion of the work.

- 1) We removed about 300 cubic meters of waste materials
- 2) We repaired the most urgent and slightly damaged buildings
- 3) We planned a plan of reconstruction of the damaged walls and roofs. Copy of this plan is enclosed.
- 4) We have completed demolition works in the damaged buildings for about 750 cuic meters
- 5) About two hundred tons of constructional wood and the equipment for the building engineers was transported on the site =
- 6) The rebuilding -planned for 550 cubic meters - was carried out for 400 cubic meters up to date.
 The necessary lime, sand, briks, stones, etc. were provided for, by us and carried on the site =
- 7) The mechanical workshop was refitted so that it now responds to its task of carrying out reparations of machinery in the premises not damaged. The other machineries will be repaired as soon as the corresponding damaged building will be ready, the damaged pieces being already repaired.

From the above it apperas that we did all in our power to carry out such work as we could.

Up to the present we received moral assistance by your committee, but practically only 15 oxygen cylindres were

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assigned to us, with the caution that we ought the report to you after making use of only five.

For the completion of the work are urgent:

= Cement - tipo 500	metric tons	140
= Iron for concrete	" "	40
= Glass for windows and roof	square meters	1100

Such materials should be assigned by such stocks as near as possible to Ceprano and the transport accomodation for sale should be provided by you.

We did all in our powder to accelerate but cement, iron and glass should come from your quarters as it is impossible to get then on the free market.

The rains season is approaching and we badly want to roof the building before then, otherwise industrial production of paper so much wanted by you - will be jeopardised in which case also the work already executed at so preat our expentiture and sacrifice will be of no use.

Awaiting your kind reply

CARTIERE DI CEPRANO & DI ATIN
VISOCCHI & ARATA
Società in Accomandita Semplice
Un Socio Accomandatario
(s) Ing. G. VISOCCHI

should be provided by you.

We did all in our powder to accelerate but cement, iron and glass should come from your quarters as it is impossible to get them on the free market.

The rains season is approaching and we badly want to roof the building before then, otherwise industrial production of paper so much wanted by you - will be jeopardised in which case also the work already executed at so great our expenditure and sacrifice will be of no use.

Awaiting your kind reply

CARTIERE DI CEPANO & DI ATIN
VISOCCHI & ARATA
Società in Accomandita Semplice
Un Socio Accomandatario
(s) Ing. G. VISOCCHI I

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

Tel: 307

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

JSH/iab

PS/43

13 Sept 44

SUBJECT: Use of Alpha Romeo Factory as Warehouse

TO : Acting Chief Commissioner.

HQ ACC, Secy Gen.
HQ ACC, APO 394
195 Sec'y Gen.
Rec'd 1479 1640
Via By 7MSP
Initials

1. Reference is made to the attached:

- a. Message No. 2800, 5 Sept from HQ ACC to AMG 5th Army.
- b. Captain Stone's note of 8 Sept 44.

2. The possibility of using the Alpha Romeo Factory for industrial purposes rather than as a warehouse has been discussed with the Director of the Industry Sub-Commission. It appears that it would be physically almost impossible to activate the premises as a factory because of the war devastation in this area. Manpower, housing, machinery acquisition or rehabilitation and transport problems prohibit activation of this facility in the immediate future.

3. Warehousing space is critically needed in the area.

18
L. D. LEWISMORE,
Col, Sig. C., C.E.O.
Economic Section.

2 incl. a/m

FILES A (B)

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

HEADQUARTERS ALLIED CONTROL COMMISSION
Office of the Acting Chief Commissioner
APO 394

LDD/ajp

9 September 1944

Subject: Industrial Rehabilitation

To : Economic Section,
(Att: Mr. Antolini)

1. Reference is made to attached:
 - a. Message No. 2800 from Hq. ACC to AMG 5th Army.
 - b. Captain Stone's notes of 8 September 1944.
 2. Please provide information requested in Captain Stone's notes.
- For the Acting Chief Commissioner:

L. D. DENSMORE
Colonel, Sig C
Chief Staff Officer

2 Incls:
as in para 1 above.

FILES A (B)

4-504,34

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86

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

Col. D.

Ask Antolini
why we don't
put factory
to work.

SM

8 Sept 44

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

REF: 2800

AME FIFTH ARMY

HQ ACC

2800

1545/ 5 SEPT

RESTRICTED

PRIORITY

FOOD SUB-COMMISSION

ARRIVES AT ONCE FOR TURNOVER TO CAPTAIN BOYD FOOD SUB-COMMISSION WAREHOUSING
AND FORWARDING DIVISION OF WAREHOUSE PREMISES IN ARGENTZA PARISH SUBURB OF
LAURENCE FARM KNOWN AS ALPHA ROMEO FACTORY PARISH TO AME FIFTH ARMY FROM HQ ACC
FROM 1 MG SIGNED STONE PARISH OR GEORGIO AGRARIO WAREHOUSE

L. P. MONTANA, JR.
1ST LT AGO
ADJUTANT

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

CC File

HEADQUARTERS ALLIED CONTROL COMMISSION
Office of the Acting Chief Commissioner
APO 394

102
JEST/VE.

Ref. A/CG 004.04

12th September, 1944.

My dear Mr. Prime Minister,

This is in connection with your letter N 11579/5/1-10 of August 1944, and memorandum prepared by the Under Secretary of the Ministry of the Interior, relative to the "Terni Company". The following are comments on the points mentioned in the memorandum.

Electric Power:

It is well known that with the exception of the Valdarno power station at Nera Montoro, all hydro electric power stations in the general Terni area were either seriously damaged or totally destroyed. Under the circumstances, therefore, very little electric power is available for industrial purposes to the "Terni Group", or any other works in the neighbourhood at this time.

The power from the Valdarno station, amounting to 15,000 Kws., is being wholly utilised in supplying the essential needs of communities both in that area and also in Rome.

The Terni Unit at Cervara is being repaired and it is expected that some of the power generated there will become available to the steel works at Terni.

Work is progressing on the generators at the Galleto station and it is hoped that as a result of the repair of turbines 35,000 Kws. will be available at the end of the year, and an additional 35,000 Kws. at the end of February.

As you know, the steel works are under the control of the Director of Works of the Allied Armies in Italy, and the bulk of the power above referred to will be absorbed in the production of steel for the military programme of the armies in the field. However, I am informed that there will be in addition a production of steel amounting to between 1,000 and 2,000 tons per month which will be available to meet the essential civilian needs of Italy. The Terni Steel works management advanced a scheme some six weeks ago to harness one large water wheel to a generator and so supply a large portion of the power requirements of those works. So far no progress reports of this proposal have been received.

Essential Raw Materials:

The acciaieria, Terni, is now being operated to the maximum

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See A/CG 84 + 77

FILES A (B)

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

- 2 -

possible by the Director of Works, and it is his responsibility to ensure that the necessary raw materials and supplies are made available. He has informed me that he has already got 1,600 Italians on his pay role and that he is anxious to increase this number by a further 1,000 as soon as possible.

I am also happy to inform you that the army food stores which were within the works have now been completely removed.

As for raw materials needed for other units of the Terni Group, it is hoped that these can be made available for specific programmes of fertiliser manufacture when electric power in sufficient quantity becomes available.

The railway line connecting the Acciaierie at Terni with the lignite mines at Spoletta is now in the final stage of repair and it is anticipated that with the completion of one bridge at the end of this month, lignite will be able to move without difficulty to the steel works.

Assistance is being given to the Terni Company to resurrect their works by all means at our disposal. Where machinery taken away by the Germans has been discovered, it is being returned to the works for reinstallation. Bearing in mind that military necessity has first priority, every effort is being made to conserve plant, equipment and raw material so that the works can be reactivated at the earliest possible moment. It is fully realised that it is to the mutual interest of all concerned to return the Terni works to activity, but it must be emphasised that reactivation is in a very large measure dependent on the reconstruction of the damaged and destroyed electric power installation in the area.

I would like to point out that our Industry Sub-Commission on industrial matters and our Public Works and Utilities Sub-Commission on electric power matters, are working closely with the Terni Company, and further, it should be noted that the management of Terni has been forthright, able and energetic. Much credit is due to the Company Management for their activities and whole-hearted cooperation with our organisation.

Referring to your final paragraph, "if the Terni steel mills were entrusted with the making of real war material the activity of the "Terni" steel mills would doubtless be much bigger, and would thus be of advantage to the workmen as well as for the Company itself", it would be well at this time to make some pertinent observations:

(a) Terni steel works in the past provided the following main war products:- Naval armour-piercing shells; heavy artillery shells of all types; naval guns of large calibre; and heavy forging and steel castings to be utilised in the manufacture of heavy artillery. It is felt that at the present juncture there is no necessity for the resumption of production in this field.

(b) In view of the very great need of steel sections for the rebuilding

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

- 3 -

of bridges, of steel rails for railway reconstructions, of steel plates for the building of ships, it cannot be emphasised too strongly that the greatest contribution that can be made by the Terni Works to the rebuilding of Italy is not in the manufacture of "real war materials", but in peace time steel materials for rebuilding a damaged country. Instructions have already been given to the Terni management that their plans for future work and development must proceed along such lines and will not include "war materials".

Yours very truly,

HILARY W. STONE
Captain, USNR
Acting Chief Commissioner

His Excellency Ivanoe Bonomi,
President of the Council of Ministers,
Italian Government.

*Prepared by Economic Section
Col. Todd -
fdd*

Y/c Industry S/c

54 214

Ho. ACC Sec'y Gen.	
DISPATCHED	
Date Recd	16 Sept 1920
Via	HK.
Initials	OKK

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

B file

LDD/ajp

Office of the Acting Chief Commissioner

Terni Steel Works

A/CC 004.04

9 Sept 4

Economic Section
(Att: Mr. Antolini)

Please re-write letter for Captain Stone's signature in accordance with your ACC/5644/IND attached.

For the Acting Chief Commissioner:

L. D. DEMSHORE
Colonel, Sig C
Chief Staff Officer

1 Incl:
Ltr fr Eco Sec ACC/5644/IND.

See 85

*091.33
4-0041.04*

FILES *(A/B)*

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C O P Y

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

JSET/VB.

Ref. ACC/5644/IND

Tel. 415

6th September 1944

SUBJECT: Terni Steel Works

TO : The Acting Chief Commissioner

1. With reference to the memorandum from your Chief Staff Officer, No A/CC 004.04 of the 2nd September, I agree that the first paragraph of the letter drafted for Captain Stone's signature should be written as you suggest.
2. With regard to your first enquiry re power, owing to the fluctuating demands by the armed forces for electricity and the extensive damage to the electric power plants, an the uncertainty as to whether power will have to be drawn to this area to the north owing to demolitions in the latter area, it is very difficult to state that a certain amount of power will be available during any specified period. However, the DW, AAI, has informed the Industry Sub-Commission that as a result of his activities in the repair of turbines 35000 kws. will be available at the end of the year, and an additional 35000 kws. at the end of February. It must be pointed out, however, that the bulk of this power will be absorbed by production for purely military purposes.
3. With regard to your second query, this matter has been fully coordinated with the DW who to-day informing the Acting Director of the Industry Sub-Commission that in addition to his own military programme he is in a position to produce 1,000 to 2,000 tons of steel per month, which will be available for essential civilian needs, if, as, and when required.
4. With regard to your third question, we are happy now to state that the food stores have already been entirely removed, and the DW informed the Acting Director of the Industry Sub-Commission that he has already got 1600 Italians on his pay role, and he is anxious to increase this number by a further 1000 as soon as possible.
5. With regard to your fourth query, this Section's programme provides for the maintenance of the necessary materials for other units of

2. With regard to your first enquiry re power, owing to the fluctuating demands by the armed forces for electricity and the extensive damage to the electric power plants, an the uncertainty as to whether power will have to be drawn to this area to the north owing to demolitions in the latter area, it is very difficult to state that a certain amount of power will be available during any specified period. However, the DW, AAI, has informed the Industry Sub-Commission that as a result of his activities in the repair of turbines 35000 kws. will be available at the end of the year, and an additional 35000 kws. at the end of February. It must be pointed out, however, that the bulk of this power will be absorbed by production for purely military purposes.

3. With regard to your second query, this matter has been fully coordinated with the DW who to-day informing the Acting Director of the Industry Sub-Commission that in addition to his own military programme he is in a position to produce 1,000 to 2,000 tons of steel per month, which will be available for essential civilian needs, if, as, and when required.

4. With regard to your third question, we are happy now to state that the food stores have already been entirely removed, and the DW informed the Acting Director of the Industry Sub-Commission that he has already got 1600 Italians on his pay role, and he is anxious to increase this number by a further 1000 as soon as possible.

5. With regard to your fourth query, this Section's programme provides for the provisions of the necessary raw materials for other units of the Terni group when electric power is available and the plant reconstruction programme has been completed.

6. With regard to your fifth query, the Terni Steel Works in the past provided the following main war products:- Naval armour-piercing shells; heavy artillery shells of all types; naval guns of large calibre; and heavy forging and steel castings of all types.

It is submitted that this Section has received no directive to rehabilitate the heavy armaments industry in Italy, and common sense seems to dictate that such a course of action at the present juncture is hardly desirable, more especially in view of the urgent need for steel for essential civilian requirements.

(t) A.G. ANTOLINI
Executive Director,
Economic Section.

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

Tel: 415

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

JBT/ml

ES/13A

7 September 1944

SUBJECT: Torpedo Factory, Baia.

HQ ACC APO 394

107 v. 1215

TO : Secretary General

Reg. 85429 1215
prer

1. Further to this Section's even number dated 23 Aug 44, attached is a copy of a letter addressed by FOWIT on 17 Aug 44 to the Italian Naval C in C, Naples.

2. The existence of this letter has only just been learned, and it is hoped that the Silurificio question can not be considered closed.

A. G. ANTOLINI
Executive Director
Economic Section

1 Incl: as above

Copy to:
Industry Sub-Commission

1019
Declassified E.O. 12356 Section 3.3/NND No. 785015

C O P Y

Office of Flag Officer, Western Italy,
NAPLES.

17th August, 1944.

Dear Admiral Casardi,

With reference to your letter No. 28685/Z dated 14th July, this matter was referred to the DDME. HQ. AAI. CMF., who called for an explanation of the situation from REME.

In their reply REME state quite correctly that it was agreed mutually between Admiral Morse, Flag Officer, Western Italy, Major General Robertson, CAO, Lt. General Mason MacFarlane, ACC, and G. Marshall Badoglio that the existing contract between the firms and the Royal Italian Navy for the repair and maintenance of existing stocks of Italian Torpedoes should not be interrupted.

Further it was agreed that the Royal Navy may be permitted to withdraw a small number of machines (which was specified,) or alternatively that authority may be granted for these machines to be supplied from other sources.

From the foregoing it will be noticed that the contract between the firms and Royal Italian Navy for repair and maintenance of existing torpedoes is the only work specified and it has been confirmed that all possible arrangements have been made to allow this work to continue.

I am satisfied that the control and operation of the plants at Baia and Fusaro are being carried out in strict accordance this agreement.

Yours Sincerely,

Sgd J.A.V. MORSE

Rear Admiral

Ecc. Ammiraglio di Squadra Ferdinando Casardi,
Comando in Capo, Basso Tirreno, Napoli.
(Copy to: DDME.
CAO. HQ., AAI.)

C O P Y

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

Tel: 307

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

JBT/lab

EE/13A

23 Aug 44.

SUBJECT: Torpedo Factory, Baia.

TO : Secretary General.

1. Reference is your A/OC 004.04 dated 9 Aug 44.
2. Your attention is drawn to certain correspondence in the attached file:

Folio 29. Conference between RN, ACC and the Commissario. It was agreed with AAI that the Italian management and workpeople would function under control of REME, after the factory had been handed over by the RN to REME.

Folio 31. Letter from the Chief Commissioner to Marshal Badoglio stating that REME will employ as many Italian workpeople as the capacity of the factory will permit. No mention made of the management.

Folio 37. Letter from the Chief Commissioner to the CAO, AAI stating that Admiral Morse is willing to relinquish control of the factory providing the existing contract for the repair and maintenance of existing stocks of Italian torpedoes should not be interrupted. It states that it is understood that REME will make use of the Italian management and workpeople.

Folio 44. Letter from CAO to ACC agreeing that the contracts between the firm and the Italian Navy for the repair and maintenance of stocks of torpedoes will not be interrupted -- No mention is made of the Italian management or workpeople.

Folio 54. Letter from Fowit to REME, AAI, copy to Navy Sub-Commission enclosing a letter from Admiral Casardi which states that the terms mentioned in Folio 29 were not being carried out.

Folio 57. Letter from H.E. Bonomi to yourself requesting that the Baia plant be not requisitioned.

Folio 62. Letter from Industry Sub-Commission to AAI bringing to the attention of the CAO the allegations that REME were not carrying out the terms of the agreement.

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

- 2 -

Folio 65. Letter from the GAO to Industry & Commerce stating that the terms of the agreement are being carried out by RHM and implying that the matter mentioned in Folio 62 was a private matter between themselves and Fowit.

3. In view of the facts stated above it is submitted that as this headquarters only acted as an intermediary between Fowit and AAI no further action can be taken by this Section.

It is suggested therefore that prior to a reply being sent to H.E. Bonomi's letter, the Navy Sub-Commission should be instructed to ascertain the present status of this problem by direct enquiry from Admiral Morse.

A. G. ANTOLINI,
Executive Director,
Economic Section.

Incl - File AGC/5630/IND.

copy - Industry Sub-Comm.

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

EWS/ajp

Office of the Acting Chief Commissioner

Regulation & Control of Prices

A/CC 091.3

Vice President, Economic Section

6 Sept

4

1. Reference is made to attached M. 10398/2 1.1.2, 4 Sept 44, from H. E. Bonomi. This is in reply to A/CC 091.3 of 31 Aug 44 drafted by your section.

2. Forwarded to your section for appropriate action.

Stone.

1 Incl:
as in para 1 above.

FILES A(5)

FD

Hq ACC - Sec'y Gen.
DISPATCHED
Date Time 6 Sept 1944
Via
Initials

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18/a

Declassified E.O. 12356 Section 3.3/NND No. 785015TRANSLATIONHQ 442. APO 394
39 Sec'y Gen.
Rec'd 5 Sep 1944
By _____THE PRESIDENT OF THE
COUNCIL OF MINISTERS

Rome, 4 September 1944

n. 10398/2 1.1.2

Dear Admiral Stone,

Fully convinced of the necessity of an intervention of the Government in the question of prices, to regulate and control them, I had decided to institute an interministerial Committee, when I received your letter A/C 091.3 of August 31, dealing with the same subject.

Therefore I will simply give you the names of the members of the Committee, which is composed of Dr. Giuseppe Saragat, Minister without portfolio, of the titulars of the four offices more directly concerned with this question, ie, the Minister advocate Marcello Soleri for the Treasury, the Minister advocate Fausto Gullo for Agriculture, the Minister advocate Cerabona for Communications, the Minister prof. Giovanni Gronchi, for Industry, Commerce and Work, and also of two experts: gr. Uff. Prof. Alessandro Molinari, Director General, in charge of the re-organization of the Central Institute of Statistics, and advocate Enzo Storoni, I appointed comm. Dr. Antonio Foglietti, superior Inspector of the Department of Industry, Commerce and Work, Secretary of this Committee.

The secretary of the Committee will immediately establish contacts with the offices of the A.C.C.

Sincerely Yours,

/s/ I. Bonomi

Admiral Ellery W. Stone
Chief Commissioner
Allied Control CommissionR o m e

553

Trans. E.C.

8/a

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

LDD/ajp

Office of the Acting Chief Commissioner

Use of Materials & Unused Ground.

A/CC 004.04

Vice President,
Economic Section.

6 Sept

4

1. Reference is made to A/CC 004.04 dated 31 Aug 44, and enclosures, subject as above, forwarded to your section for action.

2. In providing the appropriate action, it is suggested that the matter be closely coordinated with Lt Col Campbell of War Material Disposal Sub-Commission.

For the Acting Chief Commissioner:

L. D. DENSMORE
Colonel, Sig C
Chief Staff Officer

04133
A-004.04

FILED

[Handwritten signature]

54 112

Ha ACC	Sec'y Gen.
DISPATCHED	
Date-Time	6 Sep 55
Via	msg.
Initials	DKR

c.c. Lt Col Campbell - WMD Sub-Com.

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

Tel: 415

AGA/mrh

5 September 1944

MEMO

SUBJECT : Italian Civilian Personnel for the
Istituto Statistica.

TO : Captain Stone (USNR)

1. On August 30, Prime Minister Bonomi agreed to have his various Ministries supply exactly 200 people to serve as field workers and inspectors on the demographic and industrial census which the Istituto is preparing.

2. These people were to have been initiated at a training course, beginning yesterday, 4 September 1944, and only 42 appeared.

3. May I request you to urge the Prime Minister to follow through on this program and have the total 200 people appear at the Istituto this afternoon at 4:00.

A. G. ANTOLINI
Executive Director
Economic Section

FILES A-B

551

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

SECRET

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

EWS/hjp

4 September 1944

MEMORANDUM:

I had a conference with Premier Bonomi from 4:35 to 5:45 P.M. today. Dr. Montanari was present as interpreter.

I first mentioned for his secret information that the Greek Government was being brought to Italy beginning September 7th, stating that I imagined their residence here would be but temporary. I stated that since the question of requisitioning a villa near Cava had been raised in this connection, I imagined that the Greek Government would be located at Salerno or Cava. The Premier stated that he would welcome the presence of the Greek Government here and could only wish that they might have been brought to Rome which would have facilitated resuming their past friendly relations with that country. I replied that I believed the reason for not bringing them here was because of the housing and food problem in Rome.

I raised the question of the case of the frozen bank account of the Marchese Giacomo Medici del Vascello, stating that Marchese Visconti Venosta had raised it with the Political Section. Bonomi stated that he was not very familiar with the matter but that he did not have much sympathy for Marchese Medici del Vascello. I said that the Commission had no interest in the matter and would be guided by his views. He stated that he would like to discuss the situation with Sforza and would advise me further.

I then had a long discussion with Bonomi, presenting in detail to him General O'Dwyer's program of August 16th recommending the appointment of a commission to bring forward as quickly as possible a concrete and detailed program of relief and rehabilitation, as set forth in para 3 of General O'Dwyer's letter of 16 August. Based on my discussions with General O'Dwyer of this morning, I stated that the Commission felt that emphasis on relief should be placed on food and clothing (to be supplied by the Allies if necessary), rather than on increasing monetary payments which would do little good to alleviate distress but could do a great deal of harm in speeding up inflation. Bonomi agreed unreservedly with this viewpoint. He said that he would proceed with this problem and hoped to have a commission appointed within the next two weeks. I advised that the commission should be composed of industrial, medical and relief experts rather than politicians, and he agreed. I stated that the preparation of such a comprehensive program might well be helpful in supporting his government's request for external aid such as Lend-Lease. I stated that the program could well be divided into two parts--that which is necessary to see the country through the winter.

SECRET

FILES A (B)

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

SECRET

and a separate program directed toward long-term rehabilitation, but the emphasis should be on the first part of the program.

I asked his reaction to my personal views as to the most effective help which the Allies could give Italy after the ACC is dissolved, listing my preferences in the following order:

1. A group of say five U.S. and 5 U.K. experts in the industrial and financial fields to be made available by the U.S. and British Governments who would be hired by the Italian Government as advisors to the ten more important ministries. With such men on the payroll of the Italian Government, the government would not feel that they were being controlled or supervised by outsiders as is now the case. On the other hand, the presence of such experts in the Italian ministries would lend confidence to the Allies that any money or supplies furnished post-war would be effectively used. Thus we could hope to avoid our experience in Germany after the last war, and our experience in certain South American republics, where money supplied from the U.S. had not been employed in the best interest of either the local country or the U.S.

2. A joint economic mission of U.S. and U.K. personnel, similar to the North African Economic Joint Mission (NAJEM), which would look after imports and exports and the general economic needs of the country, similar to the agencies functioning in North Africa, Mideast, and French West Africa. Italian technicians should be included on the mission.

3. Either FEA or UNRRA. I stated that speaking purely unofficially, one could not be certain of continuity of operation in the case of FEA for political reasons in the U.S., and that as to UNRRA, I felt the reaction of the Italians would apt to be similar to that of the French--i.e., they would prefer not to receive relief in the form of charity.

Bonomi expressed himself as being in complete accord with my thinking which I stressed repeatedly as being purely personal and not official. I added that I had stated my preferences to General O'Dwyer this morning and informed Bonomi that he expected to see the President late this week. Bonomi asked if I could communicate to General O'Dwyer before he left the country that he was in complete accord with my views and I promised to do so.

I asked Bonomi's reaction to the proposal that the Regional Commissioner and his staff be withdrawn from Sicily, leaving only a handful of specialists and liaison officers, and giving Colonel Spofford's arguments for and Brigadier Lush's objections. He agreed emphatically with Colonel Spofford's point of view and said he would welcome it as an experiment.

[Signature]
ALBERT H. STONE
Captain, USNR

Acting Chief Commissioner

SECRET

SECRET

DRAFT

Notes Discussed with Gen. O'D

SUBJECT: Representations to the Italian Government

TO : Vice President, Economic Section, Hq ACC

7/4/44

EWs

1. Reference is made to your letter of the 16 August 1944 (E.S./7.A) my letter of 20 August 1944 (A/CC 000.1) and your reply of 22 August 1944 (E.S.7/A) concerning the above subject.

2. I am of the opinion that the committee which you propose should not be asked to make recommendations regarding the monetary adequacy of relief payments.

a. In your letter of 16 August 1944 you pointed out (and I agree that your statements are sound) that persons in the lower income brackets are unable to sustain themselves because of the inadequate supplies of food, that the available housing is inadequate and the stock of clothing will be inadequate to meet the rigours of winter. It does not appear to me that any reasonable amount of tampering with the present schedule of relief payments can relieve these inadequacies. I should think that it was elemental that an increase in monetary payments with no increase in the quantity of food, housing and clothing available will simply increase prices without in any way ameliorating the condition of recipients of relief.

b. On 9 April 1944 CCS sent a cable (LAM 162) stating that they were concerned over inflationary developments in Italy. In this

agree that your statements are sound) that persons in the lower income brackets are unable to sustain themselves because of the inadequate supplies of food, that the available housing is inadequate and the stock of clothing will be inadequate to meet the rigours of winter. It does not appear to me that any reasonable amount of tampering with the present schedule of relief payments can relieve these inadequacies. I should think that it was elemental that an increase in monetary payments with no increase in the quantity of food, housing and clothing available will simply increase prices without in any way ameliorating the condition of recipients of relief.

b. On 9 April 1944 CCS sent a cable (LAM 162) stating that they were concerned over inflationary developments in Italy. In this cable it was stated that every method should be used to check the inflationary trend and that the control of Italian Government finances and curtailment of budgetary deficits should be pursued with the utmost vigor by ACC and the Italian Government. A reply, stating tentatively the financial section of the stabilization program, drafted by the representative of the United States Treasury then here, was sent to CCS on 14 May 1944. A cardinal point of this reply was the establishment of standards of expenditure to reduce budget deficit including elimination of unnecessary subsidies and payments to individuals.

c. The report of the Anti-Inflation Committee, of which I am

FILES 100

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Chairman, was in response to TAM 162. In this report it was recommended that any improvement of living conditions must be accomplished by a general increase of the rationed distribution of commodities and not by any increase in money wages. It was also stated that wage policy should be such as will not provide increases in wages to compensate for price increases in the uncontrolled commodity markets. This Committee included representatives of the British Treasury and the United States Treasury and this section of the report was discussed with the British Resident Minister, Mr MacMillan, and with Mr Murphy, United States Minister.

Under these circumstances I am reluctant to initiate any action which would lead to substantial increase disbursement by the Italian Government, and which would inevitably be followed by wholesale demands for an increase in public and private salaries and pensions.

3. In connection with your suggestion for a broad rehabilitation program, judging entirely from newspaper reports, the committee organized on 5 August 1944 does have a limited scope. However, there have been news accounts to the effect that the committee has approved projects much broader than those intended to provide adequate housing and that it is studying the CGIL program which is extremely broad in its objectives and techniques.

4. The desirability of the program presently approved or now under study by this committee is subject to grave questions. As pointed out in the Anti-Inflation report, a constant effort has been made to pre-

Government, and which would inevitably be followed by wholesale demands for an increase in public and private salaries and pensions.

3. In connection with your suggestion for a broad rehabilitation program, judging entirely from newspaper reports, the committee organized on 5 August 1944 does have a limited scope. However, there have been news accounts to the effect that the committee has approved projects much broader than those intended to provide adequate housing and that it is studying the CGIL program which is extremely broad in its adjectives and techniques.

4. The desirability of the program presently approved or now under study by this committee is subject to grave questions. As pointed out in the Anti-Inflation report, a constant effort has been made to prevent credit extensions by commercial banks to finance construction. The extreme shortage of building materials coupled with the need of the Allied Forces for these materials presents a situation in which the pressure generated by such a program, unless carefully guided into activities using only materials in long supply, would have disastrous effect on the entire price structure.

HEADQUARTERS ALLIED ARMIES IN ITALY

SUBJECT: Electric power supply in ITALY

5022/CAO

TO: A.F.H.Q. through A.A.D.

29 AUG.44

A.F.H.Q.

Copy to HQ A.C.C.

DE

Electric Power Supply in ITALY.

Attached is letter dated 25 Aug.44 from the Acting Chief Commissioner, A.C.C., regarding the rehabilitation of electric power in ITALY.

Paragraph 1 of this letter does not specify the nature of the ~~delay~~ which has taken place, but it is the case that application for a 30,000 kilowatt floating generating plant was made to the C.C.S. and was turned down.

So far as we are aware no permanent damage to electrical installations has been caused by the Patriots. On the contrary the Patriots have received instructions to safeguard to the best of their ability such installations from destruction by the enemy. Armies also have instructions to seize such installation as quickly as possible, to guard them and to send in reports on them. This instructions are being carried out by the Armies and they have executed such repairs as lie within their resources to the installations which they have captured from their recent advance.

Proposals have been submitted to you for the formation of an Electrical Reconstruction Committee to be composed mainly of members of the staff of A.C.C. As, however, you will become responsible for electrical rehabilitation under the proposed

Paragraph 1 of this letter does not specify the nature of the delay which has taken place, but it is the case that application for a 30,000 kilowatt floating generating plant was made to the C.C.S. and was turned down.

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Proposals have been submitted to you for the formation of an Electrical Reconstruction Committee to be composed mainly of members of the staff of A.C.C. As, however, you will become responsible for electrical rehabilitation under the proposed scheme of administrative reorganisation, remedial action now rests with you.

B. H. ROBERTSON

General,
Commander in Chief

546

Acting Chief Commissioner

This carbon of the letter from Gen. Robertson to A.F.H.Q. should be in your files. I have made a copy of it, for my files.

L.A. JENNY 30/8/44

1034

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

BS/M

NCC 001-04

28 August 1944

My dear Mr. Prime Minister:

Thank you for your letter of 24 August informing the Allied Control Commission of the proposed appointment of State Counsellor Leopoldi Piccardi as Commissioner for I.R.I. This proposed appointment meets with the full approval of the Allied Control Commission.

Yours very truly,

ELMER W. STONE
Captain, USAR
Acting Chief Commissioner

His Excellency Ivanoe Bonomi
President of the Council of Ministers
Italian Government

FILES A-B
ES

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S E C R E T

WO'D/ml

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

ES/74

22 August 1944

SUBJECT: Representations to the Italian Government.

TO : Captain Ellery W. Stone, USNR,
Acting chief Commissioner

1. Referende is made to the letter of the undersigned on the above subject dated 16 Aug 44. ES/74, and your letter A/CC 000.1 dated 20 Aug. 44 in reply thereto.
2. Italy does have an extensive social insurance system including provision for sickness, invalidity, marriage, maternity, old-age, death and tuberculosis insurance, unemployment insurance, and relief, and workmen compensation. The benefits paid under the system are, however, completely inadequate. The basic benefit for unemployment insurance, for example, varies from 2.5 to 7 lire daily for manual workers, and from 4 to 12 lire daily for non-manual workers.
3. A Royal Decree, No. 120 issued under date of 15 March 1944 created a royal commission to examine the existing social insurance legislation. The recommendations of the commission are, however, to be limited to the subject of simplifying the legislation and making it more uniform. The Government is at present considering an amendment to the Decree, but this amendment does not yet give the commission any authority to make recommendations regarding the adequacy of benefits.

4. On 5 Aug 44, the Council of Ministers did organize a committee, the function of which is the preparation of a rehabilitation program. The program, however, is limited to the providing of adequate housing. In paragraph 3 of my letter dated 16 Aug 44, I referred to a program of public and private reconstruction. This program would be embrace all types of public works, and would be designed to provide productive employment for the unemployed.

5. With reference to paragraph 3(a) of my letter dated 16 Aug 44, it is my thought that, in view of the woeful inadequacy of the benefits under the present system of social insurance, the Government should prepare a program of relief which would provide adequate food, clothing and housing to every person in need. With reference to paragraph 3(b) of my letter, it is

the basic benefit for unemployment insurance, and from 4 to 12 lire daily for non-manual workers.

3. A Royal Decree, No. 120 issued under date of 15 March 1944 created a royal commission to examine the existing social insurance legislation. The recommendations of the commission are, however, to be limited to the subject of simplifying the legislation and making it more uniform. The Government is at present considering an amendment to the Decree, but this amendment does not yet give the commission any authority to make recommendations regarding the adequacy of benefits.

4. On 5 Aug 44, the Council of Ministers did organize a committee, the function of which is the preparation of a rehabilitation program. The program, however, is limited to the providing of adequate housing. In paragraph 3 of my letter dated 16 Aug 44, I referred to a program of public and private reconstruction. This program would be embrace all types of public works, and would be designed to provide productive employment for the unemployed.

5. With reference to paragraph 3(a) of my letter dated 16 Aug 44, it is my thought that, in view of the woeful inadequacy of the benefits under the present system of social insurance, the Government should prepare a program of relief which would provide adequate food, clothing and housing to every person in need. With reference to paragraph 3(b) of my letter, it is believed that the scope of the committee studying the housing situation is not broad enough to embrace the program contemplated. A new committee is needed.

6. The statements made today by Brigadier Parkinson with reference to the state of public health owing to inadequate food and the dangers to public health which may be expected in January and February, emphasize the responsibility of the Allied Control Commission to advise the Government of these dangers and to suggest adequate preventative measures on the part of Italian Government.

WILLIAM O'DWYER,
Brigadier General, USA,
Vice-President,
Economic Section.

SECRET

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

SECRET

HEADQUARTERS
ALLIED CONTROL COMMISSION
Office of the Acting Chief Commissioner
APO 394

EWS/hjp

A/CC 000.1

20 August 1944

SUBJECT: Representation to the Italian Government

TO : Vice President, Economic Section, Hq ACC

1. Reference is made to your letter of 16 August 1944 (ES/FA) on the above subject.

2. I agree that, in the absence of exact statistical information, your statement and conclusions in paragraphs 2 and 3 are very probably a sound basis for action. With reference to your suggestions, however, I would appreciate being furnished with more information before making any representations to the Italian Government.

3. I am informed that Italy has an extensive relief and social security system. Does your 3(a) mean that this system should be abandoned in favor of some new system, or should the present system be overhauled and strengthened? If the latter, have you any specific suggestions for changes in either the organizational structure or the relief now granted?

4. The Council of Ministers on 5 August 1944 organized a committee charged with the preparation of a rehabilitation program. On August 9, 1944, according to Italian newspapers, the extent of such a program was discussed by Bonomi, Gronchi and the secretary of the C.G.I.L. Do you feel that a new committee should be established in addition to this committee?

5. I am in thorough accord with your belief that the prevention of possible disorder in Italy brings your proposal within the scope of Allied Control Commission responsibility.

WILLIAM W. STONE
Captain, USMC
Acting Chief Commissioner

Hq ACC - Sec'y Gen.
DISPATCHED
Date-Time 21 Aug 1600
Via 5msg.
Article 1000

543

SECRET

13

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

JML/ml

ES/74

16 August 1944

SUBJECT: Representations to the Italian Government.

TO : Acting Chief Commissioner

1. Although it is difficult to arrive at any exact findings on the basis of the statistics available in the files of the Allied Control Commission, it is believed that (a) A substantial portion of the Italian labor is employed in seasonal work in agriculture. (b) At the present time in many sections of liberated Italy there are a large number of persons employed in the lower income brackets are unable to sustain themselves because of inadequate supplies of food and the high cost of living. (d) The available housing is inadequate. (e) the stock of clothing will be inadequate to meet the rigors of winter.

2. Following the termination of war, the needs for military fabricated supplies will end. This condition will increase the number of the unemployed. The release of Italian war prisoners and the return of Italian workers from Germany will further increase the number of the unemployed.

3. The consequences of these conditions may well be actual starvation, disorder and bloodshed. To avoid such consequences, it is believed that the Italian Government should establish a Committee charged with (a) The providing of a system for prompt and adequate relief to every person requiring assistance and, (b) The preparation of an over-all rehabilitation program of public and private reconstruction which would provide productive employment for the unemployed.

4. It is strongly urged that representations be made to the President of the Council, Mr. Ivanoe Bonomi by the Acting Chief Commissioner urging that he establish such a committee. It is believed that the prevention of possible disorder in Italy brings this proposal within the scope of Allied Control Commission responsibility.

to meet the rigors of winter.

2. Following the termination of war, the needs for military fabricated supplies will end. This condition will increase the number of the unemployed. The release of Italian war prisoners and the return of Italian workers from Germany will further increase the number of the unemployed.

3. The consequences of these conditions may well be actual starvation, disorder and bloodshed. To avoid such consequences, it is believed that the Italian Government should establish a Committee charged with (a) The providing of a system for prompt and adequate relief to every person requiring assistance and, (b) The preparation of an over-all rehabilitation program of public and private reconstruction which would provide productive employment for the unemployed.

4. It is strongly urged that representations be made to the President of the Council, Mr. Ivanoe Lommi by the Acting Chief Commissioner urging that he establish such a committee. It is believed that the prevention of possible disorder in Italy brings this proposal within the scope of Allied Control Commission responsibility.

542

WILLIAM O'DYER
Brigadier General, ADs
Vice President
Economic Section

73

1040

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

HEADQUARTERS ALLIED CONTROL COMMISSION
Office of the Acting Chief Commissioner
APO 394

LDD/ajp

A/CC 004.04

2 September 1944

Subject: Terni Company

To : Economic Section,
Attention: Mr. Antolini.

With respect to the attached letter drafted by your section for Captain Stone's signature, the Acting Chief Commissioner suggests that the first paragraph be re-written as follows:

"This is in connection with your letter N 11379/3/1-10 of August 14, 1944 and memorandum prepared by the Undersecretary of the Ministry of Interior, relative to the 'Terni Company'. Following are comments on points mentioned in the memorandum:"

In connection with this matter, the Acting Chief Commissioner puts forth the following five questions for your consideration:

1. "Power will be made available to the works at Terni as rapidly as possible". Can an estimate be made as to the amount that will be available by some certain date?
2. It is stated that Director of Works, British engineers will be responsible to ensure that necessary raw materials and supplies are made available. Has this been coordinated with the Director? Has it been laid down that raw materials and supplies will be made available? If so, when and how much?
3. When is it estimated that army food stores now within the works will be removed?
4. Is there any assurance that raw materials needed for other units of the Terni group will be available for specific programs of fertilizer manufacture when electric power is available?
5. Is it certain that war materials from the Terni works are not now needed?

For the Acting Chief Commissioner:

1 Incl
as above.

L. D. DENSMORE
Colonel, Sig C
Chief Staff Officer

2 Sept 17 34

Mag.
LDR.

541

77

1 0 4 1

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

Acting Chief Commissioner

Prof. Ettore Boncinelli

Director, Finance Sub-Commission, Hq ACC

31 August 4

1. Reference attached letter of 31 Aug from Prof. Ettore Boncinelli (Barclay's Bank, S.A.T.).
2. Please acknowledge and provide appropriate action.

Stone

A 33

To ACC - Sec'y Gen.	
DISPATCHED	
Date	30 AUG 1944
Time	1730
By	<i>my</i>
Initials	KT

0511.33
A-004,011
x-100

FILES A (B)
for

540

71

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

C O P Y

BARCLAYS BANK S.A.T.

Piazza di Spagna, 18

Rome, August 31st 1944

Sir,

I take the liberty of sending you the enclosed "Memorandum" hoping that you will give it your favourable consideration.

I should be very glad to be given an opportunity to submit to the attention of the A.C.C. the detail of what I thought to be my duty to do during the war in the interest of Barclays Bank Rome, in the conviction that the keeping alive of the only English Bank in Italy would have proved extremely useful towards a prompt resumption of economic relations between England and Italy.

I remain, Sir

Yours faithfully

(Prof. Ettore Boncinelli)

/s/ E. Boncinelli

(encs.1)

Admiral
MILLY W. STONE
Acting Chief Commissioner A.C.C.
R O M E

Declassified E.O. 12356 Section 3.3/NND No. 785015C O P Y

August the 31st 1944

MEMORANDUM

Should the person designated by the Italian Government as Commissioner for the I.R.I. (Istituto per la Ricostruzione Industriale) be unable to accept the task, we beg you to consider the possibility of appointing Prof. Ettore Boncinelli, Sequestator, since September 1940, of Barclays Bank Rome where he has, from that date, acted in addition as Managing Director in the absence of its previous English Directors.

Prof. Boncinelli is well acquainted with the problems of the I.R.I. having participated--on designation by the then Governor of Bank of Italy, Prof. Bonaldo Stringher--in the Liquidation of the "Banca Italiana di Sconto" from which was created the "Istituto di Liquidazione" which became later, in 1933, the "Istituto per la Ricostruzione Industriale" (I.R.I.)--Prof. Boncinelli had from the I.R.I. several missions in connection with various Companies belonging to the same concern. He is, at present, President of the Auditors Collegium of the Banca Commerciale Italiana. Those missions were entrusted upon him by technical and not political designation.

~~Secret~~

Prof. Boncinelli feels confident that the Allied Government will support his application as a reward for what he endeavoured to do in the interest of Barclays Bank Rome, when he prevented its winding up and its being taken over by other Banks. All this may be confirmed, on request, by Major Shriver of the Property Control (A.M.G.) and by the Commissioner of the Bank of Italy, Prof. Niccolo Introna from whom may be obtained, in addition, any further information about the aforesaid.

DURING THE FASCIST REGIME PROF. BONCINELLI HAS NEITHER HAD CHARGES OF A POLITICAL CHARACTER NOR ASSUMED POLITICAL OR SINDACALIST APPOINTMENTS.

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

A/GC 091.3

EWS/mrh

31 August 1944

My dear Mr. Prime Minister:

1. Extreme difficulty is being experienced with contractors for the supply of various commodities and materials, as most of them state that they are unable to anticipate what prices they will have to pay for the materials essential to the manufacture of articles in question. There appears to be very little control of prices on a uniform policy and it is extremely difficult for any definite policy to be pursued unless all prices are considered and a level fixed over a definite date, say 9 September 1943.

2. There is an urgent need to set up an inter-Ministerial Committee as an interim measure, pending your final decision to establish a price administration. This Committee to work with the Economic Section of the ACC so that a definite price policy may be determined in the forward area under AMG control and also the territories under the jurisdiction of the Italian Government.

3. These measures are vital in order to stabilize the economy and avoid the dangerous upwards spiral which would have fatal consequences on the future economy of the country.

4. We would therefore request that this inter-Ministerial Committee be set up immediately and that a meeting of same be convened not later than Saturday, September 2nd, with the Economic Section. The Allied Forces are urging this Commission for a definite statement of policy by September 6th.

Hq ACC Sec'y Gen.
DISPATCHED
Date Recd. 31 AUG 1944
Via <i>Wagon</i> 1700
Initials <i>27</i>

Yours very truly,

ELLERY W. STONE
Captain, USNR

Acting Chief Commissioner

His Excellency Ivanoe Bonomi
President of the Council of Ministers
Italian Government

Prepared by:

A. G. Antolini, Executive Director
Economic Section

cc Econ Sec.

S-81a

FILES A/B

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045

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

HEADQUARTERS ALLIED CONTROL COMMISSION
Office of the Acting Chief Commissioner
APO 394

EMS/hjp

A/CC 004.04

31 August 1944

Dear Vice-Marshal Bowen-Buscarlet:

This is in reference to your AFSC/R/662/EQ of 29 Aug 44, with which you sent copy of General Piacentini's letter #6050/S of 24 Aug 44, "use of materials and unused ground".

With respect to the General's request for approval and support in order that an interview can be arranged, it is requested that General Piacentini be informed that the Commission is anxious to cooperate in this matter and that contact should be made with Brigadier General William O'Dwyer, Vice President, Economic Section, Hq ACC.

General O'Dwyer will co-ordinate ACC participation in the matter.

Yours very truly,

31
No. ACC, Secy Gen.
DISPATCHED
Date: 31 AUG 1944
Via: *myr* 1730
Initials: *W*

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

cc: Gen. O'Dwyer

See 68-

*64-53
64-150*

FILES *(B)*
70

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

HEADQUARTERS ALLIED CONTROL COMMISSION
Office of the Acting Chief Commissioner
APO 394

EWS/hjp

A/CC 004.04

31 August 1944

TO: Vice President, Economic Section

1. Reference to attached:

a. Copy letter #6050/S of 24 Aug 44 from General Piacentini to Air Forces Sub-Commission, subject "Use of Materials and Unused Ground".

b. Letter Ref AFSC/R/662/EQ of 29 Aug 44 from Air Forces Sub-Commission, Hq ACC, same subject.

c. Copy my reply A/CC 004.04 dated 31 Aug 44 to AFSC.

2. It would appear that something of considerable value can result from the suggestion.

3. Request that your Section take charge of this matter and provide appropriate action.

3 Incls:
as in para 1 above

432 Stone

Hq. ACC - Secy Gen.

DISPATCHED

31 AUG 1944

Via *ang* 1100

Initials *el*

091.33
A-004.04

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68

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

C P Y

FROM: GENERAL PIACENTINI
TO: AIR FORCES SUB-COMMISSION
DATE: 24th August 1944.
REF: 6050/S

USE OF MATERIALS AND UNUSED GROUND.

1. In Italy there are quantities of fixed and moveable materials belonging to the State, now no longer of use on account of demolition and bombardment, (barracks, depots, shops and hangars) and some unused a/ds and ground space in the vicinity of a/ds in use.
2. The utilisation of these grounds and materials (iron and bricks) of the bombed buildings could be carried out by means of organisations formed of ex Air Force personnel and repatriated prisoners, so as to reduce as far as possible the crisis arising out of an Air Force now limited in numbers.
3. This Ministry has forwarded these proposals to the Council of Ministers, who, recognising the usefulness and importance of the work, has asked RUINI and various other Ministers of the Armed Forces, Communications, Agriculture, Industry and Commerce to study ways and means.
4. The first meeting, held on August 22nd, decided to study the project, making use of the experts nominated by each Ministry, in the case of Agriculture, consulting the Associazione Nazionale Combattenti, and for the salvage part the organisations interested in National reconstruction.
5. The carrying out of the project should be always done by means and co-operatives, employing, as already stated, Armed Forces personnel not in service, and those who, as more of Italy is liberated, will not be required for further service. In this way much land can be cultivated with beneficial results in food supply, and much material can be salvaged for reconstruction of buildings and industries.
6. In order to do this work the A.C.C.'s sanction is necessary, and the person appointed to ask sanction is the Air Minister to whom the idea first occurred.
7. However, in view of the above it is only right to inform the A.F.S.C. of the project and to have its approval and support in order that an interview can be arranged between the undersigned and the Head of the A.C.C. for the purpose of getting matters started.
8. The proposal outlined is of an urgent character because of fast approaching winter, with regard to agricultural and salvage work.

(Signed) P. PIACENTINI

534

66

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

C O P Y

FROM: AIR FORCES SUB-COMMISSION,
ALLIED CONTROL COMMISSION,
ROME.

TO: CAPTAIN ELLERY STONE,
ACTING CHIEF COMMISSIONER,
ALLIED CONTROL COMMISSION,
ROME.

DATE: 29th August 1944.

REF: AFSC/R/662/EQ

Attached herewith is a copy of some correspondence from General Piacentini to the Air Forces Sub-Commission outlining a scheme for the utilisation of material belonging to the State, which is now no longer of use, towards the rehabilitation of bombed buildings in order to relieve the housing crisis.

2. It will be observed that the Council of Ministers has formed a Committee and that General Piacentini was deputed to ask the Allied Control Commission's sanction for this project.

3. I can see myself no possible objection to it as the material in question will not be of any use to the armed forces, whereas of course the housing problem is bound to be an acute one before the winter sets in.

4. As the time before winter is short, this is an urgent matter, and I request your permission to pass on to General Piacentini at an early date.

/s/ W. A. Bowen-Buscarlet
/t/ W.A.B. BOWEN-BUSCARLET,
AIR VICE-MARSHAL,
AIR OFFICER COMMANDING

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

FILE UNDER NO. 091.33

INDEX SHEET

SYNOPSIS

- (1) Aide Memoire I - Economic Sub-Committee of Political Committee, AFHQ
- (2) Ltr Col Spofford to Capt Stone, 23 Aug
- (3) 091.3 Ltr Capt Stone to Econ Sec, 29 Aug

Italian Exports - Principles to guide ACC in ~~relation~~ supervision/control
over resuscitating Italian Foreign Trade.

DOCUMENT FILED UNDER NO. 430.FOOD, SUPPLY, ETC.

folio 50.

INSTRUCTIONS - Under «Synopsis» make brief entry showing date of communication and from whom received and synopsis sufficient to identify the papers. When these index sheets become numerous under a subject they will be entered on the consolidated index sheet and then destroyed.

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

FILE UNDER NO. 091.33

INDEX SHEET

SYNOPSIS

- (1) Letter from Col Spofford to Capt Stone, 23 Aug, re Ministry Supply and Italian Foreign Trade and economic policy, etc.
- (2) Ltr 091.1 fr Capt Stone to Econ Sec forwarding copy of above.

DOCUMENT FILED UNDER NO. 430, FOOD, SUPPLY, ETC.
folio 49.

INSTRUCTIONS - Under «Synopsis» make brief entry showing date of communication and from whom received and synopsis sufficient to identify the papers. When these index sheets become numerous under a subject they will be entered on the consolidated index sheet and then destroyed.

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

JBT/scm

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION

28 August 1944

ES/5

SUBJECT: Central Price Committee

TO : HQ. A.A.I. Local Resources Section

Reference the meeting of the Allied Force Local Resources (Italian) Board on 21 Aug 44 at which the chairmanship of the newly formed Central Price Committee was offered to and accepted by this HQ. Colonel W.P. EVANS is nominated as the ACC representative to fill this post.

Copy to: Secretary General
Commerce Sub-Commission

WILLIAM O'DWYER
Brigadier General, USA
Vice President
Economic Section

FILES A-B

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X-301133*

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

WJL/oom

A/SC 001.04

28 August 1944

SUBJECT: ACC Representation

TO : HQ. A.A.I., Local Resources Section

(33)

1. Reference your 5025/CAO dated 24 Jul 44 in which it was requested that ACC representation be strengthened on the Allied Force Local Resources (Italian) Board, the following changes in representation are notified.

Main Board: Brigadier General William O'Dwyer
Deputy, A. G. Antolini
Vice, Colonel W. E. Evans

Engineering Materials Committee: Colonel J. S. E. Todd
Vice, Captain A. S. Austin

2. ACC representation on the other Committees will remain unchanged.

Hq ACC - Sec'y Gen.
DISPATCHED
Date - Time 30 AUG 1944
Via <i>Major 1700</i>
Initials <i>W</i>

Copy to: Commerce S/O
Industry S/O

Econ Sec.

ELMER W. STONE
Captain, USNR
Acting Chief Commissioner

Prepared by: J. Bruce Thompson, Major, R.A.
S.O. 1 (C.A.), Economic Section

FILES A/B

700

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

Acting Chief Commissioner

Appointment of Commissioner for I.R.I.

A/CC 004.04

Vice President, Economic Section

26 August 4

1. Reference is made to letter dated August 24th, copy attached, from H.E. Bonomi, which is in reply to A/CC 004.04 of 21 August, drafted by your section, relative to the appointment of Doctor Carlo Draghi as Commissioner of I.R.I.

2. Note from H.E. Bonomi's letter that State Councillor Leopoldi Piccardi is to be appointed Commissioner.

3. Is that appointment of Piccardi acceptable?

MILLY W. STONE
Captain, USNR
Acting Chief Commissioner

1 Incl:
as in para 1 above

091.33
A-004.04

Hq ACC	Sec'y Gen.
DISPATCHED	
Date - Time	26 Aug. 1930
Via	Reg.
Initials	RRR

FILES

528

62

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

Acting Chief Commissioner

Central Institute of Statistics

A/CC 091.3

Vice President, Economic Section,

26 August

4

1. Reference attached letter N. 10026 - 8/1-1-16, from H.E. Bonomi, dated 22 August, which is in reply to ES/7A - A/CC 091.3 of 15 August, drafted by your Section, relative to Istituto Centrale di Statistica. (58) (51)

2. Referred to your section for appropriate action.

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

1 Incl:
in para 1 above

FILES

Hq ACC Socy Gen.
DISPATCHED
26 Aug 1945
Via
Hq. AIR

527

61

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

BSS/ajp

A/CC 004.04

25 August 1944

SUBJECT: Electric Power Supply in Italy

TO : Allied Force Headquarters,
Through: Headquarters Allied Armies in Italy

1. Attention is directed to the extremely critical and serious situation in Italy with respect to electric power. There has been delay in taking corrective action to import emergency electrical generating equipment. It is understood that some progress is being made in arranging for some emergency equipment of limited capacity, which when received will be of assistance. It is urged that everything possible be done to expedite the delivery of such equipment.

2. On the mainland of liberated Italy in the section between Naples and the present front line approximately 83 % of the electric generating capacity has been destroyed or made inoperative either by enemy demolition or Allied Air Force and ground operations. It is believed that some damage to utility installation may have been caused, or may be caused in the future by patriot groups acting under Allied direction.

3. The economy of Italy is to a very great extent dependent upon an adequate supply of electric power, and it is most urgently recommended that instructions be issued to all concerned to do everything possible during the remainder of the campaign in Italy to protect and preserve electric power, water and electrical communication facilities, and that such utilities be not unnecessarily damaged.

WILLIAM W. STONE
Captain, USNR
Acting Chief Commissioner

Hq ACC Sec'y Gen.
DISPATCHED
Date-Time 25 Aug 1944
Via Hq
Initials WWR
c.c. Economic Section.

526

091.33
A-004.04

File A 1 (B)
G

60

Declassified E.O. 12356 Section 3.3/NND No. 785015TRANSLATIONTHE PRESIDENT OF THE
COUNCIL OF MINISTERS

Rome, 24 August 1944

HQ AGC, AGC 304
308 S. Y. Can.
Rec'd 25 Aug 1945
By _____ ETRK.

Dear Admiral,

I entirely agree with you. The I.R.I. is an Institute of such great importance, and deals with such vital interests of the nation that it cannot be entrusted to one Minister only.

I have therefore constituted under my presidency an Interministerial Committee composed of (it can be made more numerous later on if necessary) The Ministers of Treasury, (Soleri), of Finance (Siglienti) and of Industry (Cronchi). In one of the last meetings of this Interministerial Committee has been discussed the need of appointing a Commissioner who could immediately take in hand the great Institute and prepare plans for the reorganization of the chief Italian industries.

The names you gave me in your letter seemed excellent as for the honesty and competence of the people in question, yet they did not seem to have the necessary qualities to be entrusted with the job of a Commissioner. Therefore we have decided to appoint a Commissioner who would have not only the necessary legal and economical preparation, but also an important political situation and yet not be mixed up in party struggles. Our choice fell on the State Councillor Leopoldo PICCARDI, one of our best jurists, ex legal adviser of the Ministry of Exchange, and for nearly two months, Minister of Industry, Commerce and Work in the first Badoglio Cabinet.

I am certain that the I.R.I. will have a prominent part in the industrial and economical reorganization of Italy, if as I hope, Piccardi accepts.

I remain, *Yours*

Yours sincerely,

/s/ I. Bonomi

Captain ELLERY W. STONE -
Acting Chief Commissioner
of the Allied Control Commission

Rome

Trans. E.C.

525

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Declassified E.O. 12356 Section 3.3/NND No. 785015TRANSLATIONTHE PRESIDENT OF THE
COUNCIL OF MINISTERS

N. 10026 - 8/1-1-16

HQ ACC. AFO 391
811 5th Y. Gen.
Rec'd 25 Aug 1944
By EPK

Rome, 22 August 1944

Dear Admiral Stone,

I answer your letter Es/7A-ACC 091.3 of August 15 last.

I entirely agree with you on the necessity of preparing as soon as possible a statistical schedule of the economic situation of Italy, which would enable us to make our plans for the reorganization and resuming of national life with more precision.

Therefore I have given the necessary instructions so that the Central Institute of Statistics will get the swiftest and most complete help from all the institutions interested in the initiative you encourage.

Thank you for your interest.

Yours truly

/s/ I. Bonomi

Admiral ELLERY W. STONE
Chief Commissioner of the
Allied Control CommissionR o m e

Trans. E.C.

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

RWS/ARR

A/CC 091.3

26 August 1944

My dear Sir Noel:

This is relative to your letter 382/3/44 of 16 August. In accordance with our conversation, I spoke to General O'Dwyer, Vice President of the Economic Section, and suggested that he arrange for close cooperation between his section and Mr. Rosworthy of your Staff and Mr. Livergood of Ambassador Kirk's Office.

I have been informed that an invitation to attend the Economic Section Staff conferences held at 1200 hours on Monday of each week has been extended to Mr. Rosworthy and Mr. Livergood. These gentlemen will be given the maximum facilities for investigating any subject in which they have a particular interest.

We appreciate the opportunity to work with representatives of yours and Mr. Kirk's offices.

MILERY W. STONE
Captain, USNR
Acting Chief Commissioner

cc: Alexander Kirk

Sir Noel Charles, Rt., K.C.M.G.
British High Commissioner in Italy,
British Embassy,
84 Via Venti Settembre,
Rome.

MAILED	26 Aug 1130
DISPATCHED	hand
DATE	26 Aug 1130
VIA	hand
REMARKS	ARR.

FILES A-B

523

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

ES/2Q 1st Ind.
ECONOMIC SECTION, HQ. A.C.C. 24 Aug 44.

TO: Acting Chief Commissioner.

GHS/lab
HQ AGC, APO 194
762 Sec'y Gen.
Rec'd 25 Aug 1945
By RKR

An invitation to attend the Economic Section's Staff conferences held at 1200 hrs on Monday of each week has been extended to Mr. Nosworthy and Mr. Charles Livengood who will be given the maximum facilities for investigating any subject in which they have a particular interest.

A. G. ANTOLINI,
Executive Director
Economic Section.

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

Acting Chief Commissioner

Coordination of Economic Activities

21 August

4

Economic Section, Hq ACC

1. In accordance with conversation at VP's meeting this morning, attached is letter 322/3/44 of 16 August from Office of the British High Commissioner in Italy relative to Mr. Nosworthy.
2. It was agreed that your section would contact Mr. Nosworthy and Mr. Livengood and arrange for cooperation with your Section rather than to have them attend VP's meetings.

Stone

091.33
4-0411.5

Hq ACC - Sec'y Gen.
DISPATCHED
Date-Time 22 Aug 17 20
Via Mag
Initials BNA

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57

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

C O P Y

OFFICE OF THE BRITISH HIGH COMMISSIONER
IN ITALY

ROME.

322/3/44

16th August, 1944.

Dear Deputy Chief Commissioner,

Mr. Rosworthy, who as you know, has been re-appointed to Rome with the rank of Minister to organise the economic wing of this Embassy, has been speaking to me of his wish to co-operate more closely than has hitherto been possible with the economic commissions of the Allied Control Commission. Such co-operation at the present time would be of very great long term value to him looking forward to the return of the country to normal conditions. Possibly his knowledge of pre-war Italy might on occasion be useful to some of your officers dealing with current problems.

2. I myself am in full agreement with his suggestion, and I would ask you to consider it sympathetically. How a start might best be made I must leave to you. As a concrete suggestion which may or may not be feasible, would it be possible for him to attend as an observer at the meetings of your Vice-President's Committee?

3. Mr. Rosworthy has always worked on intimate terms with his American colleague, Mr. Charles Livengood, who also was on service at Rome before the war, and any invitation extended to Mr. Rosworthy would presumably be extended to Mr. Livengood at the same time.

Yours very sincerely,

/s/ Noel Charles

Captain Ellery Stone, USN,
Deputy Chief Commissioner,
Allied Control Commission,
Rome.

1062

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

Tel: 489081

HEADQUARTERS
ALLIED CONTROL COMMISSION
Economic Section
APO 394

LAI/mc

ACC/158/PWU

14 Aug. 1944

Subject: Electric Power Situation in Central Italy.

To : Acting Chief Commissioner, A.C.C.

1. We have been directed to undertake a program of industrial and other rehabilitation so as to reduce import tonnages. As Italian industries are dependant upon electricity we are greatly handicapped in our effort unless we are given a fairly free hand in our program of electrical rehabilitation. Our studies show that it is impossible to rehabilitate a sufficient number of plants in the short period required to have any appreciable effect upon our military import tonnages. Therefore, other effective steps must be taken.

2. Although the overall electric power supply planning was made an A.C.C. responsibility only about 3 weeks ago, it has made a nearly superhuman effort to survey the general situation. Based upon this survey, and some previous knowledge of the requirements, it prepared a Requisition showing what the urgent needs were. It has now been asked to prepare further substantiating data and it is submitting this data in such form as it was possible to prepare it without too much loss of time.

3. The fact that only about 6% of 892,000 KW of electric power normally produced in Central Italy was available should be ample proof of the need for prompt action to improve this situation without any further substantiating evidence. Only a small percentage of the destroyed plants can be rehabilitated by cannibalization within the next six months. Everything possible is being done along these lines and progress has been made and will continue to be made.

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4. The further fact that the 15,000 KW of available hydro electric supply, now supplied to Rome from outlying points, in addition to the 20,000 KW local thermal station supply, may soon have to be cut considerably, presents a most serious situation insofar as Rome is concerned, wholly apart from the inability to rehabilitate essential industrial plants outside of Rome needed for military and essential civilian requirements. Rome normally requires 100 to 120,000 KW.

5. Upper floors of tall buildings in Rome, or buildings in high areas, must have the water pumped individually to these levels by electric pumps. At present they receive electricity only for 16 hours every 4th day. If this is further cut a serious menace to public health will result. With winter coming on the long dark nights will be conducive to outbreaks of crime. Everything possible must be done to give Rome more electricity, not less.

6. In view of conflicting and uncertain reports as to what plants or other supplies may be available in the US and UK, we earnestly request that authority be given for the 2 officers of A.C.C. most concerned with this problem to proceed to the U.S. by air without delay, and with a high priority, so as to obtain first hand and immediate knowledge of whatever type of electric power plants may be made available for this theater, or what parts or units of plants could be had to assist in our immediate rehabilitation effort, and that they be given power to accept such substitutes as may be available and may fit into Italian current characteristics up to the total KW. requirements of the two Requisitions presented.

7. It is further requested that, failing in their effort to obtain all of the requirements in the U.S., one or both of these officers be authorized to proceed from the U.S. to the U.K. to make a survey of the availability of such plant there.

8. In view of the seriousness of the present electrical position in Central Italy, and the absolute necessity for speed, may we ask for immediate action. This is wholly apart from any

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

plans which may have to be made later for Northern Italy and for which we should also have first hand knowledge of availability of plant that could be quickly imported from the U.S. or U.K., so that plans for this may also be made accordingly.

WILLIAM O'DWYER
Brig. General.
Vice President.

Copy for P.W. & S/c

copy

P/K

Ellen W. Stone
Capt USNR.

Original given to
Col Jenny & later to
AFHQ

517

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

RWS/hjp

A/CC 004.04

21 August 1944

My dear Mr. Prime Minister:

Recent consideration has been given by the Allied Control Commission to the organization and administration of I.I.I. (Istituto per la Ricostruzione Industriale), which is the most important economic organization in Italy.

I am advised that this subject is being reviewed by your cabinet and considerable public interest has been evidenced by recent newspaper comments.

In light of this I would appreciate having your present views on this very important subject.

It appears to A.C.C. that the solution should be reached on the basis that I.I.I. is too important and too extensive in scope to be the monopoly of any single ministry but should be a dependency of the Presidency of the Council of Ministers. In order to ensure full consideration of all factors affecting the national economy, a policy making board should be set up on an inter-ministerial basis with a single executive responsible for execution of policy.

In order to insure the immediate performance by I.I.I. of those preliminary activities essential to the rehabilitation of Italian industry, say I recommend the appointment of a Commissioner and two Vice Commissioners to guide I.I.I. through the present transitory period. Such men should be free from the taint of Fascism, should be technically competent and also experienced in the work of I.I.I.

The A.C.C. believes that Doctor Carlo Draghi, now of the Banca Nazionale del Lavoro and formerly of I.R.I., would be an admirable choice for the position of Commissioner whilst Doctors Pompucci and Fortis, of the Ministries of Finance and Treasury respectively, are well qualified for appointment as Vice Commissioners.

Will you please let me know your reactions to these proposals, particularly in respect to the suggested immediate appointments of a Commissioner and two Vice Commissioners of I.I.I.?

Hq. A.C.C. Sec'y Gen.

Very truly yours,

DISPATCHED

Date-Time 21 Aug 1944

Via

A.C.C.

His Excellency Ivanoe Bonomi
The President of Council of Ministers
Italian Government
cc: Gen. Sec.

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

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

RECORD OF PHONE CALL

20 Aug

Memorandum for Captain Stone:

Dr. Draghi, from 1933 until 1942, worked for IRI; since 1942 he has been in charge of the Office of Industrial Financing of the Banca Nazionale del Lavoro. Not a member of any political party. The Inter-Banking Committee of National Liberation considers him antifascist.

Commander Lawler

Received by telephone
1300 hours 20 August
by Sgt Shenfield, SG

091.33
A-004,04

Lawler H. C.

1067

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

ENS/hjp

"Terni" Company

Economic Section, Hq ACC

17 August 4

For necessary action by your section and report, please. *Pls.*
prepare acknowledgment.

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

1 Incl:
Ltr, P.M. Bonomi,
R. 11379/3/1-10, 14 Aug 44
with memo on above subject

091.33
N-004.04

Hq ACC Sec'y Gen.
DISPATCHED
Date-Time 18 Aug 1945
Via Mag.
Incls SRR

Files H-17/40
514

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

TRANSLATION

HQ ACC, APO 394
656 Sec'y Gen.
Rec'd 16 Aug 1944
By RF

THE PRESIDENT OF THE
COUNCIL OF MINISTERS

N. 11379/3/1-10

Rome, 14 August 1944

Dear Admiral,

The Undersecretary of the Department of the Interior has given me a memorandum, the copy of which I enclose, about the present situation of the 'Terni' Company, considering the possibility of resuming work.

As for the difficulties which have to be dealt with, the company trusts to be able to solve some of them by its own means - for some others, it asks the Government's help.

The question has been submitted to the competent minister to be treated technically.

I want to draw your attention, my dear Admiral, on the great importance of this case, and I beg you to give to the Minister of Industry the help which will be necessary for the best and swiftest solution of the problems connected with the resuming of work of the Company.

I remain,

Yours sincerely,

/s/ I. Bonomi

Admiral ELLERY W. STONE
Acting Chief Commissioner of the
Allied Control Commission

R o m e

Trans. E.C.

See 85
91000
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Files APR 7 1945
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COPY

TRANSLATION

TERNI - INDUSTRY & ELECTRICITY COMPANY

Rome, 12 August 1944

MEMORANDUM FOR H.E. CANIVARI - UNDERSECRETARY OF THE
DEPARTMENT OF THE INTERIOR - ABOUT THE DIFFICULTIES TO BE
DEALT WITH TO ENABLE THE PLANTS OF THE 'TERNI' COMPANY TO
RESUME THEIR INDUSTRIAL ACTIVITY MORE RAPIDLY AND INTENSIVELY.

The 'Terni' is trying by every means to put its plants in working condition again, in the shortest possible time, so as to be able to resume its productive activity.

Difficulties of all kind are to be faced, some of which the 'Terni' trusts to be able to face by its own means; for some others, the intervention of the Government proves indispensable.

We can sum up these difficulties in the following way:

- almost complete lack of electric power following the destructions caused by German sabotage, in the electric power plants of the company;
- removal of and damages to the machinery of some of the chief plants (Steel-mills, Electrochemical plants and Cement-works);
- lack of the essential raw and partially worked material, necessary for the work.
- great difficulty for the transportation of such raw and partially worked material. therefore we ask the Government's intervention to:

- 1) obtain that a certain amount of electric power should be allotted to the 'Terni' plants; this amount would be progressively produced by the electric power plants of the 'Terni', as they should resume their activity; (on this subject cf. enclosure A) a plan on the resuming of the activity of the different plants, based on a program
- 2) of distribution of electric power.)

activity.

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- 1) obtain that a certain amount of electric power should be allotted to the 'Terni' plants; this amount would be progressively produced by the electric power plants of the 'Terni', as they should resume their activity; (on this subject of (enclosure A) a plan on the resuming of the activity of the different plants, based on a program 2) of distribution of electric power.)

2) obtain that the 'Terni' should be supplied with such raw and partially worked material and eventually machinery as have been and will later be requested by the company itself, to enable her first to renew the plants, and then to resume fabrication;

3) make possible the transportation by railway as well as by truck, of the lignite extracted from the mines of the Company, and destined to provide the plants with supplies.

4) obtain the free use of all the machinery of the plants of the 'Terni', which after being taken to pieces by order of the Germans to be transported in North Italy, were left along the railroads of Central Italy (a memorandum on this subject has already been delivered to the Ministry of Industry, Trade and Work, and to the Allied Control Commission, the copy of which we enclose (enclosure B)).

As for the steel-mills, the 'Terni' points out that as soon as they will be emptied of the foodstuffs stores accumulated by the Allied Forces, all work that can be done with the machinery still in working condition or renewed will be resumed, if the Allied Command enables us to get the necessary supply of raw and partially worked material.

This would enable us to give employment to a large number of workmen.

However, if the 'Terni' Steel-mills were entrusted with the making of real

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

war material the activity of the 'German' steel-mills would doubtless be much bigger, and would thus be of advantage to the workmen as well as for the Company itself.

It would therefore be a most useful thing if the Government took the necessary steps to obtain this from the Allied Command.

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

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WO/ml

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

13 August 1944

SUBJECT : Cooking gas for Rome.

TO : Executive Director, Economic Section

1. Through some error of calculation, October 1st was set for resumption of cooking gas supply at Rome. I have learned that 1½ hours gas for Rome may be provided within two weeks from Monday, 14 August in the following way:

1. Build bridge to Rolla Mines (Lignite) 25 miles north of Grossetto.
2. Repair 25 miles of railroad track from Grossetto north.

2. This will provide adequate supply of Lignite for electric power and release coal for gas. I have asked General Grey to help and he has gone into action. Col. Oxeley from Coal, and Col. Vining R.R. are on the job.

3. The bridge building starts to morrow, materials have been released and I believe, delivered. Will you please follow up and give me a report of progress.

WILLIAM O'DWYER
Brigadier General, AUS.
Vice President
Economic Section.

091.33
X-094 Rome
A-004.04

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

EWB/dfe

RS/7A
A/CS 091.3

15 August 1944

My dear Mr. Prime Minister:

There is an urgent need, as Your Excellency is well aware, for the preparation of an accurate picture of the present economic situation of Italy. This information is a prime necessity both for the Italian government and for us to ensure that economic policy for Italy can be properly formulated.

In our opinion, the organization which is best fitted to provide this necessary information is the Istituto Centrale di Statistica, which is directly under the Presidency of the Council.

We are prepared to give every facility and assistance in the way of transport, communications, permits, etc., to the Istituto to help in this work. From your side, the Istituto will require full authority and powers from you to call upon the national ministries and provincial and local authorities for the use, loan, or transfer of personnel and for full cooperation in providing requested data.

This work, in our judgment, should have the highest priority in order that precious time not be wasted. We should like to have an adequate report on the present economic condition of Italy and of the Italian people prepared by the Istituto for not later than 15 September 1944. By 15 September we should have sufficient information to have a good working basis for policy. The work, of course, should continue after 15 September to fill in the gaps, to keep the report up to date and to make a more definitive job.

We believe that the initial task can be finished by 15 September, but this can be done only by giving the director of the Istituto complete backing and assistance in this important work. Our share of this we are prepared to assume.

Lieutenant E. J. Hicke, USCGR, has been chosen by the Economic Section, ACC, to work with the Istituto on this proposed project. Captain Andrew Kazarok of General O'Dwyer's staff is available to discuss the project generally.

We trust that you will agree to this suggestion as it is in the best interests of Italy. We fully appreciate your cooperation.

Hq ACC - Sec'y Gen.
DISPATCHED
Date: Time 16 AUG 1944
Via Crux 1200
1241
His Excellency Ivanoe Bonomi
President of the Council of Ministers
Italian Government

Yours very truly,

ELMER W. STONE
Captain, USMC
Acting Chief Commissioner

cc: Econ. Sec.

files A-100

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

JBT/sam

HEADQUARTERS
ALLIED CONTROL COMMISSION
E CONOMIC SECTION
APO 394

TS/13A

11 August 1944

SUBJECT : Torpedo Plant at Daik

TO : Industry Sub-Commission

1. Reference is your ACC/5630/IND dated 4 Aug 44

2. The Acting Chief Commissioner directs that, before you submit your final report, upon receipt of which he will reply to H.F. Sencoff's letter W. 7851 of 11 Jul 44, you will co-ordinate the entire matter with the Director of the War Material Disposal sub-Commission.

23

J. BRUCE THOMPSON, Major R.A.,
S.O.2 (C.A.) Section Economic

Copy to : Secretary General
(ref: A/CC 604.04 dtd 9 Aug 44)

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091.33
A-2041.341

Files H-13/7-508

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

ALLIED CONTROL COMMISSION INTER OFFICE MEMO

From: Office of the Acting Chief CommissionerSUBJECT: Torpedo Plant at BalaFILE No. A/CC 004.04TO: Economic Section9 August 1944

1. Thanks for your report ES/13A of 8 August relative to above subject.
2. Upon receipt of final report from you on this matter, I will be able to make proper reply to H.E. Bono's letter N. 7881 of 17 July, copy of which was sent to you on 14 July.

Hq ACC Sec'y Gen.
DISPATCHED
Date-Time 10 AUG 1944
Via <u>mess</u> 1030
Initials <u>41</u>

Stone.

PS. Will you please co-ordinate the entire matter with Lt. Col. Campbell, Director of War Material Disposal Sub-Commission, before giving me a final report.

files A/13/1944

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X 004.04

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

HEADQUARTERS ALLIED CONTROL COMMISSION
Office of the Chief Commissioner
APO 394

WWS/dfo

11 August 1944

Subject: Future Administration of I.R.I.

To: Vice President, Economic Section

1. Your letter of 1 August, received by the Secretary General on 9 August, attaching a memorandum on I.R.I. dated 1 August and a memorandum proposing the names of new officials for I.R.I., dated 3 August, are approved.

2. Request that a letter to the President of the Council of Ministers incorporating your recommendations be prepared for my signature. I propose to present this letter personally to the President of the Council.

WILSON E. STONE
Captain, USMC
Acting Chief Commissioner

2 Encl.

09133
K-204/44

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Hq ACC - Sec'y Gen.
DISPATCHED
Date-Time 12 Aug 1944
Via 2nd Lt
Initials per

Ficus H. H. H.
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HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

JDT/ml

HQ ACC, APO 394
3rd Sec'y Gen.
Rec'd 8 Aug 1945
By SKA
8 August 1944

ES/13A

SUBJECT: Torpedo Plant at Baia.

TO : Secretary General

1. Reference your ACC 004.04 of 5 AUG 44, the Managing Director and Commissario of the Silurificio plant have been interviewed, as, when the transfer of the plant was originally discussed, only 70 torpedoes were known to this HQ as awaiting or under repair, and now 700 have been uncovered. The Naval Sub-Commission have been asked to find out whether there is a demand for such a number.

2. In the meantime a letter has been sent to HQ. AAI., copy attached, asking that steps may be taken to ensure that the terms of the transfer are carried out.

A. G. ANTOLINI
Executive Director
Economic Section

Incl: Copy letter to
HQ. AAI.

COPY

Secretary General

A/CC 004.04

SUBJECT: Torpedo Plant of Baia (Naples)

TO: Economic Section, Hq ACC

5 August 1944

A reply is requested to this office's memo of 24 July 44 which is repeated as follows:

"Information is requested as to action taken on letter 7881 of 2 July 44, from Italian Government, transmitted to you by reference file No. A/CC 004.04, dated 14 July 44."

/s/ Frank J. Slaughter
Captain AGD
Deputy Secretary General

T/3 Edmiston
Sec'y Gen Office

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
A.P.C. 394

HQ ACC. APO 394
503
Rec'd 9 Aug 15/10
By PRG

1 August 1944.

SUBJECT: The Future Administration of I.R.I.

TO : Captain Ellery W. Stone, USNR
Acting Chief Commissioner.

1. Attached is a memorandum on I.R.I. indicating the importance of the organization and recommending a course of action to be taken by the government.
2. The government appears unable to come to any definite conclusions on how the organization is to be tied in to the cabinet due to an inter-ministerial struggle for control over the organization. Meanwhile, much valuable time is being lost.
3. It is suggested, therefore, that the matter be taken up directly with the President of the Council. The solution should be reached on the basis that I.R.I. is too important and too extensive in scope to be the monopoly of any single Ministry. Therefore, a policy-making board should be set-up on an inter-ministerial basis with a single executive responsible for carrying out policy.

WILLIAM C'DWYER
Colonel
Vice-President
Economic Section.

WC/ME/ef

File A-13/503
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Declassified E.O. 12356 Section 3.3/NND No. 785015

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
A.P.O. 394
TEL. 553, 417

13187/F

1 August 1944.

SUBJECT: The Future Organization of I.R.I.

TO : Joint Directors,
Finance Sub-Commission.

1. I.R.I. (Istituto per la Ricostruzione Industriale), the financial holding company of the Italian government, is the most important economic organization in Italy. It owns:

- a. The three biggest commercial banks in Italy.
- b. All of the heavy armament producing plants.
- c. Companies which are responsible for four-fifths of the production of iron and half of the production of steel.
- d. All the important ship-building yards.
- e. Companies producing about one-fourth of all the Italian electric power.
- f. The bulk of Italian shipping.
- g. Many other enterprises, mines, factories, farms.

2. I.R.I. used to be under the supervision of the Ministry of Finance, but it was always more than a one-ministry organization.

- a. The interest of the Minister of Finance derived mainly from the fact that I.R.I. was a part of the Public Domain (Demanio pubblico e demanio mobiliare). This part of the old Ministry of Finance has been assigned to the Ministry of Finance share of the division resulting from the creation of the Ministry of the Treasury.
- b. For highly important matters, I.R.I. reported to the Head of the Government, usually through the Ministry of Finance.
- c. The policy making board of directors consisted of representatives from the Ministry of Corporations (industry), Ministry of Communications (merchant shipping), Ministry of Foreign Trade, and Ministry of Armaments.

3. The Ministry of the Treasury at present is endeavoring to take over I.R.I. This appears to be a bad solution:

- a. The Treasury has already taken over an enormous task besides its usual functions in controlling the Ispettorato (inspection and supervision of all credit agencies), I.M.I. (the industrial financing agency), the Banca d'Italia, and a number of other credit organizations. The Ministry of Finance, on the other hand, has been left with only one important task, collecting revenue.

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

- 2 -

- b. As the Treasury has the Ispettorato, giving I.R.I. to the Treasury would mean that the Treasury would (i) own the banks and (ii) have the duty of checking on its own stewardship. This is obviously unsound and dangerous for the depositors in the banks.
 - c. As the Treasury has I.M.I., giving I.R.I. to the Treasury would mean that (i) as I.R.I., the Treasury would be borrowing money and (ii) as I.M.I. the Treasury would be lending the money. This, again, is unsound and dangerous.
 - d. The Treasury has the task of spending money. The Ministry of Finance has the task of raising the revenue to meet the Treasury's expenditures. The organization which has to meet the bills is more apt to attempt to run I.R.I. efficiently and at a profit than an organization whose job it is to spend money.
4. I.R.I. is too strategically important an organization to be turned over to any one Ministry.
- a. The decisions as to the policy which I.R.I. will follow are fundamental economic decisions which can only be decided as a matter of national economic policy. These decisions should not be left to one Ministry dominated by one political party and representing one group of interests.
 - b. The problems raised as to I.R.I.'s future are important enough to be settled at the Constituent Assembly. They should not be pre-judged now by a single Minister's wishes.
 - c. The organization to be set up for I.R.I. must be one which will make it possible for a national policy to be formulated for the guidance of I.R.I.
5. Recommendation
- The Italian government through the President of the Council should be requested to consider seriously a proposal for the organization of I.R.I. on the following general lines:-
- a. The policy making board of directors should be⁵⁰ organized as to be composed of representatives of the major economic and political interests.
 - b. (1) The board of directors might consist of representatives of the ministries which are concerned with the following fields of activity: finance, industry, communications and, possibly, treasury. A representative of the federation of industrialists and one of the confederation of labor might also be added.
 - or (2) The six ministers without portofoglio or six other representatives of the parties might constitute the board. Here, again, representatives of industrialists and labor might be added.
 - b. A managing director, technically competent, should be appointed to run I.R.I. in accordance with the general policies outlined by the board of directors.

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

- 3 -

- c. The position of president of I.R.I. might be held by the chairman of the board of directors. The chairman might be elected by the board or one of the members of the board might be appointed chairman by the President of the Council.
- d. I.R.I. would report to the President of the Council directly or through the Ministry of Finance as in the past.

ANDREW KAMAROK
Capt. F. A.
Finance Sub-Commission.

AK/gr

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

Enc/die

4/CC 091.3

8 August 1944

Subject: Control of hemp

For: Flag Officer, Eastern Italy

1. With reference to FMRT 913 of July 27th as to the control of hemp and hemp products, the position as enumerated therein is from a legal point of view accurate.

2. However, in anticipation of the situation that would arise on the hand over of Region III to the Italian Government, a draft decree to be issued by the Italian Government has already been prepared by this Commission and submitted to the Italian Government for their approval and prompt publication and an English copy thereof is attached herewith for your information.

3. I am informed that final agreement on its provisions has been reached at a meeting held August 2nd between representatives of the Italian Ministries concerned and of the Industry Sub-Commission.

4. The proposed Italian organization therein set up will be advised by the appropriate officers of this Commission both as to policy in production and as to corrective action to be taken to prevent contraband sales or other malpractices.

5. It must be realized that the policy of transfer of territory from Allied Military Government Control to Italian Governmental Control must necessitate some relaxation of the close supervision which has proved so effective in the past. Moreover the probability of the speedy liberation of the large hemp growing districts of Bologna and Ferrara and the acute shortage of personnel within the Commission would of themselves render such careful supervision as has been our practice in the past no longer practicable.

6. If, in the event, it is found that any marked falling off occurs in the quality or quantity of the hemp products produced for Allied use under an Italian administration, there seem to be two possible alternative courses of action:

- a. to requisition all factories and raw materials, and then to run the factories under direct "service" control, or,
- b. to place the Italian organization under direct Allied Military Control.

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

A/C OYL.3, 8 Aug 44, (continued):

The former method would involve a large staff but the latter could be carried out by one or two expert officers with appropriate Italian civilian assistance.

7. As no doubt you are aware, attached to this Commission is a representative of the British Ministry of Supply who is resident at Naples and who has the necessary technical qualifications to ensure the quality of the products being maintained.

8. It is not proposed to apply either of the policies enumerated in para 6 above unless there is found to be a decrease in volume of production or a large increase in contraband activities under Italian Governmental Control.

9. I feel that the successful restoration to useful controlled productivity during the last six months has been one of the more successful of this Commission's activities and I can assure you that the importance of this industry to the Allied war effort has long been appreciated by this Headquarters.

ELBERT W. STONE
Captain, USN
Acting Chief Commissioner

1 Encl: English copy
of draft decree

cc: AG, Region III (attention: E & S Div)
Sec'y, AFM (1) Board
Naval Sub-Commission
Industry Sub-Commission (2)

Hq ACC - Sec'y Gen.
DISPATCHED
Date-Time <u>9 Aug 1944</u>
Via <u>Marine 7</u>
Initials <u>ERR</u>

498

45

DRAFT OF A R.D.L. FOR THE
INSTITUTION OF THE ASSOCIAZIONE NAZIONALE CANAPA

Whereas in reference to the following previous legislation:

Art. 18 of Act Nr. 129 of the 19th. January 1939,

R.D.L. Nr. 213 of the 30th. October 1943,

Act Nr. 987 of the 16th. June 1931 with provisions for the protection of cultivated plants and agrarian products against natural foes,

R.D.L. Nr. 85 of the 2nd. January 1936 and R.D.L. 279 of the

3rd. February 1936 on the discipline of the hemp market and commerce thereof,

R.D.L. Nr. 1955 of the 8th. November 1936 on the discipline and utilisation of hemp,

The Inter-Ministerial Decree of 22nd. December 1934 which constituted the Federazione Nazionale dei Consorzi for the protection of the cultivation of hemp,

Act Nr. 566 of the 18th. May 1942 on the re-organisation of the Enti Economici dell'Agricoltura,

R.D.L. Nr. 969 of the 17th. August 1941 in the Institution of the Ente Nazionale Esportazione Canapa,

The Decree of the Head of the Government dated 15th. May

1944 which provided for the appointment of a Commis-

R.D.L. Nr.213 of the 30th.October 1943,
Act Nr.987 of the 16th.June 1931 with provisions for the
protection of cultivated plants and agrarian products
against natural foes,

R.D.L. Nr.85 of the 2nd.January 1936 and R.D.L.279 of the
3rd.February 1936 on the discipline of the hemp mar-
ket and commerce thereof,

R.D.L. Nr.1955 of the 8th.November 1936 on the discipline
and utilisation of hemp,

The Inter-Ministerial Decree of 22nd.December 1934 which
constituted the Federazione Nazionale dei Consorzi
for the protection of the cultivation of hemp,

Act Nr.566 of the 18th.May 1942 on the re-organisation of
the Enti Economici dell'Agricoltura,

R.D.L. Nr.969 of the 17th.August 1941 in the Institution
of the Ente Nazionale Esportazione Canapa,

The Decree of the Head of the Government dated 15th. May
1944 which provided for the appointment of a Commis-

sioner for the Associazione Nazionale tra gli Enti
Economici dell'Agricoltura and of their respective

Enti Economici comprised in the above named Asso- **497**
ciation within the liberated territories,

AND IN VIEW OF the conditions of emergency arising
from the present state of war,

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IN CONSULTATION with the Council of Ministers,
ON THE PROPOSAL of the Secretary of State for
~~Supply~~, Industry.

IT IS HEREBY DECREED AS FOLLOWS:

Art. 1

The Associazione Nazionale Canapa is hereby instituted, for the purpose of ensuring economic protection to the production of hemp and other vegetable textile fibres, the discipline and improvement of production, industrial and commercial activity connected therewith and whatever else may be deemed necessary in the interest of production, transformation, utilisation and commerce of such products.

Art. 2nd.

The Associazione Nazionale Canapa has a public legal status and exercises its activity under the supervision and control of the Minister of ~~Supply~~. Industry

Art. 3rd.

The Associazione Nazionale Canapa substitutes, to all effects, the Ente Economico delle Fibre Tessili in whatever concerns hemp or other vegetable textile fibres.

The Associazione Nazionale Canapa is therefore invested with the powers, duties, rights and faculties previously conferred by existing legislation to the Federcanapa, to the Sector for hemp, linen and sundry fibres and to the
Ente Economico delle Fibre Tessili. The powers and duties

the production of hemp and other vegetable textile fibres, the discipline and improvement of production, industrial and commercial activity connected therewith and whatever else may be deemed necessary in the interest of production, transportation, utilisation and commerce of such products.

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The Associazione Nazionale Canapa has a public legal status and exercises its activity under the supervision and control of the Minister of ~~Supply~~ *Industry*.

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The Associazione Nazionale Canapa substitutes, to all effects, the Ente Economico delle Fibre Tessili in whatever concerns hemp or other vegetable textile fibres.

The Associazione Nazionale Canapa is therefore invested with the powers, duties, rights and faculties previously conferred by existing legislation to the Federcanapa, to the Sector for hemp, linen and sundry fibres and to the Ente Economico delle Fibre Tessili. The powers and duties assumed by the Commissioner of the Ente Economico delle Fibre Tessili for the liberated territories are hereby transferred to the Commissioner of the Associazione Nazionale Canapa whose appointment is provided for hereinafter under

Art. 7 .

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Art. 4.

That part of the Estate of the Ente Economico delle Fibre Tessili which originates from the activities carried out in the Sector of hemp and other vegetable textile fibres by the Enti indicated in the second paragraph of Art.3 hereinafter set out, together with that part of the Estate which concerns the management of the "Ammassi", are by right transferred to the Associazione Nazionale Canapa.

The Associazione Nazionale Canapa assumes the temporary administration and representation of the Ente Economico delle Fibre Tessili for the specific purpose of ascertaining the assets, liabilities, rights and obligations howsoever appertaining to the Ente Economico delle Fibre Tessili, having regard to the branch of production from which the same derive, and will draw up a plan for the due assessment of the same. The Minister of Supply will determine by special decree the time limit within which the assessment plan above referred to is to be submitted for the approval, and the procedure to be followed for the transfer of the Estate to whomsoever has rightful title to the property.

Art. 5.

The powers and duties attributed to the Ente Nazionale Esportazione Canapa are hereby conferred to the Associazione Nazionale Canapa. Moreover the Estate rights and obligations of the Ente Nazionale Esportazione Canapa are, by right, hereinafter conferred to the Associazione Nazionale Canapa which will

ferred to the Associazione Nazionale Canapa.

The Associazione Nazionale Canapa assumes the temporary administration and representation of the Ente Economico delle Fibre Tessili for the specific purpose of ascertaining the assets, liabilities, rights and obligations howsoever appertaining to the Ente Economico delle Fibre Tessili, having regard to the branch of production from which the same derive, and will draw up a plan for the due assessment of the same. The Minister of Supply will determine by special decree the time limit within which the assessment plan above referred to is to be submitted for the approval, and the procedure to be followed for the transfer of the Estate to whomsoever has rightful title to the property.

Art. 5.

The powers and duties attributed to the Ente Nazionale Esportazione Canapa are hereby conferred to the Associazione Nazionale Canapa. Moreover the Estate rights and obligations of the Ente Nazionale Esportazione Canapa are, by right, hereby transferred to the Associazione Nazionale Canapa which will keep a separate administration and for the purpose will open a special set of accounts.

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Art. 6.

The Associazione Nazionale Canapa disposes of the whole of the product delivered to the warehouses of the hemp "Ammassi".

Any and whatsoever transaction relating to the purchase or sale, delivery, consignment or transport of hemp and/or hemp tow in its raw and/or semi-manufactured state cannot be effected except through or with the consent of the Associazione Nazionale Canapa.

The foregoing provision applies also to goods of whatever kind manufactured with hemp and produced by national industries.

Art. 7.

Industry

On the proposal of the Minister of ~~Security~~, a Commissioner will be appointed for the temporary management and administration of the Associazione Nazionale Canapa.

Within the time limit fixed by the decree which provides for the appointment of the Commissioner, the Commissioner will compile the Statute and internal regulations of the Associazione Nazionale Canapa which will provide for the establishment of the Head Office, the organs and relative attributions, the objects and functions of the Associazione; furthermore, the aforementioned instruments will determine the manner of the Associazione's functioning, the system of control to be adopted, and will deal with any other matter that will be deemed necessary to make provision for.

In carrying out the task mentioned in the paragraph imme-

1093

effected except through or with the consent of the Associazione Nazionale Canapa.

The foregoing provision applies also to goods of whatever kind manufactured with hemp and produced by national industries.

Art. 7.

Industry

On the proposal of the Minister of ~~Security~~, a Commissioner will be appointed for the temporary management and administration of the Associazione Nazionale Canapa.

Within the time limit fixed by the decree which provides for the appointment of the Commissioner, the Commissioner will compile the Statute and internal regulations of the Associazione Nazionale Canapa which will provide for the establishment of the Head Office, the organs and relative attributions, the objects and functions of the Associazione; furthermore, the aforementioned instruments will determine the manner of the Associazione's functioning, the system of control to be adopted, and will deal with any other matter that will be deemed necessary to make provision for.

In carrying out the task mentioned in the paragraph immediately preceding and in the temporary management and administration of the Associazione Nazionale Canapa the Commissioner will be assisted by a committee composed of an equal number of representatives of agricultural and industrial ~~hemp~~⁴⁹⁴ ~~hemp~~⁴⁹⁴ rests chosen by the organs of the respective categories and ratified by the Ministers interested.

The Statute will become operative immediately it is approved by the Minister of Supply.

Art. 8.

The Associazione Nazionale Canapa is authorised to institute regional or provincial executive offices wherever it is rendered necessary by the exigencies of its activities.

A committee composed of representatives of the categories interested in the activity of the Associazione will be formed at each of the aforementioned local offices. The committee will afford the local office technical assistance and will work in an advisory capacity. The manner of appointment and the functions of such committee will be determined by the Associazione's statute.

Art. 9.

Any matter which is not provided for in the present decree and does not contrast with the provisions of the same, will continue to be governed by the legislation and regulations previously enacted which are still in force.

On the proposal of the Minister of ^{Industry} ~~Supply~~ a subsequent decree will make provision for supplementary rules and regulations for the application of the present decree.

Art. 10.

The present decree will become operative on the day following its publication in the Gazzetta Ufficiale of the Kingdom - special series. It will be submitted to Parliament

A committee composed of representatives of the categories interested in the activity of the Associazioni will be formed at each of the aforementioned local offices. The committee will afford the local office technical assistance and will work in an advisory capacity. The manner of appointment and the functions of such committee will be determined by the Associazioni's statute.

Art. 9.

Any matter which is not provided for in the present decree and does not contrast with the provisions of the same, will continue to be governed by the legislation and regulations previously enacted which are still in force.

On the proposal of the Minister of ^{Industry} ~~Supply~~ a subsequent decree will make provision for supplementary rules and regulations for the application of the present decree.

Art. 10.

The present decree will become operative on the day following its publication in the Gazzetta Ufficiale of the Kingdom -special series. It will be submitted to Parliament for its conversion into an Act of the State and to that end the competent Minister is authorised to submit a draft of the proposed Act.

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

= 6 =

Whomsoever is concerned is hereby commanded to observe
the provisions of the present decree and to enforce the ob=
servations thereof as an Act of the State.

1087
Declassified E.O. 12356 Section 3.3/NND No. 785015

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

FOWIT

ACC HQ

1514

JAN 48

RESTRICTED

PRIORITY

SECRETARY GENERAL

REPORT CALLED FOR BY YOUR LETTER FOWIT NINE ONE THREE DATED TWO SEVEN JULY
 WILL BE FORWARDED TO SAY TO BUREAU TO FOWIT. THIS ACC BE SIGNED BY BUREAU
 YOUR UNRECORDED MESSAGE OF FOUR AUGUST PENDING

38

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091.33
091.3

L. T. MONTAGNI, Jr., 1st Lt.,
 A.P.D., Adjutant.
 FRANK C. SLAUGHTER, Capt., A.G.F.,
 1st Army Gen.

File H-13
 491

44

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

Tel: 489081.

HEADQUARTERS
ALLIED CONTROL COMMISSION
Economic Section
APO 394

PWU
LAJ/gf

ACC/051/PWU

5 August, 1944

SUBJECT : Electrical Supply .

TO : Acting Chief Commissioner .

1. Further discussions have been had with Major General Coxwell Rogers Chief Engineer, A.A.I., regarding the order to be issued abolishing the Central Electrical Board. A draft of a letter from General Coxwell Rogers to A.A.I. outlining the letter to be issued by that authority abolishing this Board and placing the responsibility for planning under A.C.C. , with a Committee to function representing A.A.I. , P.B.S. and A.C.C. and of which General Coxwell Rogers will be the Chairman and Lt. Col. Lapper Vice Chairman has been approved by us, with one or two minor modifications. The final order abolishing the Central Electrical Board has not yet been issued but it is generally understood that the Vice-Chairman has been advised that he has been relieved, and that A.C.C. will take over.

2. The Public Works and Utilities Sub-Commission took immediate steps to review the entire electrical situation and sent experts into every region of Central Italy to review at first hand the actual condition of the various plants , preparatory to making an over-all plan and recommendation.

3. Reports received thus far clearly indicate the very serious condition of these plants and the hopelessness of expecting their early rehabilitation. As a consequence, a requisition was prepared immediately for the importation from the U.S. of 2 floating power-units, each of 10,000 KW capacity; one to be brought to a port on the east coast and the other to a port on the west coast of Italy, from which ports transmission lines can be rehabilitated in a relatively short period to serve essential military and civil needs. This requisition was discussed at A.F.H.Q. on 2 August 1944

490

files H-10/900

-2-

and steps are under way to, not only take prompt action, by A.F.H.Q. but actually to send representatives of the Public Works and Utilities Sub-Commission to Washington so as to assure immediate action and prompt delivery of these plants. The two floating units asked for are among a number of such units which have been built in the U.S. and which are available, therefore will not require time for manufacturing there.

4. Concentrated effort is being made by the Electrical Division (of Public Works and Utilities Sub-Commission) to continue its over-all studies, so as to enable it to present a complete and coordinated program showing what can be done and what steps must be taken to assist in the rehabilitation of a minimum program, to meet essential needs only.

WILLIAM O'DWYER ,
Colonel , A.C.
Vice President
Economic Section

CC : Public Works and Utilities
Sub-Commission

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

IBS. FOMIT

HQ. ACC

1350

AUG 041150

RESTRICTED

PRIORITY

PUBLIC WORKS AND UTILITI

PRESENCE OF YOUR REPRESENTATIVE REQUESTED AT FIRST MEETING ELECTRICAL.
RECONSTRUCTION COMMITTEE ITALY PD PAREN PBS CMA FOMIT FROM HQ ACC FOR LATTER
SIGNED STONE SITE 1350 PAREN MEETING CALLED AT REQUEST OF CHIEF ENGINEER AAI
AND WILL BE HELD IN HIS OFFICE AT ~~AA~~ IN HQ AAI AT 1415 HOURS EIGHT AUGUST PD
WORK OF COMMITTEE AND ARRANGEMENTS FOR ABSORBING CENTRAL ELECTRICAL BOARD
FUNCTIONS WILL BE EXPLAINED AT MEETING.

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file A-11-11
488

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1402

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

RESTRICTED

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(D)

HQ ACC, APO 394
426th Sec'y Gen.
Rec'd 6 Aug 1944
By RRR

CHIEF COMINTICHER ACC

48/06

POWIT

RESTRICTED
~~SECRET~~ *Deferred*

AUG 041603B

(38)

REFERENCE BY LETTER POWIT 913 DATED 27TH JULY. REQUEST THE
RE-CONTROL OF HEMP. REQUEST THIS MAY BE TREATED AS VERY URGENT AND A
REPLY IS MADE AT AN EARLY DATE.

ACC DIST

COPY TO ACC ROOMS BY HAND

HEADQUARTERS
6 AUG 1944
A.C.C.

ACTION - Sec Gen 2
- A/CC
ECON SEC
IND SC
FILE 2
FLOAT

*Subject letter sent to
Col. O'Dwyer and Col. Upjohn
on 31 July with note by
A/CC - "Please handle"
[Signature]*

*Orig. of this
cable sent to
Col. O'Dwyer.*

091.33
A-091.3

*filed H (487)
[Signature]*

RESTRICTED

41

AUG 061400B

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

C O P Y

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

REFERENCE SLIP

File: L/CO 3004.01

Date 2 August 1944

SUBJECT: Requisitioned Plants
Attached copy 5001/9/CAC, HQ AAI, 1 Aug 44

FROM: Acting Chief Commissioner

TO

Administrative Section	War Materials Disposal Sub-Comm.
X Economic Section	Public Relations Branch
Political Section	Secretary General
Regional Control and Military Government Section	Chief Staff Officer
Air Sub-Commission	
Army Sub-Commission	
Communications Sub-Commission	
Navy Sub-Commission	
FOR:	
Acknowledgement	X Information and Retention
Appropriate Action	Dispatch
Investigation and Report	File
Remarks/Recommendation	
Information and Return	

REMARKS:

Please note, for future guidance, instructions last para attached letter.

For the Acting Chief Commissioner

Initials LDD
Chief Staff Officer

Files #402

40

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

COPY

PERSONAL
& SECRETMaj. Gen. Sir B. H. Robertson, Bt.
Chief Administrative Officer,
HQ ALLIED ARMS IN ITALY.
5001/9/CAO

1 Aug 44.

HQ 4th AC, APO 324

352 Sec'y Gen.

Rec'd 2 Aug 1126

By OPN

Dear Captain Stone:

Thank you for your letter of 27 Jul enclosing particulars of requisitioned plants and requesting that steps should be taken to release them from Allied control where possible.

This matter is receiving detailed examination and to date I can only give you information in respect of some of the properties. This is as follows:-

(a) Reference para 5 - Soda Solary Plant, ROSIGNANO.

This is a question of some operational significance and it is most important that every facility be given to enable LIDORON port operation to proceed. The matter is being taken up with the Royal Navy to see what can be done.

(b) Para 6 - Montecastini Plant, MONTECASSIANO.

The position here has in no way changed since our letter dated 10 Jun 44. The depot is still in operation and holds the main British reserves of all our stores.

(c) Para 8 - TERNI.

This HQ letter 2114/02 of 11 Jul 44 explains the position. In brief we are as anxious as you to get it working since it will absorb many of its former employees.

I will let you have a complete answer as soon as my staff are able to obtain the necessary details. As you will appreciate, this involves considerable investigation, especially as both British and American interests are concerned. In order to make the work of my staff easier, I should be most grateful if, in future, you would kindly use map references when referring to properties which are located in the lesser-known towns or villages, since some of the places are extremely difficult to find. As a particular case in point, my staff have so far failed to identify TUSCOLANO.

Yours sincerely,

/s/ B. H. Robertson

Capt. Hilary W. Stone, USNR
HQ ALLIED CONTROL COMMISSION

COPY

File A-485

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

HEADQUARTERS ALLIED CONTROL COMMISSION
Office of the Chief Commissioner
APO 394

EWS/dfe

1 August 1944

MEMORANDUM TO: Vice President, Economic Section

Referring to para 7 of letter ACC/C51/PWU of 14 July, which did not reach me until today, it is my understanding that the Central Electrical Board has been or is being dissolved and that the policies of its former directors no longer obtain. Therefore I assume that no time is being lost in requisitioning on an urgent priority basis all ^{required} temporary and permanent electrical generating equipment, in order to make possible at least necessary short-term rehabilitation of Italy.

Please advise me if I am correct, and if not, what steps are being taken to import electrical generating equipment.

ELIERY W. STONE
Captain, USNR
Acting Chief Commissioner

Files A (3)
Hq ACC - Sec'y Gen.
DISPATCHED
Date-time 2 Aug 1017
Via SG Mynk
Initials DFE

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* 004.04

39

Declassified E.O. 12356 Section 3.3/NND No. 785015Office of Flag Officer,
Western Italy,
Naples.

27th July, 1944.

No. FOMIT 913.

CHIEF COMMISSIONER,

ALLIED CONTROL COMMISSION.

(Spies to: Regional Commissioner, Allied Control Commission,
Region III,Naval Sub-Commission, Allied Control Commission,
Secretary, Allied Forces Local Resources (Italian)
Board)CONTROL OF HEMP

It is understood that the recent extension of King's Italy may have serious repercussions on the full exploitation of local resources in the interests of the war effort. It is difficult to assess the full implications of this transfer but it is understood that in the case of hemp products the position is as follows:-

2. Up to the night of 19/20 July the following controls were in force:-

(a) By Regional order all existing Italian laws were kept in force but in addition manufactured products were included in the order. The Ente Fibre Tessili was re-named Ammasso Regionale Canapa and made the medium for carrying out the control, working directly under an Allied Control Commission Officer.

(b) All new hemp and stocks of manufactured yarns and material were bought by the Ammasso Regionale Canapa.

(c) Raw material was issued to factories to work up into the specific items required by the armed forces and Allied Control Commission. Cost of production was paid to the factories and remained property of the Ammasso Regionale Canapa. *and the hemp the*

(d) All movements of hemp of any kind were prohibited without the permission of the Ammasso Regionale Canapa.

(e) Finished products (included treated hemp for export) were pooled from all factories and made available to the Allied Forces Local Resources (Italian) Board who controlled its distribution.

3. On the night of 19/20 July at 0001 hours all Allied Control Commission Regional orders regarding the control of hemp lapsed in the Naples Province except in Naples city, which continues under Allied Military Government.

4. Previous to this date an instruction from Allied Control Commission was issued to the Minister of Agriculture to liquidate all fascist organisa

files 483 700

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

- 2 -

tions including the various "Entes" of which the Ente Fibre Tessili was one. The Ente Fibre Tessili in the past controlled all the new hemp in Italy but had no control over manufactured products.

5. There is an Italian law still in force which requires all hemp producers to declare and deliver their hemp to the Annasso Warehouse of the Ente Fibre Tessili, but as this organisation is in the process of liquidation (at least on paper - no actual liquidation has yet started) it would seem a difficult law to enforce.

6. All orders issued by Allied Control Commission Region III relating to movements of hemp, declarations of manufactured and raw hemp etc., have now lapsed. It would appear (and this has been confirmed by the legal department of Region III) that direct control has now been lost of manufactured hempen articles. Furthermore under these circumstances unless very close co-operation is received from the Italian authorities, control over the raw material has also lapsed.

7. To illustrate the present position it would appear that Hemp Control Officers in this area do not now have the power to stop carts suspected of carrying "contreband" hemp but can only point out to a "carabinieri" that the cart is strongly suspected of illegal traffic and that it is ^{his} duty to arrest it: such traffic has already become rife in the last 48 hours.

Under these conditions it is obviously impossible for Hemp Control Officers to be able to guarantee the supply of rope, canvas, etc., for the use of the armed forces or for export to the United Kingdom.

8. These difficulties as regards hemp would appear to arise largely from the fact that factories, etc., have never been requisitioned and that the Italian organisation has been utilized owing to adequate trained Allied manpower not being available. Furthermore, the Italian laws still in force are understood to be insufficient to maintain full control.

9. It is not known whether any other industries are similarly affected but the full utilisation of the hemp industry for the Allied war effort is considered a matter of prime importance. The whole question is highly complicated and dependent on Italian laws requiring legal experts. In view of the strong interest that the Royal Navy has in the finished products and the extent to which they are also required by the other armed forces, it is requested that the matter may be fully explored and set on a satisfactory basis at the earliest possible date.

For REAR ADMIRAL
(Absent on Duty)

DIST: 2 - Industry Sub Comm
2 - A + (B) Files

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

FMS/hjp

A/CC 100

26 July 1944

SUBJECT: Report of Allied Anti-Inflation Committee

TO : Allied Force Headquarters, APO 512

1. Reference is made to letter 5025/CAO, from C-in-C, AAI, to AFHQ, copy to ACC, dated 21 July 1944, subject "Allied Forces Local Resources (Italy) Board".

2. In support of the recommendations of the Allied Anti-Inflation Committee, attention is invited to attached copy of letter 5009/CAO, Hq AAI to Chief Commissioner, ACC dated 14 June 1944, subject "Co-ordination of Industry" and the Chief Commissioner's reply thereto, CC/P/405 dated 19 June 1944, and to the Chief Commissioner's letter CC/P/412 of 20 June 1944 to CAO, Adv Hq AAI.

INCL 1

WILLIAM W. STONE
Captain, USNR
Acting Chief Commissioner

3 Incls:

- Incl 1 - Copy ltr 5009/CAO Hq AAI, 14 Jun 44
- Incl 2 - Copy ltr CC/P/405 Hq ACC, 19 Jun 44
- Incl 3 - Copy ltr CC/P/412, Hq ACC, 20 Jun 44

cc: Tac Hq, AAI
Hq AAI

files 481
B-50

CONFIDENTIAL

37

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

A/CC 004.04

27 July 1944

At our conference with General Clark on July 16th, you stated that you would be glad to be informed of requisitioned plants which the Allied Control Commission felt should be de-requisitioned. Mr. Grady stated that a survey was now in course of preparation by the Economic Section of the Commission.

I have just received its report and forward herewith a copy in accordance with our understanding. I shall be grateful for any relief that can be granted.

(32)

Encl.

ELLERY W. STONE
Captain, USMC
Acting Chief Commissioner

Major General Sir Brian H. Robertson, Bt.
Chief Administrative Officer
Headquarters, Allied Armies in Italy

x file
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004.04

File # 7 (480)

36

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

25 JUL 1944

EMS/hjp

A/CC-004.04

25 July 1944

31

I have received a copy of your letter 2131/Q2 of 22 July recommending the abolition of the present Central Electrical Board.

I think the proposed new set up will be a good one and your cooperation in this matter is appreciated.

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

Major General Sir Brian H. Robertson, Bt.,
Chief Administrative Officer
Hq., Allied Armies in Italy

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A-76 104.04

CC Files A-B

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HEADQUARTERS
ALLIED CONTROL COMMISSION
Office of the Acting Chief Commissioner
APO 994

ms/hjp

A/CC 121

24 July 1944

24 JUL 1944

MEMORANDUM To: Col. G. Upjohn, Acting Head, Administrative Section
Col. A. F. Graftey-Smith, Finance Sub-Commission
Col. E. E. Foley, Finance Sub-Commission
Col. H. M. Fiske, Deputy Executive Commissioner
Lt Comdr J. E. Lawler, Economic Section

1. Attached is copy of a letter from General Alexander to AFM, opposing the recommendation of the Anti-Inflation Committee, of which you were members, that an Allied Economic Council for Italy be created. Although General Robertson proposed to the Chief Commissioner in his letter dated 14 June 1944, copy attached, that an equivalent board be created of which he should be the Chairman, the present proposal is that the existing difficulties, which AAI recognizes, should be corrected by giving ICC more participation in the work of the Local Resources Board. This is, of course, a good move but I should like to have your views on General Alexander's letter and suggest that Col. Upjohn preside at a meeting of above addressees and forward me your comments on the attached.

2. I am sending a copy of this letter to the Vice President of the Economic Section whom Col. Upjohn will no doubt desire to have present at his meeting.

2 Incls:
as above

ALBERT W. STONE
Captain, RM
Acting Chief Commissioner

cc: Col. O'Dwyer, Vice President
Economic Section

327
091133
A file 102

File 17B

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

BEST COPY POSSIBLE

C. P. I.

Subject: Allied Forces Local Resources (FALR) Board.

The Headquarters,
Allied Forces in Italy,
C. P. I.

2025/100.

24 Jul. 44.

Allied Forces Headquarters.

1. My attention has been drawn to the report of a Committee set up by the Allied Control Commission on Anti-Inflation. In Section IV of certain criticisms are made of the working of the Allied Forces Local Resources (FALR) Board, and proposals are made for an alternative procedure for the allocation of local resources.

2. I wish to record that I do not agree with those recommendations, and that, in certain respects, I find them quite undesirable.

3. I am very much aware of the dangers of inflation, and I fully agree to the importance of an increase in the supply of consumer goods through domestic production to counter inflation. I recognize that the allocation of local resources, including power, fuel, transport and industrial plants, has a very direct bearing on domestic production.

4. It is with the views expressed for dealing with this problem that I find myself at issue.

5. The essence of the criticisms levelled in the report against the working of the Local Resources Board is that, instead of seeking to allocate among the Allied Forces that amount of local resources which has been found by the Allied Control Commission to be sufficient to maintain civil requirements, the Board has attempted to itself the function of determining also the civil requirements. To some extent there is ground for this criticism. In the first place I do feel that the influence of the Allied Control Commission on the Local Resources Board and the Commission has not received due weight. This, in part, is due to the organization of the Board itself and I appreciate that certain changes are desirable. There have already been talks to effect some of these changes. In particular, the ALC is being asked to nominate the Chairman of the Board. It is also suggested that it should be the influence of the

2. I am not sure that I do not agree with those recommendations, and that, in certain respects, I find them quite acceptable.

3. I am not sure that I do not agree with those recommendations, and I fully appreciate the importance of an increase in the supply of domestic goods through domestic production to counter inflation. I recognize that the allocation of local resources, including power, fuel, transport and industrial plants, has a very direct bearing on domestic production.

4. It is with the same purpose for dealing with this problem that I find myself at issue.

5. The essence of the criticism levelled in the past against the working of the local resources board is that, instead of seeing itself as allocating among the armed forces that amount of local resources which has been fixed by the Allied Control Commission to be supplied to minimum civil requirements, the board has attempted to itself the function of determining also the civil requirements. In most cases there is ground for this criticism. In the first place I do feel that the influence of the Allied Control Commission on the local resources board and the Commission has not been as great as it might. This, in part, is due to the representation of the board itself and I appreciate that certain changes are desirable. There have already been taken to effect some of these changes. In particular, the board is seeing itself as a trustee of the Commission of the Commission. I am afraid, however, that if the influence of the board within the board has not been sufficiently strong this is, in part, due to the fact that the board has not been adequately represented. I feel, for example, that the proper person to represent the board on the board itself is the Vice President, Economic Affairs. This official has, however, not attended the meetings of the board, but has been represented by a junior official who has, on occasions, been inadequately briefed. To some extent the same state of affairs has prevailed in the Commission.

6. There is, however, another aspect of this matter. I do not believe that it is possible to deprive the minimum civil requirements as an absolute quantity. For example, the amount of cement which should properly be allocated to civil purposes must be considered in relation to the urgency of military requirements. It cannot be said that a certain fixed quantity of cement in the minimum civil requirements. If there were a complete dearth of cement for the armed forces it would be necessary to allocate all the cement available in the country to the armed forces, and none to civil use.

7. I am informed that the local resources board has done its best to accept the advice of the board in regard to civil requirements. In the case of food, in particular, I am assured that they have never ignored the advice of the civil representatives on this point. In regard to certain other commodities,

however, they have felt, as I do myself, that the civil requirement must be related in relation to the urgency of the military need.

8. To correct the alleged shortcomings of the local command board, the report proposes the creation of an "Allied Economic Council". A staff consultation for this Council is not forward as an appendix to the report. The task of this Council would be to assess various civil requirements. The local command board would remain in being and be responsible for allocating the surplus after the civil requirements had been allocated. I have given above my reason for saying that these two questions cannot be considered separately. I also feel that machinery whereby every problem has to be examined before it is ingeniously answered.

9. There is a fundamental objection in my opinion to the organization of the Council as proposed. It is stated in the draft constitution that "the Council will bear in mind the overriding priority of the military requirements of the Allied Forces". The constitution of the Council does not, however, conform to this general doctrine. It is proposed that the Chairman of the Council should be the Chief Commissioner of the Allied Control Commission, that the Deputy Chairman should be the Vice President, Economic Section, AEC, and that the members should be my SAC and a representative of G-10 Head. I do not think that it would be logical for my Chief Administrative Officer to act as a subordinate member of such a body, and I feel very strongly that, on the contrary, he should be its Chairman, in order that he may hold the balance more conveniently and ensure that the overriding priority of which the report speaks in, in fact, observed.

10. The local resources and is an established organization. It unquestionably gives satisfaction to the fighting services. Its procedure is well-versed. I think that it would be a great pity to weaken it by the establishment of a second and overriding body. Improvements, in my opinion, should be sought in the following directions:-

- (a) Strengthen representation of the AEC on the Board and the Commissions.
- (b) More effective co-operation between the AEC and the Board.
- (c) The establishment by the AEC of means to ensure constant technical review of existing and proposed regulations, with a view particularly to the better exploitation of existing machinery in the interests of the war effort in its broadest sense.
- (d) Progressive transfer to the AEC of the functions of the Board in those where military considerations have ceased to be important.

It is clear from these lines that I believe an even stronger and satisfactory

...should be the Vice President, ... I do not think that it would be logical for my Chief Administrative Officer to act as a subordinate member of such a body, and I feel very strongly that, on the contrary, he should be the Chairman, in order that he may hold the balance more equitably and ensure that the overriding priority of which the report speaks is, in fact, observed.

10. The Local Resources Board is an established organization. It represents the local resources in the fighting services. Its procedure is understood. I think that it would be a great pity to weaken it by the establishment of a second and overriding body. Improvements, in my opinion, should be sought in the following directions:-

- (a) Stronger representation of the ACC on the Board and the Committee.
- (b) More effective co-operation between the ACC and the Board.
- (c) The establishment by the ACC of means to ensure constant technical review of existing and proposed regulations, with a view particularly to the better equipment of Indian industry in the interests of the war effort in its broadest sense.
- (d) Progressive transfer to the ACC of the functions of the Board in areas where military considerations have ceased to be important.

It is along these lines that I believe we can progress and satisfy in large measure the anxieties in regard to inflation and other evils which the Allied Control Commission very rightly entertain.

/s/ H. L. Alexander

476

General,
Committee on Inflation.

10/1/45

Copy to: Chief Commissioners,
Headquarters, Allied Control Commission,
C.M.F.

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231

26 July 1944
ERR

JBT/asa

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

Tel : 550

BS/13A

24 July 44

SUBJECT: Requisitioned Plants

TO : Acting Chief Commissioner

Reference your A/CC 004,04 dated 18 Jul 44, herewith list of plants as requested:

1. Oleificio di Caserta, Caserta (Prov. Naples). Important for extracting Olive Oil from samsa both for edible oil and for oil for soap manufacture. Occupied by No. 51 Mobile Laundry.
2. Zarelli, Via Salcinzo 37, Rome. Soap Manufacturing plant. This was occupied only on the 20th inst., and proprietor has been asked to bring full particulars of occupying unit. Essential for soap needs of Rome and region.
3. Giacomo Costa, Taranto. Olive Oil Refinery occupied by RMR 315 Port Workshops and HQ 199 HAA and HQ 7 AA Battery, R.A. Case as for 1) above. It is believed that the military have moved since last report in May last.
4. Mira-Lanza Plant, 1204 Eng. Fire Station, Naples. It is requested that the operative part of this plant be de-requisitioned. It is occupied by a British unit.
5. Soda Solvay Plant, Rosignano. This is the most important plant yet to fall into Allied hands for the over-all reactivation of Italian industry and the sparing of Caustic Soda imports (some thousands of tons monthly). Occupied by British Royal Navy (and it is believed, British troops). It is proposed to send Maj. Mydane of Industry Sub-Commission accompanied by Monsieur Carlier the Belgian Consul (the plant is 100% of Belgian proprietorship) as soon as practicable to survey and to freeze if possible the plant and stocks. The British Royal Navy has taken over the whole or a part of this establishment under authority of C-4, 5th Army but is apparently interested only in the power plant, whose output it is proposed to divert for water pumping and lighting at Leghorn. There are reported to be stocks totalling 4,000 tons Sodium Carbonate and Caustic Soda on the premises.
6. Montecatini Fertiliser Plant, Pontecagnano. This plant is completely occupied by HQ 557 A.O.D., R.A.O.C., by authority of HQ AAI. The equipment of the plant is in perfect order, but the buildings are occupied as an Ordnance Depot, on which much time, money and labour has been expended. A

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File 32

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

- 2 -

letter requesting re-requisition was sent to GAO AAI on 2 June 44, and the request was refused by letter 2115/32 from HQ AAI 10 June 1944.

7. Montecatini Fertilizer Plant, Turcolano. This is reported only today to be occupied and stores to be moving in, the plant to serve as a store. Name of unit occupying as yet unknown.

8. Ferri Snc. per L'Industria e L'Elettricità, Stabilimento Siderurgico, Terni. This is an enormous plant of great importance, which cannot under today's circumstances be reactivated except to a limited extent. On it depend the livelihoods of some thousands of workpeople and the means of repair and re-activation of the essential hydro-electric plants in the Ferri area upon which all else in that area depends.

In the steelworks in question, large dumps of foodstuffs are distributed everywhere throughout the works, making it impossible under the circumstances to reactivate even a limited portion of the plant. No thought appears to have been given to the distribution of the food stores so that hungry Italian workmen may not move about essential portions of the works without contact with these stores. All this, while directly across the main road of the works like the Italian Shell Ammunition Factory, complete with good roadways, very buildings with intact roofs and concrete floors, and an excellent external wall to provide care of guarding the stores. All uses one such building for its local food stores and finds it excellent.

As long as the acciaierie remain a food dump, water turbine shells, valves and other equipment urgently needed to return some of the hydro-electric stations in the area to production, will remain idle on worktables, and a plant essential to the war effort will make no contribution beyond acting as a dump.

General.

It would seem necessary that some machinery should exist by means of which plants would not be occupied or used for purposes other than those for which they are equipped. It is well realized that military necessities come first, but to take only the instance of fertilizer plants, the stoppage of a factory producing 12,000 tons of fertilizer annually involves a serious diminution in food supply with the possibility of imports being necessary to make good the deficiency.

The present argument is a difficult one in which to state a case; new plants are falling into Allied hands daily and reports come in slowly. The cases stated above represent experiences in Meridional Italy, where local action has been tried, and failed. In many instances in the South, requests by A.C.C. officers have been courteously complied with. For instance at the Portici plant of Montecatini, occupied by RESE, the Officer Commanding the unit moved over his equipment to allow the factory to function.

474

WILLIAM O'DWYNE
Colonel, A. C.
Vice President
Economic Section

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

C O P Y

MAIN HQ ALLIED ARMIES IN ITALY
C.M.F.

2131/Q2

22 Jul 44.

A.F.H.Q.,
C.M.F.

Central Electrical Board

— not in B file

With reference to your CAO/701 of 1 Jul. As a result of discussions held since with C.A.C. and the Acting Chief Commissioner, A.C.C., it has been decided to recommend the abolition of the present Central Electrical Board. In its place it is proposed to set up a Committee of which the Chairman will be Chief Engineer, A.A.I., the Vice Chairman and permanent Secretariat being found from the Electrical Sub-Commission, A.C.C. A draft for bringing the above into effect is attached, and it would be appreciated if you would give your approval to this as soon as possible when it will be issued by this HQ, and AFHQ Adv. Adm. Echelon Administrative Instruction No. 27 of 8 Feb 44 will be cancelled.

(Sgd) R. H. Robertson

Major-General,
Chief Administrative Officer.
for Commander-in-Chief

Copy to Acting Chief Commissioner, A.C.C.
Chief Engineer, HQ A.A.I.

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C O P Y

DRAFT

1. The Central Electric Board, ITALY, is dissolved. It will be replaced by a committee which will be known as "The Electrical Reconstruction Committee, ITALY".

2. The composition of this Committee will be as follows:-

Chairman	-	Chief Engineer, A.A.I.
Vice Chairman	-	Chief Electrical Engineer, A.C.C.
Members	-	one representative each from Royal Navy, Directorate of works A.A.I., P.B.S., A.C.C.

The Committee may call upon representatives of Armies and Districts to attend meeting when required.

3. The functions of the Committee will be:-

- (a) To consider and approve projects for the rehabilitation of electricity supplies throughout ITALY, SICILY and SARDINIA.
- (b) To co-ordinate the work of the Military and civil agencies in the reconstruction of the electric power system.

4. Orders to implement plans agreed by the Committee will be issued through normal Staff Channels in respect of work for which Armies or Districts are to be responsible. Orders to civil electric Power Companies will be issued by A.C.C.

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

Ref: 20/53/0A
(A/C 00.0A)

20th July 1944

SUBJECT: Sulphur for Sardinia.

File A-7 (B)

TO : Vice President, Economic Section.

1. My attention has been drawn to D/O letter RS/10/37 of 30th June addressed by Regional Commissioner, Region VI to the Executive Commissioner (who sent extract to you) stating that in spite of the fact that sulphur was available about mid-April, none has arrived in Sardinia and that as far as the wine crop is concerned it is now too late.

2. I notice that in your minute RS/13 to the Executive Commissioner you state that military requirements forced the dispatch of the sulphur.

3. I should like a report on the matter, fully documented, in order that the matter may be taken up at the proper level.

HENRY W. SCOTT
Captain, USMC
Acting Chief Commissioner.

091.33
File A 004.04

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

ALLIED CONTROL COMMISSION
INTER OFFICE MEMO

Files A (6)

18 JUL 1944

From: The Acting Chief Commissioner

SUBJECT: Requisitioned Plants

FILE No. A/CC COL.04

TO: Mr. Henry F. Grady, Vice President,
Economic Section, Hq ACC

18 July 1944

At our meeting General Clark and General Robertson on July 16th, General Robertson stated that he will be glad to have us submit a list of requisitioned plants which we feel should be de-requisitioned or otherwise made available for civilian production. You stated that you had such a survey in progress now. Can you give me any idea when the survey will be completed?

ELMER W. STONE
Captain, USNR
Acting Chief Commissioner

041.334

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file 421

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

ADVANCE HEADQUARTERS
ALLIED CONTROL COMMISSION
Public Works and utilities Sub-Commission
APO 394

WML/gf

ACC/051/PWU

1st July 44

SUBJECT : Electrical Supply.
TO : Vice President, Economic Section.

24

1. Reference letter D.S.G. 483 dated 7 July 44 from Col. Denamore asking for information regarding the supply of Electricity in the forward areas.
2. So far as A.C.C. is concerned, our Regional Engineers in the field do everything possible to carry out first aid repairs to such small plants as can be quickly repaired by obtaining the necessary materials and giving advice to the people concerned.
3. The public Works and Utilities Sub-Commission keep a close contact with the field Engineers and Military Authorities, giving assistance in the obtaining of materials and sending out experts from Headquarters when necessary.
4. The Central Electrical Board, of which Lt. Col. Lapper of this Sub-Commission is the representative from A.C.C., make plans for the overall electrification and rehabilitation of Italy and allot the work for carrying out of projects.
5. The Local Resources (Italian) Board, Electrical Committee, A.A.I. allocate the available Electrical energy to the various areas. Lt. Col. Lapper of this Sub-Commission is the A.C.C. representative. Most of the technical work in connection with arriving at what is a proper allocation of energy to each area is carried out by the Utilities Division of this Sub-Commission.
6. Electricity north of Naples is in extremely short supply and the following gives an approximate picture of the position between a line north of Naples Foggia and the fighting area at the present time.

Item 1. Plants totally destroyed	603,000 kw
" 2. Plants which can be repaired in 2 to 3 months	6,500 kw
" 3. Plants which can be repaired in 3 to 6 months	29,000 KW
" 4. Plants which can be repaired in over 6 months	35,000 kw
" 5. Present Available Capacity	56,000 KW

469

Files A (B)

28

7. Item 1. As the Central Electrical Board has decided against the importation of plants at this time, no attempt is being made to manufacture new plants which may have to be manufactured in U.S. or U.K., but dismantling work is being carried out to discover the extent of the damage and to recover any useful plant or equipment.

Item 2 and 3. Work proceeding at full speed by Electrical Companies.

Item 4. Dismantling work proceeding to discover the full extent of the damage.

8. Steps taken to alleviate the position include:

(a) Industry Sub-Commission informed of the serious shortage of power in the Rome area and asked to carry out manufacture in Naples and the south where electricity is still available. and where more can be made available by greater rationing.

(b) Only demands of the very highest priority are being accepted in Central Italy.

(c) Strict Electricity Rationing Scheme is now in hand.

9. A meeting of the Local Resources (Italian) Board Electrical Committee A.A.I. was held today at which the allocation of energy to Rome until the end of August was agreed as 15,500 KW to be imported from Hydro Electric Stations. In addition to this, the Rome Thermal and Diesel plants will continue to supply electricity to Rome.

The total, available energy will therefore be

Hydro Electric (Imported)	15,500	
Steam and Diesel	<u>25,000</u>	KW
Present total Available Energy	40,500	
Normal total requirements of Rome		
were (approx)	100,000	

In effect this means that the present position of electricity in Rome will be maintained until the end of August, but the following points should be noted:

- (a) Coal supplies must be maintained.
- (b) Oil supplies must be maintained.
- (c) If Livorno and Firenze are taken with electricity plants destroyed, energy will be diverted to these places and a corresponding reduction made in the imported energy to Rome.

L.A. JENNY,
Lt. Col., C.E.S.,
Director. 468.

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

Files A (B)

Subject: - Co-ordination of Industry.

Tac Headquarters,
Allied Armies in Italy,
C.M.F.
5009/CAO.

11 Jul 44

Acting Chief Commissioner,
Hq Allied Control Commission.

21
Your letter CG/5/405, dated 19 Jun. 44, was received at this
Hq on 8 Jul. 44.

There are a number of matters, both of fact and of opinion, in
the report of the anti-inflation committee which I should be glad to
discuss with you. I hope to arrange this discussion during the forthcoming
visit by the CAO, AFHQ on 15/16 Jul. 44.

/s/ Robertson

Major-General,
Chief Administrative Officer,

BHR/emb.

Copy to:- 1/CAO
CE
Q2
Q(AE)

Major Doe:

O.K. A/CC has dealt with this.

17.7.44

467

27

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

EWS/hjp

A/CC 004.04

10 July 1944

11 JUL 1944

Dear Prime Minister Bonomi:

This is to acknowledge receipt of your letter No. 7881 of 2 July 1944 relative to the torpedo plant of Baia (Naples).

This matter has been under consideration and I hope to have information shortly from which I can make a full reply.

Yours very truly,

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

His Excellency Ivanoe Bonomi
The President of Council of Ministers
Italian Government

041-33.

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

JBT/sem

DSG 1612 blue
10 Jul 44

ES/16

8 July 44

SUBJECT: Electric Supply - 5th and 8th Armies

TO : Colonel L.D. Densmore *24*

Reference your OSH/483 dated 7 Jul 44, the Head of the Electrical Division, Public Works and Utilities Sub-Commission is in Rome and a copy of your letter has been sent to him for action. Active steps are being taken for the rehabilitation of electrical supplies in forward areas and everything possible is being done.

/s/ D. S. ADAMS
D. S. ADAMS
Colonel, C. E.
Executive Officer
Economic Section

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

Office of the Acting Chief Commissioner

DSG 483 red

SUBJECT: Food Problem in Forward Areas

TO: Economic Section, Hq ACC

7 July 1944

Late reports from AMG 5th and 8th Armies indicate problem affecting food due to lack of electric current to run mills. Col. Mayne of AMG 5th Army reports:

"The forward areas contain several mining villages and in several places large quantities of ore are lying about awaiting transport. Many mines are destroyed or damaged but some could be put back into operation very soon after the resotation of electric power. These cases are reported as discovered to the Region and Hq ACC, as this Hq is not equipped to tackle such long-term problems."

The Acting Chief Commissioner would like to be informed as to what steps are being taken by the Public Works & Utilities Sub-Commission on the problem of restoring electric service.

L. D. DENSMORE
Colonel, Sig C
Chief Staff Officer

Declassified E.O. 12356 Section 3.3/NND No. 785015THE PRESIDENT
OF THE COUNCIL OF MINISTERS

Salerno, 2 July 1944

N. 7881

11 JUL 1944

My dear Captain Stone,

In the program of industrial reconstruction which the government is planning to put into effect, much importance may be attached to the possibilities of the torpedo plant of Baia (Napoli). This constitutes one of the most important industrial nuclei of Southern Italy and may affect 6,000 workers.

In order to ensure continuity of employment for such a large personnel and to avoid all the other disadvantages of complete inaction, Marshal Badoglio had already made arrangements by which the plant was to be entrusted with the overhauling of 700 torpedoes of the Italian Navy. At the same time the factory committees, thinking of the future of the plant, asked the Allied authorities to make no further requisitions of machinery or valuable material since such further demands would have soon put the plant out of service. This would have had a bad effect both from the point of view of military exigencies and because it would have made it difficult to serve the particular need of the population caused by the temporary loss of important industrial factories in Northern Italy.

Marshal Badoglio in a letter of 20 May (n. 1537) made clear to General Sir Noel Mason MacFarlane the situation in which the plant would find itself if the aforementioned requisitionings and seizing of materials were to continue. He asked for adequate measure to avoid the closing down of an important industry and the misery of some 6,000 families.

General Mason MacFarlane, in a letter of 29 May (n. I.C./WJM/JFL) wrote that since the British Army (DIME HQ AAI) was prepared to make full use of the torpedo plants of Baia, measures had already been taken to employ the maximum number of workers consistent with the capacity of the factories.

This answer, it is true, does settle in the best possible way the personnel question. It does in my opinion however prejudice the question of the availability of the plant to the Italian government. Indeed if this plant were also to be requisitioned -- as seems clear from the letter of General Mason MacFarlane -- as was the plant at Fusaro, the Italian Government would find it impossible to make its own war contribution to the common cause in the measure desired and consequently unable to meet one of the fundamental conditions of the armistice.

I ask you, therefore, dear Captain, to reexamine the question with a view to avoiding the danger of further requisitioning. I can assure you that the torpedo plant of Baia, operated by assiduous Italian technicians

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+ 354

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

and craftsmen, is in a condition to offer all possible cooperation to the glorious British Army.

My thanks and cordial greetings,

/s/ I. Bonomi

Al Sig. Cap. di vascello
ELLERY W. STONE
Commissione Alleata di controllo
SALERNO

462

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

CONFIDENTIAL

FRM/rj

Ref. CC/P/412.

20th. June, 1944.

As you know, I have to go home to get my back sorted out and am off almost at once.

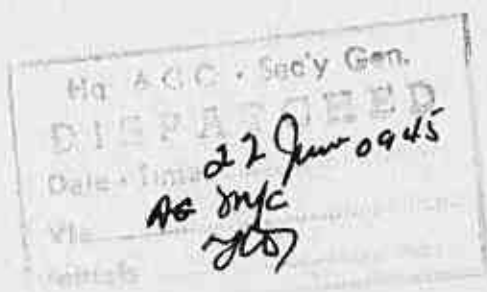
2. I wish I could have had time to discuss the question of industries and factories with you before leaving. Stone will doubtless be taking this up with you.

3. In the meantime I think we ought to ensure that factories and industrial concerns in Rome and in the path of our advance should not be requisitioned or taken over without our making certain that they are used to best advantage. There will doubtless be a tendency, as in the past, towards taking over such establishments and using them for the needs of the moment without coordination of effort or consideration of other than immediate advantages.

4. The utilisation of these concerns clearly requires coordination and it would be well if your people and mine could keep in contact.

NOEL MASON MACPARKLANE
Lieutenant-General,
Chief Commissioner.

Major-General Sir Brian H. Robertson, Bt.,
Chief Administrative Officer,
Advance H.Q., A.A.I...



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H

Cy SR
RF

CONFIDENTIAL

FRED/rj

Ref. CC/a/405.

19th. June, 1944.

MEMORANDUM;

TO: Chief Administrative Officer,
Advance HQ. A.A.I..

Reference your 5009/CAO of 14th. June.

1. I too have been going into the question of coordination of industry and my views tally with those expressed by my anti-inflation committee, a copy of whose report is attached.
2. This report contains much useful background and I feel that it would be useful if you could read through the relevant portions before discussing the question with me.

(Bengfield)

✓
NOEL MASON MACFARLANE
Lieutenant-General,
Chief Commissioner.

091.333
460

21 IP

1 1 3 3

Subject :- Co-ordination of Industry.

Secy GEN

HEADQUARTERS
15 JUN 1944
A.C.C.

Headquarters,
Allied Armies in Italy,
C.M.F.
EOOS/CAO.

R. W. G. G. G.

Jun. 44.

Chief Commissioner,
Allied Control Commission.

HQ ACC, APO 34

15 JUN 1944 - 1165
By

I have been giving a good deal of thought to the question of co-ordination of industry in occupied ITALY.

I should like to say at once that I fully appreciate the need for co-ordination, and I agree that the Local Resources Board, while an excellent means for deciding the rival claims of interested parties, is not designed nor competent to exploit industry on an economical basis.

The various members of the Local Resources Board and of its Committees have each their own interests to pursue. Provided that they can gain control of factories to satisfy those interests, they are content. As a result, it does happen that in some cases factories are not run to full capacity, and the removal of plant, etc, from one factory to another takes place without consideration of the effect upon the industry as a whole.

It seems to me that what we want is a body vested with executive powers and, therefore, composed of men sufficiently senior to take decisions. This body would not merely be responsible for allocating factories among the Services, but also for keeping industry as a whole under review, planning for its exploitation and imposing co-ordination wherever necessary.

I do not think that this body should be technical in composition. It would, however, require technical advice and it would also require a permanent Secretariat. My first proposal is that the technical advice and the Secretariat should be found from the Industry and Commerce Sub Commission of the ACC.

My second proposal concerns the Chairmanship. It is, of course, quite clear that...

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No. 9 #

The various members of the Local Resources Board and of its Committees have each their own interests to pursue. Provided that they can gain control of factories to satisfy these interests, they are content. As a result, it does happen that in some cases factories are not run to full capacity, and the removal of plant, etc, from one factory to another takes place without consideration of the effect upon the industry as a whole.

It seems to me that what we want is a body vested with executive powers and, therefore, composed of men sufficiently senior to take decisions. This body would not merely be responsible for allocating factories among the Services, but also for keeping industry as a whole under review, planning for its exploitation and imposing co-ordination wherever necessary.

I do not think that this body should be technical in composition. It would, however, require technical advice and it would also require a permanent Secretariat. My first proposal is that the technical advice and the Secretariat should be found from the Industry and Commerce Sub Commission of the ACC.

My second proposal concerns the Chairmanship. It is, of course, quite clear that the Chairman of such a Committee would exercise very considerable influence over the decisions taken. I was at first disposed to say that the Chairman should come from your organization, but, on second thoughts, I do not think that this is really feasible. We are, I am sure, agreed that industry in ITALY has to be exploited primarily to meet the war needs of the armed forces. In fact, Italian industry under conditions obtaining in this country today can scarcely function at all without assistance and supplies provided by, or at the expense of, the armed forces. The ACC is interested in ITALY as a country. I do not feel that the armed forces would be satisfied to leave decisions of such importance to them in the hands of a body presided over by anyone other than a man whose interest was primarily connected with the war effort. Strongly as I dislike having to make this proposal, I feel compelled to suggest myself as Chairman of this body, with my deputy as Vice Chairman.

Cont/...Sheet 3....

ind by c/s/c/105 of 19 June

7 Capt. Stone 1 think this is an answer to my question
one Application report 10/5/45

Sheet 2.

As to membership, there should be one representative from each of the fighting forces and one from the Industry and Commerce Sub Commission, in addition to the Secretariat. I think that it would be useful, also, to have a member from the Local Resources Board.

I am not particular regarding the name for this organization, but suggest Industrial Co-ordination Board.

Such a Board would remove from the Local Resources Board power to make allocations of factories to Services. I think, however, that the Local Resources Board should continue to allocate output.

This latter question is a highly technical one and involves frequent discussions. I might instance, for example, the case of the industrial gases plants. The Local Resources Board has made an allocation of these plants to various Services for the purpose of operation, but it makes separate awards regarding the allocation of production, and it alters these allocations frequently to meet changes in circumstances. Under my proposed organization the Industrial Co-ordination Board would decide who is to run each plant, and in reaching that decision would have to take account of the probable allocation, but subsequent decisions altering the allocations would be made by the Local Resources Board.

In general I should say that the Industrial Co-ordination Board would have the right to request the Local Resources Board to adjust any of its operations in regard to factories in the interests of better economy and efficiency.

I should be grateful for your views on the above proposals.

Johnston

BHR/emb.

Major-General,
Chief Administrative Officer

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I should be grateful for your views on the above proposals.

John Gordon

Major-General,
Chief Administrative Officer
-----458

BHR/emb.

Copies to:- DDW, AAI
DDST, AAI
DDOS, AAI
DDME, AAI
AFIRS
D/CAO, AAI
Q(AE), AAI
Q.2, AAI

DEC 1950

13 JAN 1951

RECEIVED

John

11371

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

WJM/sem/hd

CC 008.

10 June 1944

14

Your letter No. FOWIT 1034 dated 27th May duly reached me.

2. I understand that R.E.M.E. will be very glad to take over the Silurificio Plants at Bain and Fusaro, and a communication has been sent to C.A.O., A.A.I. informing him that the Royal Navy now relinquish interest in these two plants, subject, naturally, to the two provisos contained in paragraph 2 of your letter.

3. The suggestion you make in paragraph 4 with regard to the formation of a co-ordinating committee coincides with my views. Your opinion is shared by the Economic Section of this Commission as indicated in the attached copy of a letter from them, and I am taking up the question with A.A.I.

NOEL MASON MACFARLANE
Lieutenant-General
Chief Commissioner

1 Incl;
Economic Section Ltr
ACC/5142/IC dated 6 Jun 44 } Econ. Sec. only.

Rear Admiral J.A.V. Morse, C.B., D.S.O.
Flag Officer, Western Italy

Drafted by Economic Section and amended by Chief Commissioner.

Hq. A.C.C. Sec'y Gen.
DISPATCHED
Date 12 June 1945
Via Econ. Sec.
DFE

Copies to:
Econ. Sec.
SF

457

19

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

NF
also SF

JRT/scz/afe

CC 000.8

10 June 1944

Subject: Industrial Policy

To: CAO, Hq AAI

Mr. A.C.C. Secy Gen
DISPATCHED
12 June 1944
via Econ. Sec.
Initials DFE

1. Reference is made to your letter 2038/8/32 of 29 May 44 addressed to C.G., P.B.S. on the subject of the Silurificio Plants at Bale and Fusaro.

2. Rear Admiral Morse, POWIT, has been consulted on this matter and is prepared to relinquish the control of these two factories to REME, as suggested. This subject to the following safeguards.

a. That the existing contract between the firms and the Italian Navy for the repair and maintenance of existing stocks of Italian torpedoes, should not be interrupted.

b. That the Royal Navy may be permitted to withdraw the small number of machines shown on the attached list for the reasons shown, or alternatively that authority may be granted for these machines to be supplied from other sources.

3. A.C.C. is in agreement with this proposal, it being understood that REME will employ the two plants to the greatest practicable capacity, making use of the Italian management and workpeople.

4. Perhaps the necessary steps can be promptly taken to make this transfer operative.

5. Copy is also attached of a letter from the Economic Section this Headquarters outlining A.C.C. ideas on the subject of a proposed co-ordinating committee. I am, in principle, in favor of this move.

0-91.33

Orig. in Econ. Sec.

456

NOEL MASON MACFARLANE
Lieutenant General
Chief Commissioner

2 Incls:

- 1 - List of machines req'd by R. N.
- 2 - Econ. Sec. ltr AGC/5142/IC, 6 Jun 44

Econ. Sec.

18

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

Major-General Sir Brian H. Robertson Bt.,
Chief Administrative Officer,

H.Q.

ALLIED ARMIES IN ITALY

C.M.F.

5001/9/CAO

3 Jun. 44.

My dear General:

Admiral Morse was good enough to send me a copy of his letter to you No. FOWIT 1034 of 27 May 44, concerning the SIIURIFICIO torpedo plants.

I am enquiring into the question of our requirements at this factory.

With regard to the suggestion made by Admiral Morse in paragraph 4 of his letter, I should like you to know that I am following up the discussion which we had on this subject some days ago and shall place definite proposals before you and others interested at an early date.

Yours sincerely,

B. Robertson

Lieutenant-General Sir Noel Mason MacFarlane,
K.C.B., D.S.O., M.C.,
H.Q., Allied Control Commission.

Copy to:- Rear Admiral J.A.V. Morse,
Flag Officer,
Western Italy,
NAPLES.

BHR/emb

Economic Section

*Seen by Major
Maskrey of Ind. Com.
& Com. 5 June 44*

455

17 #

5 Jun
60

Declassified E.O. 12356 Section 3.3/NND No. 785015HEADQUARTERS ALLIED CONTROL COMMISSION
Office of the Chief Commissioner
AGO 394

IC/WJM/jfl

SG 091.33

2 June 1944

Subject: Fertilizer plants.

To: A.A.I. (Adm Echelon)

NF
also SF

1. As indicated in Allied Control Commission's "Report on Fertilizer Production in Liberated Italy," it is proposed to reactivate the Montecatini Plant at Pontecagnano for the production of superphosphates. The plant is in first class condition, undamaged, and has a production potential of 1100 tons per month.

2. The production of superphosphate fertilizer is considered of first priority for securing the greatest possible crop production and consequent cutting down of food imports for the support of the civilian population. The possible production of superphosphate fertilizers in Southern Italy, taking in all operable plants, including the Pontecagnano factory is but a little over a third of the minimum requirements indicated by Agriculture Subcommittee, of the Allied Control Commission.

3. The Pontecagnano Plant is occupied as an Ordnance Depot by 557 A.O.D., R.A.O.C. (B) under authority of AAI Adv. Adm. Ech. Much work has been put into the transformation of the premises into an ordnance depot, but essential machinery is still in place.

4. It is requested that, if urgent military priority will permit, steps be taken to return this plant to the management for the production of fertilizer.

NOEL MASON MACFARLANE
Lieutenant General
Chief CommissionerJn 5 - 1045
Message to Ec. Sec.
EhLtr originated by Economic Section - draft 454
454
by ec.

9 16

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

NE
also SF

IG/ADM/JEA

29 May 1944

No. 1537
8411

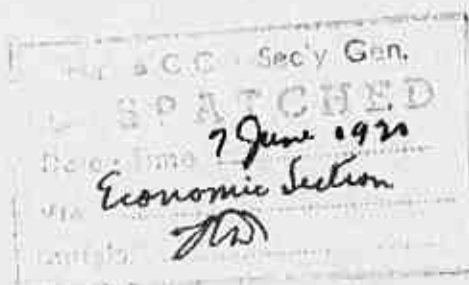
Your letter of 20 May 44 has engaged my attention. The disposition of the two plants of the SILURIFICIO ITALIANO at Sala and Fusaro has been discussed with Rear Admiral Horne of the Royal Navy and it has been agreed that the two establishments be released by him.

The British Army (D.D.M.E., HQ. AAI) is prepared to fully utilise the two plants, employing as many Italian workpeople as the capacity of the factories will permit, and arrangements are being made in this sense.

I hope that you find this a happy solution of the matter.

NOEL BARKH MACFARLANE
Lieutenant General
Chief Commissioner

S.E. Marshal Pietro Badoglio,
Il Presidente del Consiglio dei Ministri.



453

15

1142

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

TO: Economic Section.

8 JUN 1944

5098

99

J.C.

action

Reference attached. Please draft reply.

[Signature]

F.N.M.M.

Office of the Chief Commissioner,
7th. June, 1944.

452

14

7 June
86

98

8 JUN 1944
5596
3 Jun 44
J. H. H.

Office of Flag Officer,
Western Italy,
Naples.

No. FOWIT 1034.

27th May, 1944.

My Dear General

I would refer to my letter No. FOWIT 1034/1 of 15th May, 1944 to Robertson which I understand he has forwarded on to you, concerning the SILURIFICIO torpedo plants at BAIA and FUSARO.

2. Since that date I have given further consideration to the matter and have discussed it at length with certain of your staff and I am now agreeable to relinquish the control of these two factories which was afforded to the Royal Navy shortly after the occupation. Such relinquishment would be subject to the following safeguards:-

- (a) That the existing contract between the firms and the Italian Navy for the repair and maintenance of existing stocks of Italian torpedoes, should not be interrupted;
- (b) That the Royal Navy may be permitted to withdraw the small number of machines shown on the attached list, for the reasons shown, or alternatively that authority may be granted for these machines to be supplied from other sources.
3. If these two conditions are acceptable to the Allied Control Commission, such Royal Navy control as has been exercised in the past will be immediately withdrawn and the factories will become available for such use as the Allied Control Commission may deem fit. In this connection it is understood that R.E.M.E. are anxious to take over these factories with a view to developing them to the maximum extent for war purposes, and it is anticipated that this will give employment to several thousands of the former employees. R.E.M.E. are being told that they should apply to the Allied Control Commission accordingly.
4. The above considerations lead me to the view that there is now a need for some form of co-ordinating committee with a wider scope than the Allied Forces Local Resources Board in whom centralised control of industrial organisations and facilities could be vested. Such a committee would allocate between the services and civilian requirements

29. 3. 3

Navy for the repair and maintenance of existing stocks of Italian torpedoes, should not be interrupted;

(b) That the Royal Navy may be permitted to withdraw the small number of machines shown on the attached list, for the reasons shown, or alternatively that authority may be granted for these machines to be supplied from other sources.

3. If these two conditions are acceptable to the Allied Control Commission, such Royal Navy control as has been exercised in the past will be immediately withdrawn and the factories will become available for such use as the Allied Control Commission may deem fit. In this connection it is understood that R.E.M.E. are anxious to take over these factories with a view to developing them to the maximum extent for war purposes, and it is anticipated that this will give employment to several thousands of the former employees. R.E.M.E. are being told that they should apply to the Allied Control Commission accordingly.

4. The above considerations lead me to the view that there is now a need for some form of co-ordinating committee with a wider scope than the Allied Forces Local Resources Board in whom centralised control of industrial organisations and facilities could be vested. Such a committee would allocate between the services and civilian requirements the available plants and equipment to the best advantage. It is possible that such an organisation already exists, and in this event I will be grateful if you will send me details.

Yours Sincerely,
Brian H. Robertson
REAR ADMIRAL.

451

Lieut. General Sir Noel Mason MacFarlane, K.C.B., D.S.O., M.C.,
Headquarters,

Allied Control Commission.

(Acquaint to:- Major General Sir Brian H. Robertson, C.B., C.B.E., D.S.O.,
M.C.
Headquarters,
Allied Armies in Italy (Adm. Echelon).)

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

97

ENCLOSURE to Flag Officer, Western Italy's No. POWIT 1034
dated 27th May, 1944.

MACHINES REQUIRED BY ROYAL NAVY

FROM FUSARA.

Lathes 7.

Milling
Machines 2.

Drilling
Machines 2.

450

10 14

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

JMT/lab

22/13A

26 May 1944

Subject: Factories - Paper Manufacture

To: HQ AAI

1. Paper of all kinds has become critically scarce in liberated Italy; this applies particularly to the better classes of paper which have cellulose for a base. There are no factories in presently liberated Italy for the production of such paper, as damage to plants and shortage of electric power have caused reactivation to be a relatively long term question.

2. In the regions about to be liberated there are reported to exist a number of plants in working order, and possessing stocks of cellulose or wood pulp. As the importation of one or the other of these calls for large amounts of shipping space, needed for munitions and food, your help is requested to ensure, as far as military exigencies permit, that

a. The factories shown on the attached list remain undisturbed, and if possible, not requisitioned for the accommodation of troops.

b. No materials be removed from them.

WILLIAM MASON MACFARLANE
Lieutenant General
Chief Commissioner

Copies to:

Executive Commissioner
SCAG, 5th Army
SCAG, 8th Army
S.C., Region IV
Ind. & Com. S/C

449

LIST OF PAPER MANUFACTURERS

Cartiere di Capriano	- (Trate & Visocchi)
Cartiere di Atina	- (Trate & Visocchi)
Cartiere Meridionali S.A.	- <u>Isole del Liri</u>
Cartiere Emilio Belmont	- <u>Isole del Liri</u>
Cartiere B. Visconti	- <u>Isole del Liri</u>
Cartiere G. B. Mancini	- <u>Isole del Liri</u>
Cartiere Mancini	- <u>Isole del Liri</u>
Fabbrica di cartoni Fratelli Garra	- <u>Isole del Liri</u>
Fabbrica di veloi-Pisani	- <u>Isole del Liri</u>
Factory for the manufacture of exercise books, envelopes, etc. formerly A. Gattieri	- <u>Isole del Liri</u>
Cartiere di Subiaco S.A.	- Subiaco
Cartiere Aniene	- Roma
Cartiere Tiburtina	- Sub. Sagre - Tivoli

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

SECRET

FNMM/rj

AF

Ref. CC/G/326.

23rd. May. 1944.

MEMORANDUM:

TO: Headquarters, A. A. I..

I enclose herewith copy of a letter received from Marshal Badoglio.

You have doubtless already given the question of the dams on the rivers Turano and the Salto full consideration but I send you the marshal's letter in case it may be of interest to you.

NOEL MASON MACFARLANE,
Lieutenant-General,
Chief Commissioner.

447

2

12

09/33-

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

HQ ACC, APO 204
Sec'y Gen.
Rec'd 16 May 1145
By DFE

TRANSLATION

Salerno, 16 May 1944

THE PRESIDENT OF THE COUNCIL OF MINISTERS

File No. 1168

To: General Noel Mason MacFarlane
Chief of the Allied Control Commission
Naples

Dear General,

I have been informed that during these days certain information offices of the Fifth Allied Army have particularly interested themselves in gathering information regarding the dams on the rivers Turano and Salto, and regarding the possible consequences which the destruction of said dams might bring about.

Concerned over the fact that the request for the indicated information might be the prelude to an eventual aerial action aiming at the destruction of the two dams, I wish to call your attention to the exceptional gravity of the possible consequences.

As is evident in a brief technical study transmitted to the information agencies of the Fifth Army, the destruction of the two dams--contemporaneously or successively--would bring about the flooding of the entire plain of Rieti, a flooding which would submerge, in addition to many small towns, the cities of Rieti and Città Ducale.

In the valley of the Rieti plain the water would continue its destruction and, necessarily having to find its course across the bed of the River Tevere (Tiber?), it might bring about tragic consequences also upon the city of Rome; especially if the destruction of the dams should occur at a time when the Tevere River was not low.

It is in view of these serious damages--also at those places where the topography of the terrain would not permit a permanent flooding, the water would run down the valley destroying everything in its path--that I turn to you, dear General, with the desire that the appropriate authorities have clearly in mind the consequences which would follow the destruction of the dams of the Turano and of the Salto.

Cordially yours,

/s/ BALOGGIO

done
unclassified
me to send to A446
action
unclassified
Copy phase for
16-4-12

09133-



IL PRESIDENTE DEL CONSIGLIO
DEI MINISTRI

SALERNO, 16 MAGGIO 1944

HQ ACC, APO 304

Sec'y Gen
Rec'd 16 May 0910

By DRG

n: 1468 protocollo

AL SIG. GENERALE NOEL MASON MACFARLANE
CAPO DELLA COMMISSIONE ALLEATA DI CONTROLLO

N A P O L I

CARO GENERALE,

MI VIENE SEGNALATO CHE IN QUESTI GIORNI ALCUNI UFFICI INFORMATIVI DELLA 5^a ARMATA ALLEATA SI SONO PARTICOLARMENTE INTERESSATI DI RACCOGLIERE ELEMENTI SULLE DIGHE CHE SBARRANO IL FIUME IURANO E IL FIUME SALTO, E SULLE POSSIBILI CONSEGUENZE CHE LA DISTRUZIONE DI TALI DIGHE AVREBBE PORTATO.

NEL DUBBIO CHE LA RICHIESTA DI ELEMENTI INDICATI POSSA PRELUDERE AD UNA EVENTUALE AZIONE AEREA TENDENTE ALLA DISTRUZIONE DELLE DUE DIGHE, DESIDERO RICHIAMARE LA SUA ATTENZIONE SULLA GRAVITÀ ECCEZIONALE DELLE POSSIBILI CONSEGUENZE.

COME RISULTA DA UN BREVE STUDIO TECNICO TRASMESSO AGLI ORGANI INFORMATIVI DELLA 5^a ARMATA, LA DISTRUZIONE DELLE DUE DIGHE - CONTEMPORANEA O SUCCESSIVA NEL TEMPO - AVREBBE COME CONSEGUENZA L'ALLAGAMENTO DI TUTTA LA PIANA DI RIETI, ALLAGAMENTO NEL QUALE VERREBBERO SOMMERSE, OLTRE NUMEROSI CENTRI MINORI, LE CITTÀ DI RIETI E DI CITTÀ DUCALE.

A VALLE DELLA PIANA DI RIETI LA MASSA D'ACQUA CONTINUEREBBE LE SUE DISTRUZIONI E, DOVENDO NECESSARIAMENTE DEFLUIRE ATTRAVERSO IL LETTO DEL FIUME TEVERE, POTREBBE AVERE TRAGICHE CONSEGUENZE ANCHE SULLA CITTÀ DI ROMA; SOPRATTUTTO SE LA DISTRUZIONE DELLE DIGHE DOVESSE AVVENIRE IN UN MOMENTO IN CUI IL TEVERE NON FOSSE IN MAGRA.

E' IN VISTA DI QUESTI GRAVISSIMI DANNI - ANCHE LA DOVE LA CONFIGURAZIONE DEL TERRENO NON COMPORTEREBBE UNO

445

11. 2

12



IL PRESIDENTE DEL CONSIGLIO
DEI MINISTRI

- 2 -

STABILE ALLAGAMENTO, LA MASSA D'ACQUA SI PRECIPITE_
REBBE A VALLE TUTTO TRAVOLGENDO ALL'ISTANTE - CHE
MI RIVOLGO A LEI, CARO GENERALE, COL DESIDERIO CHE
SIANO TENUTE CHIARAMENTE PRESENTI DALLE AUTORITÀ
COMPETENTI LE CONSEGUENZE CHE SEGUIREBBERO ALLA DI_
STRUZIONE DELLE DIGHE DEL TURANO E DEL SALTO.

MOLTO CORDIALMENTE.

Carlo Azeglio

444

2
12

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

TRANSLATION

.....
: HQ ACC, APO 394 :
: Sec'y Gen :
Transl-: Rec'd May 20 1945 :
: BY H.D. :
.....

File No. 1537

The President of the Council
of Ministers

salerno, 20 May 1944

To: General Sir Noel Mason MacFarlane
Chief of the Allied Control Commission
Naples

Dear General,

The Manufacturing Commission of the Silurificio Italiano Baia to which work has been commissioned for the Italian Royal Navy informs me that the R.E.M.E. of the Royal Navy have been continuing to remove from the factory valuable materials and machines, certainly obeying a requisition order issued by the Royal Navy several months or so ago.

The removals are made at the shipyards of the Silurificio di Baia and of Fusaro and take that small amount which still remains as indispensable property in order to fulfill the contracted operations. The continuance would oblige the Silurificio to cease all productive activity whatsoever dismissing the six thousand workers employed.

The situation was made known by the Manufacturing Commission to the Allied Authorities directly in contact with the shipyards and they have repeatedly promised their intervention without, however, having stopped, up to the present time, the removals; therefore, I beg of you, dear General, to intervene so as they will cease permanently, be it to protect the interests of the six thousand employed workers, be it to not let die an industry of high and average mechanics or be it finally because the works in progress concern directly or indirectly the common war effort.

Very cordially and sincerely,

/s/ BADOGLIO

*Smaller taken by with
Adm. Board as
consequence of May.*

Principal note

Economic Section

443

*Bottom hand: This at your
conference with the R.N.*

NM-23-11

11

1-153

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

SECRET

M200

NE

ACC MAIN (GEN MACFARLANE C COMM)

14th. May, 1944.

SECRET

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PRIORITY

GEN MACFARLANE

TROOPERS

?

9 2 9 3 3 C A 2

YOUR NINE TWO NINE THREE THREE CHARLIE ABLE TWO PD PARA ONE TO TROOPERS PERSONAL FOR PUS
FROM ACC MAIN FROM MACFARLANE PERSONAL PARA ONE PD AGREE LARGE INCREASE IN
 PRODUCTION OF GENERAL PURPOSE ENGINEERING PRODUCTS POSSIBLE IN NAPLES BUT ONLY IF
 ADEQUATE HYDRO ELECTRIC POWER AND SLANT OR COAL WERE AVAILABLE PD PARA TWO PD ELECTRIC
 POWER SUPPLY ALREADY RIGOROUSLY RATIONED AND ONLY SUFFICIENT FOR IMMEDIATE ESSENTIAL
 NEEDS AND LITTLE PROSPECT OF IMPROVEMENT PD PARA THREE PD AT PRESENT NO COAL IS
 AVAILABLE EVEN FOR SOME ESSENTIAL NEEDS SUCH AS GLASS MAKING PD FURTHER CERTAIN RAW
 MATERIALS WOULD HAVE TO BE IMPORTED PD PARA FOUR PD THEREFORE CMA UNDER THE CONDITIONS
 CONSIDER UNNECESSARY TO SEND EXPERT THIS THEATRE PD PARA FIVE PD INDUSTRY AND COMMERCE
 SUBCOMMISSION HAVE ALREADY MADE INVESTIGATIONS OF ALL MORE IMPORTANT INDIVIDUAL
 POSSIBILITIES AND HAVE REPORTS AVAILABLE FOR USE WHENEVER CONDITIONS WILL PERMIT OF
 FURTHER INDUSTRIAL DEVELOPMENT

09133-

NOEL MASON MACFARLANE
 Lieutenant-General.
 Chief Commissioner.

SECRET

10

0-1 SF 18 May

154

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

AF

EstO/Ms-5

JJA/juv

5 May 1941

Subject: Personnel.

To : Military Government Section, AFHQ, APO 512.

not in file

1. Reference Cable No. 67667 of 21 March to FLAMSO from FREEDOM.

2. I am now informed that the personnel and equipment required for the Central Electric Board are:

- Officers 3
- Clerks 4
- Typewriters 1
- Motor Cars 2
- Drivers 2

3. I must, I regret, protest against the decision that this party is to be provided from the establishment of this Commission.

4. I would point out that owing to the reduction in Staff, due to the revised War Establishment, the provision of officers for this Board will reduce the efficiency of the Public Works and Utilities Sub-Commission, all of whose officers are fully employed. Even if the Specialist Officers required are provided by A.F.H.Q., the number of officers available for the work of the Allied Control Commission will be correspondingly reduced.

*cc - [unclear]
[unclear]
[unclear]*

5. The provision of the 4 clerks and 2 drivers is not practicable. We have now a serious deficiency in clerks and M/T personnel, and it is impossible at present to obtain any more. We have also extra calls on M/T vehicles which were not envisaged when the War Establishment was approved.

6. The extra commitments of this Commission are already large and I feel that it is not right to place more on it unless the establishment of both personnel and equipment is correspondingly increased, and completed.

NOEL MASON MACFARLANE, 441
Lieutenant-General,
Chief Commissioner.

Copy SF 7 May

[Signature]

9

11551

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

VSR/ccb

*Ltr prepared by
Economic Section*

NF

ACC/051/PWU

27 April 1944.

Subject: Functions of Allied Control Commission
in matters relating to Electricity
Supply in Italy.

To : Chief Administrative Officer,
Allied Armies in Italy.

1. Reference is made to the letter dated 15 April, 1944, File 2131/Q2 from the Chief Administrative Officer, Allied Armies in Italy, Subject: Central Electrical Board, containing proposed replies to the Vice Chairman, Central Electrical Board.

2. Detailed statements concerning the proposed replies follow:

Comment A - Reply concurred in.

Comment B - It is important that copies of all instructions issued to electric companies be sent to Allied Control Commission, firstly because one member of the Central Electrical Board is from that Headquarters, and secondly because information contained in many of the instructions will be necessary to the Allied Control Commission in the performance of its functions, relating to the rationing of electricity, operation costs and rate increases. It is therefore recommended that the reply to Comment B read as follows:

"The Central Electrical Board shall issue instructions concerning the generation of power at the various plants direct to the Electric Power Companies.

Copies of all instructions issued by the Central Electrical Board, irrespective of their nature, will be sent to the Allied Control Commission."

Comment C - The materials needed to rehabilitate electric power facilities are obtainable from one of the following sources:

a Frozen or controlled civilian stocks. These can be obtained with equal facility by the Allied Control Commission, or by the Central Electrical Board.

b Military Stores. The Allied Control Commission is in a position to arrange for the release of materials in military stores and has in fact been carrying out this function.

440

8

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

c Imported Material. Imported material has, and is being ordered by the Allied Control Commission; the procedure for handling such orders has been established, and is functioning smoothly. The Allied Control Commission, through its regional representatives, is able to receive requests for materials directly from power companies.

Frequently, the regional representative is able to obtain the needed material. Otherwise the request is referred to this Headquarters. It is pointed out that this Commission has regional representatives throughout Italy, Sicily and Sardinia; and any matters of a technical nature are referred to this headquarters.

The importance of having all requests for materials come to one agency are self evident.

In view of the established ordering procedures, and the usefulness of regional organisations in matters of this kind, it is believed that the Allied Control Commission is the agency best fitted to perform this function. The recommended reply to Comment C follows:

"Inasmuch as the Allied Control Commission has local representatives in the field, in Sardinia and Sicily as well as in Italy, and inasmuch as a large amount of the material needed will have to be ordered through that Commission, it is desired that the electric companies make all their requests for materials direct to the Allied Control Commission organisation."

Comment D - Reply concurred in. It is agreed that all instructions concerning the rehabilitation of electric power facilities as well as matters of policy should be passed through the Allied Control Commission.

Comment E - Concurrence is expressed with the reply. However, in order that the Allied Control Commission may be kept fully informed, it is desirable that copies of all reports made by the companies to the Central Electrical Board be sent to this Commission.

439

NOEL MASON MACFARLANE,
Lieutenant General,
Chief Commissioner.

1157

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

COPY

C O N F I D E N T I A L

Ref: 194/2/CA.

11th April 1944.

SUBJECT: Allied Forces Local Resources (Italian) Board.

TO : Chief Commissioner.

:::::::::::::::::::::::
 :: HQ ACC, APO 394 ::
 :: Secy Gen ::
 :: Rec'd 11 Apr 1235 ::
 :: BY HD ::
 :::::::::::::::::::::::

NF
 signed by
 Brigadier
 also SF

1. Colonel Adams and I represented you at the Resources Board meeting at FLAMBO today, accompanied by Labour, Food and Public Utilities experts. Colonel Upjohn also came at my request though I fear we wasted his time.

2. I had held a domestic meeting beforehand to clarify matters and have steam blown off on the personal issue. I found attached letter had already been sent by the Labour Sub-Commission which conceded dehydrated soup to service workers. We did not care for para. 5.

3. We met a strong representative meeting of about 50 people with General Robertson in the chair. We found strong opposition from Navy, R.A.F. and majority of Army representatives to the abolition of the service mid-day meal. District 2, however, which covers widest military area, was with us.

4. In his summing up the Chairman agreed that A.C.C. must be the authority which fixed food for workers and suggested a compromise which would entail something more than dehydrated soup (already conceded) and the meal now given. I agreed in principle, told the meeting that the something more would be bread and asked that details and quantities should be worked out by the Food Controller and submitted to Labour and Wages Sub-Committee of Local Resources Board. This was agreed. The chairman warned all services against departing from the agreed amount.

5. Our definition of the Central Electricity Board as a planning but not a managing agency was accepted and on my assurance that A.C.C. could exercise sufficient control over the labour in the Electrical Companies the question of food and wages was left to A.C.C., i.e. no alteration.

6. General Robertson asked emphatically that, in accordance with A.F.H.Q. instructions, we should supply 2 officers and 3 EM as staff of the Board. I invoked your name and declared that you had stated that no staff could be supplied for further commitments. But I did not close the door. I do not think we can or should do so but it involves a refusal to A.F.H.Q.

7. I gained the impression that the chairman and most of the meeting appreciated the will and ability of your Labour, Food and Public Utilities Sub-Commissions to fulfill their mission. I committed all three to a great deal but not more than they can and should do.

438

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 (initials)

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

8. Colonels Adams, Legg and Bain spoke restrainedly but impressively. Colonel Smith (Labour) was tendentious and had to be pulled down; Colonel Jenny did not speak.

9. A good meeting.

/s/ M. S. L.

Brigadier,
Executive Commissioner.

MSL/JG.

C O P Y

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COPY

HEADQUARTERS
ALLIED CONTROL COMMISSION
LABOR SUB-COMMISSION
APO 394

IAB 091.467

4 April, 1944

MEMORANDUM FOR: Allied Forces Local Resources (Italian) Board,
Labor and Wages Control Committee.

SUBJECT: Increase in Food Ration to Italian Heavy Workers.

1. The following replaced this Headquarters Memorandum, Reference IAB 091.467, dated 28 March, 1944, which it is desired to withdraw.

2. As a result of several recent wage increase demands, a conference was called by Lt. General Sir Mason MacFarlane, Chief Commissioner, A.C.C., at which it was reaffirmed that the real issue is food, and it was agreed to increase the present food ration to all heavy workers connected with the war effort, whether directly hired by the Armed Services or not. At a conference held on 27 March, 1944, in Salerno attended by Marshal Badoglio, General MacFarlane, the Italian Minister of Labor, and members of the Labor Sub-Commission, it was reaffirmed that wages must be kept at the present level, and for that purpose, AMG/ACC labor institutions were given a continuing validity.

3. The Labor Sub-Commission, in closest cooperation with the Food Sub-Commission, has and is making strenuous efforts to hold the wage line. Exact inquiry at all levels reveals that the proper amount of food in the workers' possession will answer practically all labor problems.

4. At General MacFarlane's meeting it was determined that the present midday meal be eliminated, (with the exception of the dehydrated soup, which shall be made available to all personnel, qualified as above, employed by the Allied Armed Forces), and its components incorporated in a supplemental ration issue which, however, would give an overall increase. Specifically, the present basic ration to everyone is 200 gms. of bread daily. The majority of workers for the Allied Forces are now receiving in addition 113 gms of flour (equivalent to 135 gms. of bread) plus a bowl of soup. The proposed increase will place every heavy worker, whether employed by the Armed Forces directly, or by contractors, or by private employers, on a basis which will give him the equivalent of 400 gms. of bread daily plus a daily issue of 30 gms. of dehydrated soup. The actual makeup will be 275 gms. of bread daily, 30 gms. of dehydrated soup daily, and 700 gms. of pasta weekly. The furnishing of actual pasta will meet the most insistent single food demand the worker has made.

5. It is proposed to have the issue considered an extra privilege earned by heavy workers; that distribution depots be set up wherever possible so as to distribute these extra rations on the job, thus maintaining a primary incentive to come to and stay on that job. It is possible that distribution on the job may eliminate the necessity for extra ration cards or coupons (which would be honored at the regularly established alimentation channels).

7 436

6. Entitlement of extra rations will be granted to workers known as "pesenti" or "posentissimi" or to others jointly at the discretion of Base Section or Area Commanders and the local A.C.C. authorities, provided that the total workers involved receiving the increased ration do not exceed 10% of the population of the Province or Region concerned. The group of workers known as "impiegati", and the "operai" known as "leggari" (light manual workers), are not and cannot be considered in this discussion due to limited food supplies.

7. These proposals do not apply to work done in combat areas.

8. The Armed Services, and the Labor and Food Sub-Commissions can achieve fullest success in their missions only by the uniform adherence of all groups to the above distribution. From our own experiences, we know that the Italian worker is least likely to protest or be dissatisfied when aware that without equivocation, all employers, military or otherwise, are treating his fellow workers at a completely uniform level with respect to food.

JRG/tbw

/s/ J. T. R. BAIN
J. T. R. BAIN,
Colonel,
Director, Labor Sub-Commission

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

CC/N/189

PERSONAL AND URGENT

FNM/rj

9th. April, 1944.

I am most disappointed that I will not personally be able to come to your meeting at eleven tomorrow morning. I have unexpectedly to attend an urgent meeting at Ravello with Harold Macmillan and others and will have to be away all day.

I am, therefore, asking Maurice Lush to represent me and he will have with him the necessary team to deal with the various questions down for discussion.

See attached

NOEL MASON MACFARLANE,
Lieutenant-General,
Chief Commissioner.

Major-General Sir Brian H. Robertson, Bt.,
Headquarters, A.A.I. (Administrative Echelon).

cc/p/189

434

7 (2)

041.33

HQ AGC, APO 394
Sec'y Gen.
Rec'd 6 Apr 1945
BY

RESTRICTED.

URGENT

Subject :- Labour Disputes - Electric Power Companies.

Headquarters,
Allied Armies in Italy,
(Administrative Echelon).
C.M.F.

2059/5/22.

14 Apr. 44.

Chief Commissioner,
Allied Control Commission.

With reference to discussions which have taken place between us on this subject, the general question of pay and conditions of work for civil labour is being discussed at a meeting of the Labour Committee of the Local Resources Board today.

The question of the Electric Power Companies is so serious that I suggest it merits special discussion. I should be grateful if you would agree to attend or to be represented at a special meeting of the Local Resources Board. I shall be glad to know whether 1100 hours on Thursday, 6th April would be convenient to you. The points which I think we might discuss at this meeting are the following :-

- (a) Pay and feeding of employees of Electric Power Companies.
- (b) Control of the operation of Electric Power Companies.
- (c) Provision of staff for Central Electrical Board.

In addition to yourself or your representative, you would, no doubt, like to have at this meeting those officers on your Staff who are particularly concerned in

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

Electricity for Sarno hemp-factories

DSN 251
25 APR 1944

LWS/hjp

In reply refer to:
DCC 004.04

25 April 1944

Dear Sir:

Replying to the letter dated 16 April from former Minister Lucifero, on the subject of increasing the electric power supply for hemp factories at Sarno, I have the pleasure of forwarding herewith a copy of letter from the Industry and Commerce Sub-Commission of the Allied Control Commission from which it would appear that an adequate supply of electric power to these hemp factories has been made available.

I shall be glad to have you advise me if the information contained in the attached letter is correct, and if not, in what particulars.

Yours faithfully,

MELBY W. STONE
Captain, USNR
Deputy Chief Commissioner

1 Incl:
Ltr, Ind & Comm Sub-Com
ACC/5056/IC, 21 Apr 44

Minister of Agriculture and Forests
Italian Government

NF 432

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

COPY

HEADQUARTERS
ALLIED CONTROL COMMISSION
INDUSTRY & COMMERCE SUB-COMMISSION
APC 394

JSET/jfl

Ref. ACC/5056/IC

21 April 1944

SUBJECT: Electric Power for Hemp Factories at Sarno

TO : Economic Section

1. With reference to the letter from the Ministry of Agriculture and Forests to the Deputy Chief Commissioner asking that electric power be made available for the hemp factories at Sarno, this sub-commission can inform you:

a. That the Public Works & Utilities Sub-Commission, in response to a request lodged with them by us early in March, on April 6 made available an adequate supply of electric power to these hemp factories so that they could operate at maximum production.

b. That instructions have been given by this sub-commission to Hemp Control some weeks ago that, owing to the vital importance of binder twine to the agricultural economic life of the country, no effort was to be spared to ensure that the maximum amount of binder twine was produced locally.

2. We therefore submit that the points raised in the Minister's letter have already been foreseen and dealt with.

3. We inclose an extra copy of this letter for forwarding to the Deputy Chief Commissioner, should you wish to do so.

4. We return herewith copy of the relevant documents of which we have kept a copy for our files.

2 Incls.
Ltr. of 16 Apr. 44 from Ministry of
Agriculture & Forests (in Italian)
and translation thereof

W. P. EVANS
Colonel
Director, Industry & Commerce
Sub-Commission

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

Ministry of Agriculture and Forests

Salerno, April 16, 1944

The Minister

Illustrious Commander,

I am informed that some hemp factories in Sarno that are engaged in the manufacture of string for harvesters, can operate only during night hours due to deficiency in electric power.

I deem it important to point out that the problem of producing string for harvesters is of vital importance at this particular time, because of the imminence of the harvest of cereals, which in liberated Italy represent the principal bulk of farm products and hence of the country's food supplies. Such a problem should be examined with the utmost urgency because the time at our disposal is very short.

The solutions at present in view are the following:

1. The immediate supply from the Allies of at least 8,000 quintals of string which should arrive in Italy not later than the middle of May, so that a timely distribution to the various provinces can be made.

2. Should it be impossible to obtain the above-mentioned supply, it is then necessary to increase the output of string by speeding-up local production.

With this end in view I turn again to the first part of this letter, and beg you to allow, through the ACC, the electric power to the hemp factories in Sarno to be extended to 24 hours daily until the end of May. This would permit the production to double and reach the minimum indispensable quantity of string.

The use of the reaper-binding machines entails a considerable savings of time and labour (not available at present) and avoid waste of crop, especially of early grain which if cut by hand, drops a percentage of seed that increases with the ripening.

Whenever you need further and more detailed information, I can put at your disposal an official who will provide you with the necessary data obtained by him from the Hemp Control Officer, Lt. Col. Schlee in Naples.

I take this opportunity to extend to you, illustrious Commander, my sincere respect.

Cordially yours,

/s/ Uccifero

430

Captain Ellery W. Stone,
Allied Control Commission,
Salerno.

Trans/Pfc. Bonanni, /AJP.

Distribution:

Orig. & 1 copy of trans. 36
together with original
letter sent to Col. Adams
for ACTION.

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

CONFIDENTIAL

AG 463.3-1 D-0 1st Ind.
ALLIED FORCE HEADQUARTERS, APO 512. 30 March 1944.

TO: Deputy President, Allied Control Commission, APO 394.

1. Consideration has been given to the views expressed in paragraph 3 of basic letter and inclosure thereto, and the following decisions have been taken.

2. The control of coal allocations remains vested in this headquarters. The Coal Section, this headquarters, will continue to be responsible for the ultimate approval of all coal requirements, whether military or civilian, although screening of civilian requirements will be undertaken, in the first place, by Allied Control Commission. Requests for coal, indicating the purpose for which required, will be submitted by Allied Control Commission to local officers of the Coal Section. Any coal allocated by the Coal Section against such requests will be used for the specific purposes indicated.

3. Although all plans for the exploitation of industries for purposes within the competence of Allied Control Commission are required to be submitted to this headquarters for decision, local officers of the Coal Section will be given an opportunity of examining such plans prior to submission to this headquarters in order to enable them to express their views as to the availability or suitability of locally produced fuels. Such plans will be coordinated with Headquarters, Allied Armies in ITALY (Adm. Ech.) to insure port capacity limitations are complied with and that these plans do not conflict with other military requirements.

4. With a view to enabling Allied Control Commission to perform not only the functions now assigned to it, but also those which it may eventually be called upon to assume, two officers, borne on the strength of Military Government Section but now attached to the Coal Section, this headquarters, will be released by the latter for service with Allied Control Commission. Steps will be taken at this headquarters to transfer the officers, now borne on the establishment of Military Government Section, who are retained by the Coal Section.

5. It is considered that the present arrangement under which the senior officer of the Coal Section, this headquarters, acts as Chief Coal Officer of Allied Control Commission should continue. Steps will be taken to appoint a Deputy to the officer now holding those posts, such Deputy to be stationed at Headquarters, Allied Control Commission.

By command of General WILSON:

429

J. L. TARR,
Colonel, AGD,
Asst Adjutant General.

1 Incl

Joint Statement by AGO and C. C.
Functions of Coal Section.

CONFIDENTIAL

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C O N F I D E N T I A L

COPY

HEADQUARTERS ALLIED CONTROL COMMISSION
Office of the Deputy President
APO 394

ES/PAT/fpd

ES/12

28 February 1944

SUBJECT: Proposed Assumption by A.C.C. of Certain Functions of Coal
Section, AFHQ.

TO : Chief, Coal Section, AFHQ (Brigadier Norman Smith).

1. Attached are two copies of a joint statement summarizing the discussions between yourself and this Headquarters on the assumption by the A.C.C. of certain functions of the Coal Section, AFHQ, namely the handling and distribution of coal in ACC/AMG territory.

2. Section 5 of the attached statement contains a summary of the considered view and position of this Headquarters on the subject under discussion.

3. By way of clarification of the first part of Section 5, paragraph c. of attached statement, it should be added that this Headquarters is of the view that the proposed functions could most effectively be performed by a separate Coal Division of the A.C.C. which forms an integral part of, and functions under a head responsible to this Headquarters in exactly the same way as any of the other technical sub-commissions and divisions of the A.C.C.

/s/ NOEL MACFARLANE
NOEL MASON MACFARLANE
Lieutenant General
Chief Commissioner

C O N F I D E N T I A L

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C O N F I D E N T I A L

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JOINT STATEMENT ON THE PROPOSED ASSUMPTION BY THE ALLIED CONTROL COMMISSION OF CERTAIN FUNCTIONS OF COAL SECTION, AFHQ.

1. Brigadier Norman Smith, head of the Coal Section, AFHQ, initiated discussions on January 25, 1944, with the Honorable Henry F. Grady, Vice-President, Economic Section, A.C.C., with a view to the implementation of certain provisions of Administrative Memorandum No. 40 with regard to the handling and distribution of coal. At Mr. Grady's suggestion these discussions were pursued further with Mr. R. Tirana, member of Mr. Grady's staff. There were present in the course of the discussions also Lt. Col. Oxeley of the Coal Section, AFHQ, and Mr. H.H. Coulson.

2. The discussions initiated by Brigadier Norman Smith related: a) to the putting into effect of the final general provision (No. 3(a) Local Procedure) of AFHQ Administrative Memorandum No. 40, as revised to November 25, 1943, and b) to the price to be charged on Sardinian coal.

The final general provision reads as follows:

"Wherever possible the use of Italian Governmental coal agencies for the acceptance of deliveries and distribution of coal on Bill of Lading weights at dockside will be effected."

3. In the course of the discussions Brigadier Norman Smith provided the following further clarification with respect to the proposed implementation of the general provision:

a. The coal in question was to include both civilian and military supplies.

b. The zone where the A.C.C. was to assume the proposed functions would go beyond the territory turned over to the Italian Government and would comprise such areas as the port of Naples. This would therefore involve two separate arrangements; one for the territory turned over to the Italian Government where the A.C.C. would act in a supervisory and advisory capacity; and another for territory under Allied jurisdiction, where the A.C.C. would have to perform executive functions directly without going through any official Italian channels. In this latter case the ACC would naturally use whenever possible the same organization, machinery, and methods as would be in effect in territory under Italian jurisdiction.

c. The Italian governmental agencies and ACC would be responsible for handling and distributing only to the extent that the necessary transport facilities were made available to them by the military authorities.

d. Brigadier Norman Smith would act as Chief Coal Officer of the ACC as well as head of the Coal Section, G.M. He would do this himself and through a deputy whom he would appoint and attach to the ACC for that purpose.

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4. The ACC expressed the view that under the proposed terms there would be considerable confusion with respect to responsibilities and functions, and therefore, there would result poor administration and inefficient handling and distribution of coal.

5. The ACC felt that if it was to handle and distribute coal it would, in the interests of efficiency and good administration, have to exercise certain other functions which it considered absolutely concomitant. These functions comprise those now

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being exercised by the North African Economic Board in Morocco and Tunisia under the terms of Administrative Order No. 40 (see, in particular, part 3a.(2) entitled N.A.E.B.).

The functions which the ACC feels it necessary to exercise are:

- a. The functions of direct supervision and control by the ACC of the handling and distribution of coal.
- b. The function of estimating requirements of the various types, sizes, kinds and tonnages of coal, planning requisitions therefor, and also of allocating civilian coal supplies in ACC/AMC territories.

There is, of course, no questioning of the right of the Quartermaster to determine, on the basis of the requisitions made, of considerations relating to overall supply and shipping facilities and of similar factors, the amount of coal to be allotted for civilian use. The ACC, however, considers that under the proposed scheme it is essential that it exercise the functions of allocating and distributing the coal allotted by the Q.M. for civilian purposes.

- c. In connection with a) and b) above the ACC feels that the functions assigned to it would be more effectively performed by a separate coal officer responsible to and forming part of the ACC, and desires that certain personnel of the Coal Section, AFHQ, who are now performing in the ACC/AMC territories functions to be taken over by the ACC be made available for assignment to the ACC.

6. Pending a decision on the points raised by the ACC with respect to the proposed implementation of the general provision of Administrative Memorandum No. 40 the ACC is giving effect to two other points raised by Brigadier Norman Smith:

- a. Suggestions for bringing the price of Sardinian coal more in line with its cost of production.

A memorandum on this subject, dated Feb 5, has been submitted to Brigadier Norman Smith.

- b. Financing problems arising out of the proposed transfer.

A request for a memorandum on this point was addressed to Col. Grafftey-Smith on Feb 10, and the Finance Subcommittee of the ACC is working along suggested lines.

7. Following a conference with Brigadier Norman Smith and Messrs. Coulson and Tirana, His Excellency Signor Corbino, Italian Minister of Industry and Commerce, submitted a memorandum on the suggested Italian machinery for handling and distributing col. Signor Corbino has been requested to submit a supplemental memorandum clarifying in greater details:

- a. The organization, functions and methods of operations of the proposed Office of Coal to be attached to the Ministry of Industry and Commerce.
- b. The list of Coal dealers and distributors that it is proposed to use in territory turned over to the Italian authorities.

February 27, 1944.

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

18 FEB 1944

LGD/hjp

In reply refer to:
DCC 463.3

17 February 1944

SUBJECT: Coal requirements of Ordnance and Blacksmith Service

TO : Generale di Brigata Aliberti, Intendente Generale,
Ministry for War Cabinet

1. This is in connection with letter N. 217/C dated 16 January 1944 relative to request of the Director General of Ordnance, Ministry for War, to have sold to it certain quantities of coal.

2. The Commission is in receipt of information from AFH, Advanced Administrative Echelon to the effect that coal and coke is allocated to SAT, AFH, Advanced Administrative Echelon, for use by all forces administered by them and as they are already supplying other items to the Italian Army, application for coal and coke should be made to them through the MHA.

ELMER W. STONE
Captain, USNR
Deputy Chief Commissioner

cc: MHA
Army Subcom.

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

1 . CC/G/45.

NF
FNMM/rj

11th. February, 1944.

MEMORANDUM;

TO: Allied Force Headquarters.
(ATTENTION M.G.S.)

Reference your MGS 091.33 of 31st. January.

I have forwarded the letter from the Chief of Staff
to Signor Prunas.

NOEL MASON MACFARLANE,
Lieutenant-General,
Chief Commissioner.

cc/G/45

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

CONFIDENTIAL

FARGO 642 ✓

FARGO (MR. GRADY, VP, ECONOMIC SECTION)

10 FEBRUARY 1944

CONFIDENTIAL

10050 - GRADY

PRIORITY

AGWAR for C. C. S.

Continued production from Sardinian coal mines which is considered highly essential by this headquarters is contingent upon arrival by not later than 1 April of certain engineer supplies requisitioned by ACC Mining Division in October and radioed to PEMBARK by SOS NATOUSA on 11 January. Request that all supplies on this requisition be procured at the earliest possible date. Supplies on this requisition principally coal mine explosives and carbide neither of which are believed to be very critical and therefore need not be delayed by screening in Washington. Request that Pembark notify this headquarters when shipment is made.

4633-

SECRETARY GENERAL, ACC
ECONOMIC SECTION
MINING DIVISION

L. F. NICKEL,
Lt. Col., A.G.D. 4232
Adjutant General.

CONFIDENTIAL

C O P Y

A. F. H. Q. Adv. Adm. Echelon,
C.M.F.

19/2
8 Feb. '44

A. F. H. Q. Adv. Adm. Echelon

Adm. Instruction No. 27

A.C.M.F. CENTRAL ELECTRICAL BOARD

1. A Board to be known as the A.C.M.F. Central Electrical Board will be established forthwith, to co-ordinate the work of civil and military agencies in the rehabilitation of the electrical power system in all territories which are or will be controlled by H. Q., A. C. M. F.

2. The constitution of the Board shall be as follows: -

Chairman : Chief Engineer, A. C. M. F.

Vice Chairman : Colonel James P. Crowden A. U. S.

Members : Representative of C. C., P.B.S.
" D.D.M., A.C.M.F.
" " Chief Commissioner,
Allied Control Commission.

The names of the representatives mentioned above, together with the name of one alternate in each case, will be forwarded to this H.Q.

3. The Vice Chairman shall be Chief Executive of the Board. He will be responsible for ensuring that action is taken in accordance with the decision of the Board. All documents issued by the Board, including notices of meetings, will be signed by him.

4. A Secretariat of two officers (one British, one U.S.) and necessary clerical staff will be provided to transact the business of the Board and to carry out detailed planning on its instructions; an additional officer will be appointed to act as personal Assistant to the Vice Chairman.

5. The Board is empowered to co-opt or to request the attendance of such other technical representatives as they may consider necessary from time to time.

1175

Chairman : Chief Engineer, A. C. Mc E.

Vice Chairman : Colonel James P. Crowden A. C. S.

Members : Representative of C. O., P.E.S.
" " D.D.W., A.C.M.F.
" " Chief Commissioner,
Allied Control Commission.

The names of the representatives mentioned above, together with the name of the alternate in each case, will be forwarded to this H.Q.

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4. A secretariat of two officers (one British, one U.S.) and necessary clerical staff will be provided to transact the business of the Board and to carry out detailed planning on its instructions; an additional officer will be appointed to act as personal assistant to the Vice Chairman.

5. The Board is empowered to co-opt or to request the attendance of such other technical representatives as they may consider necessary from time to time.

6. The functions of the Board shall be as follows:-

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(a) To establish plans for the repair of the electric power system in the territory occupied or which may be occupied by A.C.M.F., with a view to meeting essential military and civil needs as effectively as possible.

(b) To allot the work to be done as between the military and civil engineering agencies.

(c) To allocate resources of material and equipment available in the country for the repair and operation of the electrical system.

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Cont/ sheet 2...

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C O P Y

Sheet 2

(d) To advise the military and civil supply services as to the stores and equipment which will be required and which cannot be obtained from local civil resources.

(e) To exercise general control over the operation of the power system and to ensure that essential military and civil needs are met with the maximum of economy.

(f) To keep the Electrical Power Committee of the local resources (Italian) Board informed as to the quantity of electricity available for distribution.

7. The Board will submit their recommendation on matters of policy to the C.A.C., A.C.M.P., and will receive from that officer directions based upon its recommendations. These directions will cover, in particular, policy regarding priority work to be carried out. All policy instructions will be issued through normal staff channels, but executive action on matters which are covered by established policy will be taken by the engineer agencies concerned, on the basis of decisions reached at meetings of the Board.

8. Although Fifth and Eighth Armies are not represented on the Board, the Board is responsible for establishing the general plan of rehabilitation of the electric system within Army areas and for ensuring that the work done by the engineers of the armies conforms to the general plan. To this end, the Board will work in close co-operation with the Chief Engineers of the armies, and will, through their Chairman, request the presence of representatives of armies at their meetings whenever this may appear advisable.

9. Responsibility for the allocation of electric power to the various consumers remains with the Electric Power Committee of the local resources (Italian) Board.

RHR/amb

/s/ B. H. Robertson

Major-General,
Deputy Chief Administrative Officer.

regarding priority work to be carried out. All policy instructions will be issued through normal staff channels, but executive action on matters which are covered by established policy will be taken by the engineer agencies concerned, on the basis of decisions reached at meetings of the Board.

8. Although Fifth and Eighth Armies are not represented on the Board, the Board is responsible for establishing the general plan of rehabilitation of the electric system within Army areas and for ensuring that the work done by the engineers of the Armies conforms to the general plan. To this end, the Board will work in close co-operation with the Chief Engineers of the Armies, and will, through their Chairman, request the presence of representatives of Armies at their meetings whenever this may appear advisable.

9. Responsibility for the allocation of electric power to the various consumers remains with the Electric Power Committee of the Local Resources (Italian) Board.

MRV/amb

/s/ B. H. Robertson

Major-General,
Deputy Chief Administrative Officer.

DISTRIBUTION

FIFTH ARMY (5)
EIGHTH ARMY (5)
A.S.H.Q. (30)
1 District (2)
2 District (16)
3 District (5)
P.B.S. (5)
12 A.F.S.C. (3)
15 A.F.S.C. (3)
Chief Commissioner & A.C.C. (2)

Flag Officer, TARANTO
Flag Officer, Western ITALY
C.E., A.C.M.F.
Col. James P. Grosvenor,
c/o C.E., A.C.M.F.
D.D.C.A.O., A.F.S.C. ADM. EOH.
D.D.H.
D.D.O.S.
D.D.O.F.
D.D.M.S.
D.G.M.R.S.
A.F.I.R.S.

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