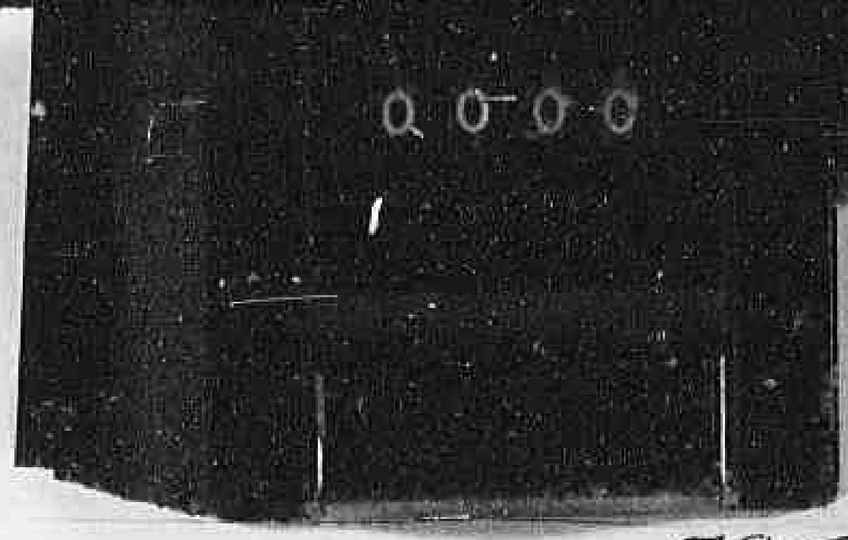


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MEETINGS
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10000/105/507

MEETINGS OF JOINT ECONOMIC COM'TEE, AMG,
XIII CORPS
FEB. - JUNE 1946

Civil Affairs Section

COPY NO. 27.

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT,
XIII CORPS, TRIESTE, ITALY.

27 GIU. 1946

2 JUNE 1946

JOINT ECONOMIC COMMITTEE - AGENDA

The fourteenth meeting of the Joint Economic Committee (per agreement of 20th June 1945 between the Supreme Allied Commander Mediterranean Theatre of Operations and the Supreme Commander of the Jugoslav Army) will be held at 10.00 hrs on THURSDAY, 6 JUNE 1946, in the Main Conference Room No.68, HQ. A.M.G 13 Corps, TRIESTE, to consider the following Agenda :-

1) Minutes of the thirteenth meeting held on 3 MAY 1946.

2) To consider the minutes of the meetings of the following Sub-Committees:-

   a - Industry & Commerce and Fuel & Power Sub-Committee meeting of 31 MAY 46. (Appx. A)

   b - Finance Sub-Committee meeting of 1 JUNE 46 (Appx. B)

3) Any other business.

4) To set a date for the next meeting.

H. ST.G. FRENCH,
Major, D.A.Q.M.G,
Secretary,
Joint Economic Committee.

HSTGF/LVW

ATTACHMENTS :-

Appendices "A" and "B".

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Copy of...1

H. ST.G. FRENCH,
Major, D.A.Q.M.G,
Secretary,
Joint Economic Committee.

HSTGF/LVW

ATTACHMENTS :-

Appendices "A" and "B".

4.30

ALLIED COMMISSION HEADQUARTERS
99 2219

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APPENDIX A

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT,
13 CORPS, TRIESTE, ITALY

31 MAY 1946.

MINUTES

INDUSTRY & COMMERCE SUB-COMMITTEE and the
FUEL & POWER SUB-COMMITTEE

173. The thirteenth meeting of the Industry & Commerce and the Fuel & Power Sub-Committee was held at 10.00 hours, 31 MAY 1946, in the Economic Section, HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman

Major K. COOPER,
Economics, AMG 13 Corps.

Members

Lt.Col. J.E. FOREN,
Ind & Utilities,
AMG 13 Corps.

Ing. KOVACIC, L.
Maj. BJELIS, S.
Mr. URSIC, P.

In Attendance

Lt.Col. C.A.V. STEPHENS,
Commerce, AMG 13 Corps.

Capt. N.J. LISTER,
Economics, AMG 13 Corps.

174. CONTROL OF GOODS CROSSING THE MORGAN LINE.

The Jugoslavs acknowledged receipt of a letter on this subject from the Economic Section, AMG 13 Corps, dated 18 APRIL 1946, and they asked whether any action had been taken about this matter.

The Chairman replied that he had asked higher authority for personnel for 15 additional control posts. So far, no reply had been received, but he had reason to believe that part of these additional guards would be supplied.

The Jugoslavs requested that the matter be expedited and Major COOPER replied that all possible speed is being made.

175. BUSES OWNED BY GRATONI.

The Chairman said that he had found out that the owner is unwilling to return to Zone B and he suggested that if a breach of contract is involved, the Jugoslavs should take legal action in Zone A courts.

4492

176. MACHINERY EXPORTED FROM THE COTTON MILL AT PODGORA.

The Jugoslavs requested a list of the machines removed from the cotton mill at PODGORA, and also particulars of the new machines which had been brought in.

Major COOPER said he would hand these lists in at the main

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Major COOPER said he would hand these lists in at the main meeting.

177. FORESTRY OFFICE.

A written statement was handed to the Jugoslav delegates for delivery to the Forestry and Agriculture Section at ADUSSMA.

178. RELEASE OF M/V "ZVIR" AND "LABOR".

The Jugoslavs asked what further action had been taken in the matter.

Major COOPER ...../

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Major COOPER replied that he had telephoned to higher headquarters for information respecting the TWIN and that he had discovered the location of the LIBOR. A complete answer would be furnished at the main meeting. He added that the Secretary had been to VENICE to find out the exact situation with regard to the LIBOR.

179. GOODS IN TRANSIT FROM ITALY.

Lt. Col. STEPHENS said that he had asked CENTROPROM for consolidated lists of those goods which it was desirable to facilitate crossing the Morgan Line, but he had not yet received them. He added that individual cases should be put up to AMG through CENTROPROM. In this way, they will go through much quicker.

The Jugoslavs said they would get in touch with CENTROPROM on the matter.

180. IMPORT OF GOODS INTO ZONE A FROM ZONE B.

Lt. Col. STEPHENS said that the Amendment to General Order No. 45 had been made to fall in line with Jugoslav wishes.

Major COOPER handed a copy of the English version of the Amendments to the Jugoslavs.

181. ARSA COAL.

Lt. Col. STEPHENS said that AMG had suggested to UIVOD that they should import coal into Zone A and he hoped to make a further statement at the next meeting.

The Jugoslavs said that as far as they knew UIVOD is exporting some coal but there has been no definite agreement with the Allies.

The Chairman suggested that a conference should be held between representatives of Jugoslav Military Government, UIVOD and Allied Military Government to work out how much coal could be exported, and Lt. Col. STEPHENS agreed.

The Jugoslavs replied that they would give an answer at the main meeting.

182. POSTAL FACILITIES FOR JUGOSLAVIA IN ZONE A.

The Chairman acknowledged an application from the Jugoslavs for a permit for Mr. LENASSI to come to Zone A to represent the Jugoslav Post Office. He said he would consult the AMG Telecomm. Officer and give a reply at the main meeting.

183. ACT OF PIRACY AGAINST M/V "SALPA".

The Chairman said that Colonel LENAC had promised to return the registration book of the car which had been seized with the above vessel, and he asked if the Jugoslavs could give an answer now.

The Jugoslavs replied they had asked their competent authorities but had received no reply so far.

184. ASSAULTS ON JUGOSLAV FUNCTIONARIES.

The Jugoslavs enquired whether their letter on this subject

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The Jugoslavs replied they had asked their competent authorities but had received no reply so far.

184. ASSAULTS ON JUGOSLAV FUNCTIONARIES.

The Jugoslavs enquired whether their letter on this subject had been received and the Secretary replied that it had been, and a written acknowledgement had been passed to them today.

185. CONSORZIO PER LA BONIFICA DELL'ISTRIA.

The Jugoslavs considered that if an AMG officer should accompany the President to ABBAZIA it might appear that he did so in the capacity of an escort. There was no objection to the Manager of the Company visiting ABBAZIA himself.

186 ...../

186. REMOVAL OF COPPER TO LUBLIN.

In answer to the Chairman, the Jugoslavs said they were investigating the matter and would try to have an answer for the main meeting. They would contact the proper authorities again in order to speed up the enquiries.

187. MOTOR CAR IMPOUNDED BY VENEZIA GIULIA POLICE FORCE

The Jugoslavs said they had received a letter from the Institution for Special Purchases stating that eight months ago the Institution had bought a 1500 FIAT car. Some months later a man appeared and said the car was his property and it was impounded by the Venezia Giulia Police Force. After further investigation, the car was returned in a very damaged condition. About a month ago the car was again seized by the Police without any reason being given. The car was being used by the Institution for Special Purchases and for UNRRA supplies. UNRRA intervened in the matter, but the car is still being held, and it is now in the Milano Garage. The Jugoslavs asked what steps they should take to avoid having their cars impounded.

The Chairman said he would like a copy of the letter, and the matter would be investigated before the main meeting.

188. REPAIRS TO AQUEDUCT AT VIPACCO.

The Chairman enquired what progress had been made with these repairs and the Jugoslavs replied that aqueducts in general are being repaired. The Peoples' Authority and the people in Zone B are doing all they can to repair not only aqueducts, but houses, schools, etc.

Lt.Col. FODEN explained that the aqueduct at VIPACCO starts in Zone B and supplies various villages such as Scarpa, Rifenbergo etc. in Zone A. All these villages are short of water and we were now asking the Jugoslavs to give us a reply on this question. In this particular case we are interested in the Jugoslavs carrying out repairs to this aqueduct on their side of the line.

The Chairman requested the Jugoslavs to furnish an answer at the main meeting.

189. FISHING RIGHTS IN POLA WATERS

The Chairman read a letter from the Harbourmaster at POLA stating that Zone A fishermen are not permitted to fish in Zone B waters. On the other hand many fishermen resident in Zone B, fish undisturbed in the waters of POLA and the local fishermen consider this unjust.

The Jugoslavs enquired which waters were affected and the Chairman replied, the Brioni Islands in particular.

The Jugoslavs requested that copies of any complaints from POLA should be forwarded to them, and they would take steps to permit Zone A fishermen to fish in Zone B waters.

190. RETURN OF M/V ASTRA

The Chairman said that a list of vessels [illegible] considered should be returned was handed to the Jugoslavs on 17 JANUARY 46. This list included the name of M/V ASTRA. At a shipping conference on the [illegible] look into the matter but no reply has yet

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The Jugoslavs enquired under which paragraph of the minutes this matter had been brought up and Major COOPER replied "para 5" but that there had been no discussion about this particular ship. The Jugoslavs said that this matter was beyond the competence of Jugoslav Military Government and had been referred to the Navy. A reply had been pressed for, but not yet received.

The Chairman said ...../

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190. (cont'd)

The Chairman said he would bring additional information to the main meeting. He requested that the minutes of the shipping conference held on 5 APRIL 46 should be attached to the minutes of this present meeting (see Appendix i). Any suggested amendments should be brought up before the main meeting took place.

191. ROMS. OIL REFINERY.

The Chairman read a letter from the Headquarters, Allied Commission, stating that the Italian Ministry of Foreign Affairs reported that Jugoslav Armed Forces had removed a number of drilling shafts belonging to the AGIP, from the ROMS. depot at FIUME, on the excuse that this equipment belongs to the Italian State and is, therefore, their lawful war booty. The equipment in question is not, however, Italian State property, but the property of AGIP which is a share company. He asked the Jugoslavs to look into the matter.

The Jugoslavs expressed surprise and requested further particulars. It was agreed that both sides would made further enquiries.

192. AMENDMENTS TO MINUTES.

The Jugoslavs proposed amendments to certain minutes of the thirteenth meeting of the Joint Economic Committee, particulars of which are attached at Appendix (ii).

H. ST.G. FRENCH,
Major, D.A.G.,
Secretary,
Joint Economic Committee.

HSTGF/LVW

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APPENDIX (i) TO 13TH MEETING
INDUSTRY & COMMERCE SUB-COMMITTEE

MINUTES OF A MEETING HELD AT 10.30 HRS ON 5 APRIL 46 IN ECONOMIC SECTION ON SHIPPING (JOINT ECONOMIC COMMITTEE)

PRESENT : Major BJELIS)
Mr. MEDANIC) Jugoslav representatives.
Mr. DRGUSTIN)

Major K. COOPER,
Economics (Chairman)
Major H.ST.G. FRENCH,
Secretary, Joint Economic Committee.
Lieut. N.J. LISTER, Economics.

IN ATTENDANCE : Major A.E. GOLD, Legal,
Comdr. E.B. TANCOCK, RN. - D/NOIC.

1. The Jugoslav representatives produced a list of ships registered in Zone B in the year 1939 for whose return, in view of shortage of shipping space, they ask urgently :-

1. MOCENIGO - In Civitavecchia, used for communication.
2. RISMONDO - Requisitioned by the Allied Navy in Southern Italy.
3. POLA - Requisitioned by the Allies.
4. LUSSINIO - -do-
5. SAN VITO - -do-
6. ABBAZIA - Requisitioned by the Allies, now in Taranto.
7. LAVRANA - Requisitioned by the Allies.
8. STAMIRA - Given to Greece by the Allies.
9. ROSSINI - According to information, in the Aegean Sea.

Major COOPER promised to forward the list tothe appropriate authorities, if requisitions were not in accordance with Morgan-Jovanovic Agreement.

2. The Jugoslavs produced in addition the names of ships registered in Zone B, and now sunk, also requesting their return :-

1. BAČIĆ - Believed sunk off LIVORNO OR SPEZIA.
2. SCARPANTO - No information as to whereabouts.
3. JADERA - -do-
4. LAUREZO MARCELLO - Believed sunk off Greece.

Major COOPER stated no action was possible at present as ships were sunk but the request would be forwarded to higher authorities for comment.

4488

3. The Jugoslavs asked for further information on :-

ZVIR
LABOR

[illegible] were being prevented by the Allies from

Mr. MEDANIC) Jugoslav representatives.
Mr. DRGUSTIN)

Major K. COOPER,
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4. LAUREZO MARCELLO - Believed sunk off Greece.

Major COOPER stated no action was possible at present as ships were sunk but the request would be forwarded to higher authorities for comment.

4188

3. The Jugoslavs asked for further information on :-

ZVIR
LABOR

which ships, they stated, were being prevented by the Allies from returning to Zone B.

Major COOPER replied that both ZVIR and LABOR had been engaged on taking coal from ARSA to VENICE. The coal had been impounded by Italian Government authorities. The ships, however, were released immediately.

The ZVIR and LABOR were both inspected by a R.A.S.C. Water Transport Coy. in VENICE and the ZVIR was requisitioned, without the knowledge of A.M.G. As a result of action by AMG with the military authorities the ZVIR was released, is now in BARI, and the Captain of the ship is free to sail wherever he wishes.

The LABOR ..../

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The LABOR is undergoing repair in VENICE, but is free to sail wherever the Captain wishes.

Therefore it will be seen that neither the ZVIR nor the LABOR are in any way under the control of the Allies and are free to return to Zone B.

The Jugoslavs asked for the return of the following ships in addition to those already listed above :-

1. ISTOK II - Believed to be based on ANCONA and operating under Allies between BRINDISI and SICILY.
2. TRLJILA - Previously called PELIKAN. Was operating as arm ship in POLA under Germans in 1941, but was subsequently sunk. Reported to have been salvaged recently by divers STURLESE, PIVIKLAVATZ and TROLIS. No knowledge of present whereabouts.
3. RITA - Motor sailing boat registered at LUSSINPICCOLO, owner GALERICH DOMENICO. No knowledge of present whereabouts.

An investigation of these facts, and the legal implication, was promised by Major COOPER.

4. Major COOPER then produced a list of the following ships, which it was reported, were being held in Zone B by Jugoslav Authorities:-

1. In PARENZO : NICOLETTA
DIVINA MADRE
ARDITA PESCATORE
ROMANO B
ERNESTO LEONE

Was it a fact that these ships were being held in Zone B as reprisals for the alleged holding of the ZVIR and LABOR by the Allies.

The Jugoslav Delegation replied that this was a fact, and the ships were being held in Zone B until ZVIR and LABOR sailed into a Zone B port.

Major COOPER stated that the ZVIR and LABOR were perfectly free to sail wherever they wished, and that the act of holding five ships by the Jugoslavs by force, was contrary to International Law. We had no alternative but to take the matter up on the highest level. We had fulfilled our part of the bargain by releasing the ZVIR from requisition and it was up to the Jugoslav Military Government to reciprocate. The fact that the Jugoslavs have seized, and are holding by force in Zone B, ships from Italy will have the effect of stopping coastal trade with Zone B. This is hardly in the best interests of Jugoslav Military Government.

5. Major COOPER then referred to a list of ships which had been removed from the Port of Trieste by the Jugoslav forces during their occupation, without any form of receipt or requisition. The Jugoslav Military Government had been given this list on 17 JAN 46 for the second time (Appendix "A" to the tenth meeting of Joint Economic Committee held on 19 JAN 46) having been handed the list for the first time on 9 AUG 45. What action had been taken by the Jugoslavs in this matter ?

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The Jugoslav Delegate replied that this was outside the competence of Jugoslav Military Government and the list had been passed to the Jugoslav Navy, whose matter it was. He would press for a reply but he undertsood that the Jugoslav Navy considered all shipping apart from Allied shipping found in Trieste Harbour as War Booty of Jugoslavia, and therefore they were perfectly within their rights to remove the ships. From the same viewpoint they had not given requisition receipts as they considered the vessels no longer owned by the previous Italian owners.

Major COOPER stated that in view of the fact that the Jugoslavs considered this shipping as War Booty, we should take the matter up on a higher level.

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6. A discussion then ensued on the question of para 1 (ships the Jugoslavs wished returned to Zone B).

The Jugoslav Delegates stated that at a meeting in NAPLES on 20 JULY 45, between Ministry of War Transport and the Jugoslav Government, the Allies had agreed to return all shipping to Zone B which had been registered there.

Major COOPER replied that he had no knowledge of such an agreement but would make enquiries to ascertain whether or not such an agreement had been made and he told the Jugoslav delegates to produce such agreement; if, in fact, it did exist.

7. On para 4 (ships seized by the Jugoslavs in PARENZO) the Jugoslavs made a further statement to the effect that force was not used and that the ships were in Zone B of their own free will. In fact the crews were so fond of Zone B they had asked permission to bring their families over there.

Major COOPER stated that this information was contrary to the reports given to AMG and the Royal Navy by the Captains of the vessels.

8. Major COOPER then stated that it had been reported that the following Motor/Sailing vessels had been seized by the Jugoslavs in Zone B (at FIUME). What was the position ?

1. NUOVA PREVIDENZA
2. COMACINA
3. VOLANO
4. LIBERTA
5. ANTONIO

The Jugoslavs first denied that these vessels were held in Zone B by force and repeated their assertion that the crews had applied for permission to bring their families into Zone B.

They then stated that until the return of the ZVIR and LABOR to Zone B ports they could not discuss the return of the vessels to Zone A.

9. Major COOPER then raised the question of the Motor-Boat P.A.M. which had been laid up in CAPODISTRIA and was reported as having been seized by the Jugoslavs.

The Jugoslavs promised to investigate.

10. Major COOPER then stated that AMG had been approached by the owner of a vessel called LE DUE PIE which was being built in the DEPANGHER shipyard CAPODISTRIA. Another vessel, the NORA owned by the same man had been completed in the same yard and then towed to TRIESTE for the fitting of its engine. Would the Jugoslavs have any objection to the same thing being done in the case of LE DUE PIE.

The Jugoslav Delegates stated ~~that~~ they had no objection and that the owner should proceed to CAPODISTRIA and make the necessary arrangements.

11. S.S. REX

4486

Major COOPER asked whether the Jugoslavs would agree for a representative of the Italia Line, the alleged owners of the REX, to meet them in order to discuss the question of guards, as pilfering was still going on.

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agreement had been made and he told the Jugoslav delegates to produce such agreement; if, in fact, it did exist.

7. On para 4 (ships seized by the Jugoslavs in PARENZO) the Jugoslavs made a further statement to the effect that force was not used and that the ships were in Zone B of their own free will. In fact the crews were so fond of Zone B they had asked permission to bring their families over there.

Major COOPER stated that this information was contrary to the reports given to AMG and the Royal Navy by the Captains of the vessels.

8. Major COOPER then stated that it had been reported that the following Motor/Sailing vessels had been seized by the Jugoslavs in Zone B (at FIUME). What was the position ?

1. NUOVA PREVIDENZA
2. CORRICINA
3. VOLANO
4. LIBERTA
5. ANTONIO

The Jugoslavs first denied that these vessels were held in Zone B by force and repeated their assertion that the crews had applied for permission to bring their families into Zone B.

They then stated that until the return of the ZVIR and LABOR to Zone B ports they could not discuss the return of the vessels to Zone A.

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The Jugoslav Delegates then stated that the Jugoslav Government was the owner of the S/S REX, which was War Booty of the Jugoslavs. The Italia Line need not therefore interest itself in the question of guards, as Jugoslavia would protect its own property.

Major COOPER took exception to this point.

12. Major COOPER then asked for information on a motor-ship, the FELICE which was reported as having been last seen in the Cosulich dockyard at SPLIT.

The Jugoslav ...../

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The Jugoslav Delegates stated that SPLIT was Jugoslavia proper and as the vessel had never been in Zone B, the Jugoslav Military Government could not do much about the matter.

They further stated that the FELICE was a German-operated vessel and therefore War Booty and a question for the Peace Conference.

In conclusion, both the representatives of the Jugoslav Military Government and Major COOPER for the Anglo-American side, agreed that apparently from a legal principle the wishes of the legal owner of a ship determines where a ship must sail in the absence of agreements to the contrary or regular requisition by military powers during war.

(signed)

KENNETH COOPER,
Major, AUS,
Economic Section.

LVW

DISTRIBUTION

1. Joint Economic Committee
2. Jugoslav Military Government (2 copies)
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4. N.O.I.C. TRIESTE.
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APPENDIX (ii) TO 13TH MEETING
INDUSTRY & COMMERCE SUB-COMMITTEE

AMENDMENTS TO MINUTES

With reference to the Minutes of the thirteenth meeting of the Joint Economic Committee, the following amendments, as requested by the Jugoslav Delegation, were discussed and decided as follows :-

Min. 263: For "Industry & Commerce" read "Finance".

Min. 269: Major COOPER said he had never stated that if the Anglo-American delegation had received Jugoslav approval for the Pola convoy we would return Gratoni's buses to Zone B. Lt.Col. FODEN agreed and, after further discussion, it was decided that no amendment would be made to the minute. It was thought that a misunderstanding might have arisen in the interpretation.

Min. 272: a) For "possibly displaced persons" read "persons possibly absent from FIUME".

b) Para.10. For "Mr.URSICIC" read "Major B.RISIC".

Min. 277: Add statement by Lt.Col. LEN.C "It is found that there are many irregularities in the minutes and could more attention please be paid to these minutes".

Min. 278: a) Combine points 3 and 5 to read "To settle the matter and the expenses with the forwarding agents".

b. Amend point 6 to read "with the postal train as customary" instead of "with Red Cross wagons".

Min. 279: The Jugoslav Delegates requested that the last part of para.1 of the minute be amended to read as follows:

"Because the lists are not yet completed and if it is not Jugoslav war booty, it then all the more cannot be considered Anglo-American war booty. The only dispute can be as to whether it is Jugoslav war booty or civilian goods. In neither of these two cases can the Anglo-American army sell it. This point is raised because the Joint Economic Committee has been tied up with the War Booty Committee and because it was found that the latter did not succeed in solving this question".

The Chairman directed this amendment to be recorded.

Min. 281: The Jugoslav delegates requested para.2 to be amended to read "Lt.Col. LEN.C said that he considers it to be an internal affair of theirs and ~~he considers it unnecessary to give information~~ about it, because it would be the same as if we asked for information about 4,000 employees in Zone A".

The Chairman received the proposed amendment and directed it to be recorded.

~~Re "Control on the Morgan Line"~~ read "Control on the

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The Chairman directed this amendment to be recorded.

Min. 281: The Jugoslav delegates requested para.2 to be amended to read "Lt.Col. LEN.C said that he considers it to be an internal affair of theirs and ~~he considers it unnecessary to give information~~ about it, because it would be the same as if we asked for information about employees in Zone A". 4484

The Chairman received the proposed amendment and directed it to be recorded.

Min. 282: For "Control on the Morgan Line" read "Control on the frontier between Zone A and Italy".

Min. 288: The Jugoslavs requested that para.2 be amended to read: "Major BJELIS said that the reason was the fact that their interpreter was attacked by the personnel of "Capo Compartimento" in Trieste and wounded, now in hospital".

The Chairman received the proposed amendment and, after discussion, directed it to be recorded in further clarification of the explanation given in the minute.

The following ..../

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The following amendments proposed by the Jugoslav delegates were not agreed to by the Anglo-American delegates and, after discussion, were referred to the main meeting :-

Min. 272:

a) The Jugoslavs requested the last paragraph of the minute to be amended to read "At the request of Lt.Col. LENAC it will be recorded in the minutes that the Anglo-American Delegation considers to be unable to take any measures for the ships to return to their posts of registration, and at the Chairman's request it will be recorded that the Anglo-American delegation suggests that the owners should meet to discuss about the future of the ships".

b) The Jugoslavs proposed amending the heading of the minute to read "ILLEGAL RETENTION OF ZVIR AND LABOR" instead of "RELEASE OF ZVIR AND LABOR".

Major COOPER said this heading has been retained throughout the minutes and it is not considered that it should be changed now.

Major BJELIS said the Jugoslavs considered that the ZVIR and LABOR are being illegally retained and they think the present heading is irregular. Since the minute does not deal with the release of these ships, the title is misleading.

The Chairman said we were not discussing the legality or illegality of the matter but we were simply trying to have the ships released and it is not felt appropriate to alter the heading of the minute. It could be recorded that the Jugoslavs felt that the title should read as proposed by them, but he did not intend to make the alteration.
It would be referred to the main meeting for a decision, if the Jugoslavs wished to press the matter further.

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APPENDIX B

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
13 CORPS, TRIESTE, ITALY

1 JUN 46

JOINT ECONOMIC COMMITTEE
FINANCE SUB-COMMITTEE - MINUTES

68. The eighth meeting of the Finance Sub-Committee was held at 10.00 hours on the 1 JUNE 1946, in the Finance Division, HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman

Lt.Col. N.T. BEARD,
CFO, AMG 13 Corps.

Members

Ing. KOVACIC, M.)
Mr. URSICIC, P.) Jugoslavia
Maj. BJELIS, S.)

69. DISMISSED WORKERS FROM ZONE B.

Lt.Col. BEARD said the Jugoslavs had raised the question some time ago regarding benefits for people living in Zone B and working in Zone A. It was agreed that if these people made contributions to societies in Zone A they would receive benefits.

The Jugoslavs replied that that was all they had asked for, but the societies were reluctant to meet their obligations.

Lt.Col. BEARD replied that he would remind the societies, and he would take the matter up with the Society in POL.

70. PAYMENT OF CHARGES FOR ELECTRIC CURRENT.

The Chairman said he had been informed that the railway authorities were finding difficulty with the Jugoslavs in fixing their liability for electric current on the railways. He would like this matter cleared up as soon as possible.

The Jugoslavs said that they had agreed with SELVEG that one part of these charges should be settled by deliveries of coal.

Lt.Col. BEARD pointed out that this was not the SELVEG case, but concerned the railway. He enquired whether this settlement included SELVEG.

The Jugoslavs enquired who was claiming payment and Lt.Col. BEARD replied that the Transport Division had reported that there was difficulty in agreeing with the Jugoslavs about their share of the electricity supplied.

Major BJELIS said the Jugoslavs had requested some time ago that meters should be placed in OPICINA to measure consumption in Zone A and Zone B, because without these instruments it was difficult to estimate the amount of electricity being used.

The Chairman said that the Jugoslavs had mentioned that SELVEG were being paid in coal but this was not a satisfactory arrangement as payments are much too slow and it would take fifty years to clear the debt.

4482

Declassified E.O. 12356 Section 3.3/NND No. 785016

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PRESENT:

Chairman

Lt.Col. N.T. BEARD,
CFO, AMG 13 Corps.

Members

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Mr. URSICIC, P.) Jugoslavia
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The Chairman said that the Jugoslavs had mentioned that SELVEG were being paid in coal but this was not a satisfactory arrangement as payments are much too slow and it would take fifty years to clear the debt.

The Jugoslavs stated they could not agree that it would take so long to pay, since only one part of the supply will be paid off in coal.

Lt.Col. BEARD enquired what was meant by this statement and the Jugoslavs replied that they had already agreed to pay that part of the debt which had accrued up to three months ago, in coal. Coal was already being exported and payment of the other portion of the debt is being discussed with SELVEG.

The Chairman ..../

4482

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70. (contd)

The Chairman said this meant that payment was being split up into two parts. His information was that the amount of coal which is being delivered to SELVEG was hopelessly inadequate in quantity to pay the bill. The representative of UIVOI had been to see him a week ago and had agreed to contact the Jugoslav Military Government on the matter. He had not since seen this representative.

The Jugoslavs enquired why the coal was inadequate for settling the debt and Lt.Col. BEARD replied that the value was so small it would take fifty years to pay off. Was he to understand that there was enough coal to pay SELVEG's bill from 1 JUN 1945 up to three months ago, and that it was only necessary for SELVEG to arrange transport and collection of the coal.

The Jugoslavs replied that this was the case.

Lt.Col. BEARD asked how many tons would be required to clear the debt and the Jugoslavs replied they had agreed the quantity and the price with SELVEG.

The Chairman then asked what steps would be taken to settle charges incurred beginning from three months ago.

The Jugoslavs replied that the Manager of SELVEG would visit them and settle the matter directly.

71. DEBTS BY JUGOSLAV GOVERNMENT TO RESIDENTS IN ZONE A.

The Chairman read out a letter stating that the question of debts due by the Jugoslav Government to persons in Zone A had been repeatedly brought to their notice and so far nothing had been done. It was imperative that this matter should receive their immediate attention, and he would appreciate it if the Jugoslavs would inform him before the main meeting on the 6th June how they proposed to liquidate these debts.

The Jugoslavs replied that if these were Jugoslav Government debts they were not competent to deal with the matter, but they would forward the letter to the Jugoslav Government.

Lt.Col. BEARD requested the Jugoslavs to hasten the matter because these persons have been awaiting payment for months.

The Jugoslavs again stated they would forward the letter to the Jugoslav Government and let Colonel BEARD have an answer.

72. BRITISH OWNED PROPERTY IN ZONE B.

The Chairman read a letter stating that he had already brought to the notice of the Jugoslavs certain properties in Zone "B" belonging to British Nationals, which properties were being disposed of by the Jugoslavs without reference to the owners, some of whom are situated in this area. The letter went on to read that in addition to this certain owners were desiring to make use of the credits lying to their account and it would be appreciated if the Jugoslavs would now inform him whether they proposed to permit this or not.

The letter was then handed to the Jugoslavs. 4481

The Jugoslavs replied that Lt.Col. LEMAC had already answered this question in principle at the main Joint Economic Committee meeting.

Lt.Col. BEARD said that this reply was unsatisfactory, and would the Jugoslavs clear the following queries :-

a) British property was being sold without the consent of the British owners; was this in

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Lt.Col. BEARD said that this reply was unsatisfactory, and would the Jugoslavs clear the following queries :-

a) British property was being sold without the consent of the British owners; was this in accordance with Jugoslav policy?

b) Would they permit British owners to obtain proceeds from the sale of their property,
and

c) Would British owners be permitted to appoint their own agents ?

The Jugoslavs ..../

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72. (contd)

The Jugoslavs replied that they had already stated that these properties were under temporary administration and that relation towards the owners would be settled at the Peace Conference. No property had been confiscated or sold and any changes have been registered.

The Chairman pointed out that owners of these properties are not permitted access to the properties or allowed to nominate their own representatives, and Mr. UKSICIC replied that up to now no one has raised the question. If the owners had remained in Zone B they would be allowed to administer their property in the same way as other residents.

The Chairman said it was common knowledge that British people own property all over the world. Everywhere else in the world their agents have access to the property. In Zone B they have not.

The Jugoslavs said that the legal position in Zones A and B was different to any other part of the world and such questions would have to be settled at the Peace Conference.

Lt. Col. BEARD enquired how British property was affected by the Peace Conference and he said he would raise the above-mentioned questions again at the main meeting.

A copy of the questions was handed to the Jugoslavs.

73. SOCIAL INSURANCE PAYMENTS IN ZONE B.

The Jugoslavs acknowledged receipt of a letter, subject as above. They promised to send a written reply and they stated that they were experiencing many similar cases of persons from Zone A and Italy being in receipt of payments for insurance benefits and pensions in Zone B. They added that they had people in Zone B receiving small pensions from the Italian State and they had increased these pensions to meet the increased cost of living.

74. REAL ESTATE AND TAXATION RECORDS.

The Chairman read a letter to the Jugoslav Delegates asking if they could now report any progress in previous AMG requests for the recovery of records and documents lying at the Ufficio Imposte Dirette and Ufficio del Registro, TOLMINO, and which properly belong to to the Communes of PLEZZO, CAPORETTO, BERGOGNA, CANALE and VOLZANO.

The Jugoslavs replied they were carrying out investigations but most of the documents referred to the whole TOLMINO district and it would be necessary to make excerpts. This would take some time.

The Chairman asked if AMG might borrow the rolls and make copies and the Jugoslavs replied that this would not be possible because they were in use.

The Chairman then asked whether an AMG representative might go to TOLMINO to make copies, and the Jugoslavs replied that they would make further enquiries about the matter, and would inform the Chairman later.

The Chairman pointed out that in the matter of the Gorizia forests, AMG had permitted Jugoslav representatives to come to the office in GORIZIA and make copies of the documents they required, and he asked why the Jugoslavs could not permit AMG the same privilege.

The Jugoslavs replied that they had not said they would not allow an AMG representative to copy the rolls, but that they would make further enquiries to see how matters now stand, and they would give fuller information at the main meeting.

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H. St.G. FRENCH,
Major, DAQMG,
Secretary,
Joint Economic Committee.

HSTGF/LW

Declassified E.O. 12356 Section 3.3/NND No. 785016

COPY NO. 27

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
13 CORPS, TRIESTE, ITALY

6 JUN 46

MINUTES

290. The fourteenth meeting of the Joint Economic Committee was held at 10.30 hours, on 6 JUNE 46, in the Main Conference Room at HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman

Brigadier G.E.R. BASTIN, OBE
Brigadier i/c Admin, Rear 13 Corps.

Members

Colonel C.M. BARNETT,
ED.TN., TRIESTE.

Lt.Col. N.E. BEARD,
E.F.O. AMG 13 Corps.

Lt.Col. D.S. BICKERSTETH
Economics, AMG 13 Corps.

Lt.Col. A.J. MILMAN,
"Q" (Mov) Rear 13 Corps.

Lt.Col. J.E. FODEN,
Ind & Utilities,
AMG 13 Corps.

Lt.Col. LENAC, M,
Chief of Jugoslav Delegation.

Ing. KOVACIC, M,
Industry, Jugoslavia.

Mr. URSISIC, P,
Finance, Jugoslavia.

Major GOLCB, R,
Transportation, Jugoslavia.

Major BJELIS, S,
Transportation,
Jugoslavia.

In Attendance

Lt.Col. C.A.W. STEPHENS,
Chief Commerce Officer,
AMG 13 Corps.

Major K. COOPER,
Economics, AMG 13 Corps.

291. LETTER FROM THE COMMANDER 13 CORPS.

The Chairman read to the meeting a letter from the Corps Commander, addressed to DA & QMG, Rear HQ 13 Corps (Appx.A attached). A translation was passed to the Jugoslav Delegation.

292. MINUTES OF THE THIRTEENTH MEETING OF THE INDUSTRY AND COMMERCE SUB-COMMITTEES.

The a/m minutes were received.

293. CONTROL OF GOODS CROSSING THE MORGAN LINE.

Ing. KOVACIC referred to the need for establishing

ALLIED COMMISSION HEADQUARTERS 22/1979

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PRESENT:

Chairman

Brigadier G.E.R. BASTIN, OBE
Brigadier i/c Admin, Rear 13 Corps.

Members

Colonel C.H. BARNETT,
DD.TN., TRIESTE.

Lt.Col. N.T. BEARD,
S.F.O. AMG 13 Corps.

Lt.Col. D.S. BICKERSTETH
Economics, AMG 13 Corps.

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"Q" (Mov) Rear 13 Corps.

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Ind & Utilities,
AMG 13 Corps.

Lt.Col. LENAC, M,
Chief of Jugoslav Delegation.

Ing. KOVACIC, M,
Industry, Jugoslavia.

Mr. URSISIC, P,
Finance, Jugoslavia.

Major GOLOB, R,
Transportation, Jugoslavia.

Major BJELIS, S,
Transportation,
Jugoslavia.

In Attendance

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AMG 13 Corps.

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A translation was passed to the Jugoslav Delegation.

ALLIED COMMISSION HEADQUARTERS 22479

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The a/m minutes were received.

293. CONTROL OF GOODS CROSSING THE MORGAN LINE.

Ing. KOVACIC referred to the need for establishing additional control posts and requested that the matter be hastened in the interests of their people.

Major COOPER replied that a request for additional posts had been forwarded to higher authority.

Lt.Col. STEPHENS said he had been informed by the Supply Officer for Gorizia Area that General Order No.45 is being implemented, to ensure that persons importing goods from Zone B are in possession of a Jugoslav Export Permit. Importers have stated that permits are being taken from them at Jugoslav check-posts, and he requested the Jugoslavs to look into the matter. The Jugoslavs agreed to do so.

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294. BUSES OWNED BY GRATONI.

Referring to Minute 175 of the Industry & Commerce Sub-Committee meeting on 31 MAY 46, Lt.Col. LENAC said the Jugoslavs did not agree with the Anglo-American reply. Since the Allies would take no further steps it was no use continuing the discussion.

295. MACHINERY EXPORTED FROM THE COTTON MILL AT PODGORA.

Brigadier BASTIN said that Lt.Col. BICKERSTETH had examined the situation at the cotton mill and was satisfied that any machinery removed is being replaced. The general organisation was intact, and therefore it was not intended to produce detailed lists of machinery removed or brought in.

Major BJELIS said the Anglo-American delegation had agreed that some machinery had been taken from the cotton mill and that this machinery was being renewed, and lists of materials sent out and brought in had been promised. The Jugoslavs knew the mill is still functioning efficiently, but the lists promised by Major COOPER would confirm this fact. They enquired whether these lists were now ready.

The Chairman enquired whether the Jugoslavs produce similar lists of machinery removed from Zone B.

Major BJELIS replied that no machinery was being exported from Zone B. If the Jugoslavs at any time did so they might produce such lists if the Allies were interested.

Lt.Col. BICKERSTETH said he had given his personal assurance that the plant had not been impaired by the removal of machinery. Lists, however, could be produced, but he did not see any reason for doing so, and he suggested the question might be referred to higher authority.

The Chairman ruled that in this particular case lists would be produced, and the question whether in future cases detailed lists should be produced, or whether a guarantee that the efficient working of factories had not been impaired would suffice, will be referred to AFHQ for a decision.

296. RELEASE OF M/V SVIR AND LABOR

The Jugoslavs enquired whether the Allies had changed their opinion in this matter.

The Chairman said that the whereabouts of the LABOR was known, that she was undamaged and that she was not under any restraint.

Lt.Col. LENAC said this meant that the Allies would not take any action, and the Chairman replied that the position remained as before. The Allies had suggested that the owners of the ships should meet and decide what they wished to do. Lt.Col. LENAC enquired whether the matter had been referred to the Legal Division.

Major COOPER replied that he had done so and the position remained as had been stated at the last meeting.

Lt.Col. LENAC asked whether the Anglo-American attitude remained unchanged and Major COOPER replied in the affirmative.

297. GOODS IN TRANSIT FROM ITALY

Ing. KOVACIC said that Centroprom had been requested to send AMG Commerce Division a list of goods for which facilities to cross the Morgan Line were desirable.

296. ARSI COAL

Lt.Col. STEPHENS said he had suggested a meeting between

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298. ARSA COAL

Lt.Col. STEPHENS said he had suggested a meeting between representatives of AMG, JMG and UNRRA to plan a programme for supplying coal.

Major GOLOB said the Jugoslavs agreed in principle, but they did not think a meeting would be necessary. UNRRA was the supplying party and anyone interested could approach UNRRA direct.

Lt.Col. BEARD enquired whether the Jugoslavs could state the quantities of monthly coal surpluses.

The Jugoslavs ...../

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The Jugoslavs replied they were unable to do so and they could not undertake obligations to supply any specified quantities over a period of time. Major GOLOB added that coal which had already been sold to Zone A was still awaiting transport from Zone B.

Lt.Col. BEARD said the fault for this lay with the Anglo-American side, and Major COOPER said it was hoped to clear the coal by sea within 7 days.

Lt.Col. BEARD said that if the Jugoslavs would state their requirements trade could be arranged, but the debt to SELVEG was steadily increasing and he hoped the Jugoslavs would produce a great deal more coal in order to clear this debt. AMG had financed SELVEG and the Allies were naturally anxious to obtain re-payment.

Lt.Col. LENAC enquired whether SELVEG had complained to AMG and if so, could the Jugoslavs be given a copy of the complaint.

Lt.Col. BEARD replied that SELVEG's complaint had been discussed about five months ago. The Jugoslavs owed about 20,000,000 lire and the debt was increasing by 10,000,000 lire per month. When SELVEG received all the coal allotted to them the Jugoslavs would still owe 30,000,000 lire. It must be apparent that the amount of coal allotted to SELVEG was not sufficient to meet the debt.

Lt.Col. LENAC said this position showed SELVEG to be bad tradesmen, because knowing the quality of the coal, they had failed to ask for a sufficient quantity to cover the debt. He added that the question of additional debts would be studied with the Manager of SELVEG.

Lt.Col. BEARD said the Jugoslavs had stated at the Finance meeting that they had cleared the debt and that they would discuss at a later date the 30,000,000 lire still due.

Lt.Col. LENAC said that, since then, an additional 25,000,000 lire had been agreed with SELVEG.

Lt.Col. BEARD said the Allies could not accept lire. It was agreed that when goods and services left Zone A, only goods and services could be accepted in return. He suggested a meeting to discuss the question of compensation.

Lt.Col. LENAC said the question of supply had been settled, and he did not see the necessity of a separate agreement for compensation, or of receiving fresh directions on the subject.

Lt.Col. BEARD said the Anglo-American side would write to the Jugoslavs explaining how it was proposed to deal.

299. POSTAL FACILITIES FOR JUGOSLAVIA IN ZONE A.

Major COOPER said he had investigated the case, and it had been found that UNRRA were already carrying out the duties mentioned in the Jugoslav application. It was therefore felt that the need for a Jugoslav Postal Official in Zone A did not exist.

Lt.Col. LENAC said that if Major COOPER had carried his investigations further he would have stated that a great deal of theft was going on and that many parcels were not arriving at their destinations. The duty of the proposed Jugoslav representative would be to forward the post parcels (not the UNRRA parcels) from the USA to Jugoslavia. If AMG did not approve Mr. LENAC's nomination, the Jugoslavs might nominate another official. They were only concerned to satisfy the people who received parcels, and many complaints have been received that parcels are arriving with half their contents missing. It had been agreed that postal services should function normally and it was the duty of AMG, as well as JMG, to ensure this. If a Jugoslav representative could be sent to Zone A he could be incorporated with the Railway Coordinating Committee to carry out his duties.

Major COOPER said the AMG refusal was not based on personalities it was based on the lack of sufficient evidence to justify the application.

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Major COOPER said the AMG refusal was not based on personalities it was based on the lack of sufficient evidence to justify the application. If Lt.Col. LENAC could state that AMG was not furnishing proper postal facilities Major COOPER would look into the matter and discuss it with him at a later date.

Lt.Col. LENAC replied that General Harding had said in his letter that time must not be wasted by going into details, and he therefore suggested that AMG should either accept or reject the proposal. AMG permission could always be withdrawn at a future date if it was thought that losses were no longer occurring.

Major COOPER ...../

Major COOPER said that if the Jugoslavs would put forward any further information in writing it would be discussed at the next Industry & Commerce meeting.

The Chairman enquired how much was being lost and Lt.Col.LENAC replied that he could not state exact quantities, but the amount was considerable. It was not Jugoslav Military Government but individuals who were losing.

The Chairman said that Major COOPER would investigate the matter and give the Jugoslavs an answer as soon as possible.

300. ACT OF PIRACY AGAINST M/V SAPA

Brigadier BASTIN enquired whether the Jugoslavs could return the registration book belonging to the seized car. If not, he suggested cancelling the book and the Police could issue a new one.

Lt.Col. LENAC said he had no information yet, but he thought the book could probably be returned.

Brigadier BASTIN directed the cancellation of the book and a note of the loss to be entered in the new book.

301. ASSAULTS ON JUGOSLAV FUNCTIONARIES

The Chairman said that the Jugoslav report had been brought before the Corps Commander, who had ordered a full investigation to be carriedout by A.M.G. This investigation was now proceeding.

302. CONSORZIO PER LA BONIFICA DELL'ISTRIA

The Chairman enquired whether there was any objection to an A.M.G. officer accompanying the President of the Company to ABBAZIA, since A.M.G. had an interest in the concern.

The Jugoslavs replied that they saw no necessity for this. The President would not be restricted and he would be able to keep A.M.G. informed.

303. REMOVAL OF COPPER TO LUBLIANA

Lt.Col. LENAC said it had been necessary to write to LUBLIANA for information and it now appeared that some copper had been exported. It was not yet possible to give a definite answer, but if the facts are as stated by the Allies, would they say what action the Jugoslavs should take.

The Chairman said that enquiries on this point would be made.

Lt.Col. LENAC said it would appear from this case that A.M.G. and J.M.G. should inform some Ministry whenever exports are made. In answer to a question from the Chairman, he said he was not aware of any existing agreement that such movement must be recorded.

304. MOTOR CAR IMPOUNDED BY VENEZIA GIULIA POLICE FORCE

Referring to Minute 187 of the thirteenth meeting of the Industry & Commerce Sub-Committee, the Jugoslavs said the minute should be amended to read "Military Police" instead of "Venezia Giulia Police". Also, for "UNRRA" read "an UNRRA representative".

Lt.Col. LENAC said the Jugoslavs had handed a written complaint to the Chairman of the Industry & Commerce Sub-Committee meeting on 31 MAY 46.

The Chairman said the whole case was now under investigation, and a reply would be given as soon as possible.

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The Chairman said the whole case was now under investigation, and a reply would be given as soon as possible.

305. REPAIRS TO AQUEDUCT AT VIPACCO

Lt.Col. LENAC said that this aqueduct had been included in a general rehabilitation plan, and Lt.Col. BICKERSTETH said it would be much appreciated if the work could be expedited.

Lt.Col. LENAC replied that he understood the necessity for the aqueduct and that work on it had already begun.

306. RETURN OF M/V ASTRA

Lt.Col. LENAC said ...../

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306. (contd)

Lt.Col. LENAC said the ship was owned by Bruno Chiogga, had been registered in TRIESTE, and had been sunk in Zone B waters while flying the German flag. The Jugoslavs had raised the ship and carried out some repairs. They had no objection to the return of the ship, provided the owner would pay the cost of the repairs.

Major COOPER enquired whether the Jugoslavs would return the ship on payment of Lire 1,000,000.

Lt.Col. LENAC replied that he did not know whether this amount was correct, but the matter would be settled if the owners would meet the bills presented by the firm who carried out the repairs.

Major COOPER said he would leave the owner to negotiate the matter of the repair bill himself.

Lt.Col. LENAC said the Jugoslavs would not have gone into this question but for the fact that Jugoslav Military Government had financed the repair work.

Lt.Col. BEARD asked whether this established the principle that the owner of a ship which had undergone repairs can regain possession of the ship on payment of the cost of repairs.

Lt.Col. LENAC said that this was a different question. There were not so many cases like this one, and there was no necessity to establish a principle. Each individual case should be discussed on its merits.

307. ROMSA OIL REFINERY

Lt. Col. LENAC said that enquiries had been made and ROMSA had replied that no drilling shafts had been exported. If the Anglo-American Delegation considered further investigations were necessary the Jugoslavs were willing to do so.

The Chairman said the Anglo-American side would accept this answer as a statement, and would inform the enquirer.

Lt.Col. LENAC added that ROMSA stated they had never known of the existence in FIUME of any machinery belonging to AGIP. Therefore none could have been exported.

308. TUG NETTUNO

Lt.Col. BICKERSTETH said the tug NETTUNO was lying at FIUME and the owners wished to bring it to TRIESTE for repairs. The Company was prepared to pay for the cost of salvage, and it was presumed the Jugoslavs would have no objection to the removal of the tug against payment of costs.

Lt.Col. LENAC said the question would be referred to the Jugoslav Navy and a reply forwarded to AMG.

309. DEALINGS IN UNRRA SUPPLIES

The Chairman read a report from a Trieste lawyer stating that a local merchant had bought a large consignment of UNRRA soap from a dealer in Zone B. The matter was now in the hands of AMG Legal Division, and UNRRA were anxious to prevent any further illicit dealings in relief supplies.

Lt.Col. LENAC said it was clear that such things should not happen and the Jugoslavs could take steps to prevent any recurrence. They had not issued export permits.

310. RETURN OF 40-TON CRANE TO ZONE B

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Lt.Col. LENAC said that this question had been raised a long time ago and the crane was urgently needed in FIUME. This crane should have been returned to Zone B. A considerable sum had been spent on repairs to the crane and the Jugoslavs would like to know whether it could now be released.

Colonel BARNETT replied that the crane was being used for heavy lifts in connection with UNRRA cargoes.

Lt.Col. LENAC said this matter had been discussed three or four months ago and at that time the Jugoslav request had been rejected by the Anglo-American delegation. The Jugoslavs had invested a considerable amount of capital in the crane, and with Allied goodwill it could be released.

310. (Contd).

Brigadier BASTIN said that Colonel BARNETT would examine the position and ascertain whether any adjustments could be made in the operation of the port.

The Jugoslavs enquired how soon they could receive an answer, and Colonel BARNETT replied he would make a statement at the meeting of the Joint Operating Committee on 15 JUNE 46.

311. BOILER CERTIFICATES

Lt.Col. LENAC said that hardly any ships in Zone B are in possession of boiler certificates. These certificates are urgently needed, since the ships should not sail without them. The certificates were held in TRIESTE and he would be glad if they could be issued as soon as possible.

The Chairman said the certificates were probably now out of date and the boilers should be re-tested.

Lt.Col. LENAC said the Jugoslavs would do so, but they wanted the old certificates as a basis to work on.

The Chairman instructed the Secretary to apply to N.C.I.C. Trieste or the Port Control authorities, for the certificates.

312. GRAZING FOR CATTLE

Lt.Col. LENAC said that Anglo-American frontier guards had recently been preventing cattle crossing the Morgan Line from Zone B for grazing purposes. Since there were no suitable pastures in the vicinity, on the Zone B side of the line, could urgent instructions be given to permit the cattle to cross into Zone A.

The Chairman pointed out that a special agreement existed permitting movement within 1 Km. either side of the Morgan Line.

Lt.Col. LENAC said this agreement referred to the transport of farm produce, and the question he was raising was a seasonal one. There are certain months every year when the cattle are driven from the mountains for grazing purposes.

The Chairman enquired how far across the line it would be necessary to drive the cattle and Lt.Col. LENAC said he was not sure, but he thought about 4-5 Kms.

Lt.Col. DICKERSTETH said he agreed in principle and he would work out a plan as soon as possible.

313. FINANCE SUB-COMMITTEE

The Minutes of the eighth meeting of the Finance Sub-Committee were received.

314. DISMISSED WORKERS FROM ZONE B

Lt.Col. BEARD agreed that workers dismissed in Zone A who resided in Zone B, and who had contributed to insurance societies, were entitled to unemployment benefits.

In reply to Mr. URSICIC he promised to take the matter up with the societies. 4474

315. PAYMENT OF CHARGES FOR ELECTRIC CURRENT

Lt.Col. BEARD said that if these charges were not by payment in kind a license from the Commerce Division must be obtained. Payment in lire could not be accepted.

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Lt.Col. BEARD said that if these charges were not by payment in kind a license from the Commerce Division must be obtained. Payment in lire could not be accepted.

Lt.Col. LEMAC said it was SELVEG's responsibility to obtain the license, and with reference to Minute 70 of the eighth meeting of the Finance Sub-Committee, the meters should be set up in Divaccia, not in Opicina, as recorded in the minute. Unless these measuring instruments were installed it was not possible to estimate the amount of current consumed by the railways in Zone B. As soon as the Jugoslavs were in possession of these instruments they would take action to calculate the amount due from them.

Lt.Col. BEATTY said he would discuss the matter with Colonel BARRETT.

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316. DEBTS BY JUGOSLAVS RESIDENTS IN ZONE A

Lt.Col. BEARD said that the question of these debts had now been outstanding for six months and he would appreciate an answer.

Lt.Col. LENAC protested against the wording of Minute 71 to the eighth meeting of the Finance Sub-Committee. He thought the expressions used were too sharp in tone, and such expressions would not lead to a satisfactory solution of the question. The Jugoslavs should be addressed and treated as equals.

Referring to the statement in the minute that "these persons had been awaiting payment for months" Lt.Col. LENAC said that the Jugoslavs themselves were awaiting payment from the Americans, but he did not wish to discuss the point. He had been informed that the final phase in the examination of these debts had been reached, but of course the bills would have to be reviewed. In many cases, it was an issue between the purchaser and the seller of goods, and not a matter to be dealt with, either by Allied Military Government or Jugoslav Military Government. Some of the bills showed expenses of 100%, and in other cases, goods had been ordered but not yet delivered. The Jugoslavs would not pay in these cases, but such debts which are found to be in order will be settled.

Brigadier BASTIN said he was quite certain that nobody had any intention to treat the Jugoslavs other than as equals, and the wording of the minute could be altered if they wished. He wanted the Jugoslavs to understand that it was not his intention to treat them as in any way inferior, and it would be recorded that Lt.Col. LENAC had objected to the rather sharp expressions used in Minute 71.

Lt.Col. BEARD said there were no debts owing to the Jugoslavs by the Americans. Some firms had been waiting eight months for payment from the Jugoslavs; C.R.D.A, for instance, are owed 169,000,000 lire. The time must come when these firms can no longer carry on through lack of working capital, which would surely affect the economy of the territory.

Lt.Col. LENAC replied that it had been pointed out several times that the Jugoslav delegates were not competent to deal with this question. However, he had been told that preliminary action had been taken and conditions had been arranged for payment to be made.

Lt.Col. LENAC alluded to the difficult conditions prevailing in Jugoslavia and said it was extremely hard to establish favourable circumstances for effecting payment. Furthermore, in many cases, firms had forwarded bills which had not been agreed by the other side. When payment could be made firms will mutually agree the amounts payable.

Lt.Col. BEARD said that these debts had arisen from transactions between firms and the Jugoslav Government, and not between firms and other firms. He would like to be given an approximate date when settlements would take place. If any disputes about prices arose they could be referred to the Price Fixing Committee, which is the competent body for deciding such questions.

Lt.Col. LENAC said the statements he had just made were based on a recent conversation with an official who was dealing with the matter. He could not give the date for settlement but would do so as soon as possible.

Brigadier BASTIN said it seemed a waste of time to discuss the question since the Jugoslav Delegates were not competent to deal with it, and he suggested referring the matter to a higher level. Any price questions could be passed to the Price Control Committee for decision.

Lt.Col. LENAC agreed.

317. BRITISH OWNED PROPERTY IN ZONE B

Lt.Col. BEARD said he would be obliged if the Jugoslavs could now give an answer to the questions recorded in Minute 72 of the Finance

4475

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themselves were awaiting payment from the Americans, but he did not wish to discuss the point. He had been informed that the final phase in the examination of these debts had been reached, but of course the bills would have to be reviewed. In many cases, it was an issue between the purchaser and the seller of goods, and not a matter to be dealt with, either by Allied Military Government or Jugoslav Military Government. Some of the bills showed expenses of 100%, and in other cases, goods had been ordered but not yet delivered. The Jugoslavs would not pay in these cases, but such debts which are found to be in order will be settled.

Brigadier BASTIN said he was quite certain that nobody had any intention to treat the Jugoslavs other than as equals, and the wording of the minute could be altered if they wished. He wanted the Jugoslavs to understand that it was not his intention to treat them as in any way inferior, and it would be recorded that Lt.Col. LENAC had objected to the rather sharp expressions used in Minute 71.

Lt.Col. BEARD said there were no debts owing to the Jugoslavs by the Americans. Some firms had been waiting eight months for payment from the Jugoslavs; C.R.D.A, for instance, are owed 109,000,000 lire. The time must come when these firms can no longer carry on through lack of working capital, which would surely affect the economy of the territory.

Lt.Col. LENAC replied that it had been pointed out several times that the Jugoslav delegates were not competent to deal with this question. However, he had been told that preliminary action had been taken and conditions had been arranged for payment to be made.

Lt.Col. LENAC alluded to the difficult conditions prevailing in Jugoslavia and said it was extremely hard to establish favourable circumstances for effecting payment. Furthermore, in many cases, firms had forwarded bills which had not been agreed by the other side. When payment could be made firms will mutually agree the amounts payable.

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Lt.Col. LENAC agreed.

4475

317. BRITISH OWNED PROPERTY IN ZONE B

Lt.Col. BEARD said he would be obliged if the Jugoslavs could now give an answer to the questions recorded in Minute 72 of the Finance Sub-Committee meeting on 1 JUN 46.

Lt.Col. LENAC acknowledged the receipt of a list of British owned properties, and he replied that the Jugoslavs had never said that owners could not participate or direct the disposal of their properties. He had checked about six items on the list and found them to be Italian, not British property.

The question ...../

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317 (contd)

The question of altering the registration of properties should be discussed by the Legal Division of Allied Military Government and Jugoslav Military Government and when this matter has been agreed the other questions could be easily solved.

With reference to Lt.Col. BEARD's question whether it was in accordance with Jugoslav policy to sell British property without the consent of the owners, Lt.Col. LENAC said this was a different question and he considered it should be cancelled. He had not known that these properties were British owned until he received Lt.Col. BEARD's statement and it would be necessary to check the information.

Lt.Col. BEARD said he was seeking to establish a general principle regarding British property in general, not only the property he had listed.

Lt.Col. LENAC replied that if an owner established proof of ownership he would be free to dispose of his property in any way he wished, and this principle was applicable to all property owners, not only British owners. When proof of ownership had been given, owners would of course be permitted to administer their properties. These answers were all in accordance with Jugoslav policy.

Lt.Col. LENAC requested that the reference to the Peace Conference in Minute 72 should either be deleted, or amended to read "such questions would be settled after the Peace Conference".

The Chairman said it was now agreed that proved owners would be permitted to visit their properties.

Lt.Col. LENAC enquired whether the Jugoslavs could be informed when the owners would arrive, and the Chairman replied that due notice would be given.

318. SOCIAL INSURANCE PAYMENTS IN ZONE B

The Jugoslavs handed in a written reply to Lt.Col. BEARD's letter on this subject.

319. REAL ESTATE AND TAXATION RECORDS

Lt.Col. BEARD said that last January he had requested the return of tax rolls belonging to various communes in Zone A, but he had not yet received them. These documents were kept seperately by Communes and it should not be difficult to find them.

Lt.Col. LENAC said the authorities had been approached and it had been found that there were two kinds of rolls, one civil and one military. Experts were now at work sorting them out.

Lt.Col. BEARD enquired when the rolls would be available, and Lt.Col. LENAC replied they would be ready on or about 25 JUNE.

320. AMENDMENTS TO MINUTES

4472

With reference to the thirteenth meeting of the Joint Economic Committee, it was agreed to amend the last paragraph of Min.272 to read as follows: "At the request of Lt.Col. LENAC it will be recorded in the minutes that the Anglo-American delegation considers to be unable to take any measures for the ships to return to their ports of registration, and at the Chairman's request, it will be recorded that the Anglo-American delegation suggests that the owners should meet to discuss about the

Declassified E.O. 12356 Section 3.3/NND No. 785016

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The Jugoslavs proposed that the heading of the minute be amended to read "ILLEGAL RETENTION OF THE SVIR AND LABOR" and, after discussion, the Chairman ruled that the present heading would remain unaltered.

321. ...../

Declassified E.O. 12356 Section 3.3/NND No. 785014

321. DATE OF THE NEXT MEETING

The Chairman said it had been suggested that more business could be dealt with by the Sub-Committees and that the main meeting should only be called about once in every six weeks.

Lt.Col. LENAC suggested fixing a date now for the next main meeting, and he would put the suggestion to the Jugoslav Military Government.

The date for the next meeting was fixed tentatively for 25 JULY 46 at 10.00 hours.

Both Sub-Committees would meet on 10 JULY 46 :-

Industry & Commerce	-	10.00 hrs.
Finance	-	14.30 "

H.St.G. French

H. ST.G. FRENCH,
Major, DAQMG,
Secretary,
Joint Economic Committee.

HStGF/LVW

- DISTRIBUTION -

1. CAO, AFHQ.
2. D/CAO, AFHQ.
3/6 G-5, AFHQ.
7. G-4, MTOUSA
8. Q(Maint), GHQ, CMF.
9. M & Tn, AFHQ.
10. US PCLAD, AFHQ.
11. RESMIN, AFHQ.
12. Tn (Main) ROME, CMF.
13. G.O.C, 13 Corps.
14/16 DA & QMG, 13 Corps.
17. AQMG (Mov), 13 Corps.
18. Chief Commissioner, ALCOM.
19. HQ ALCOM
20/29 Economic Section, ALCOM.
30. Industry & Utilities Sub-Commission, ALCOM (att: Chief Electrical Division)
31. Industry & Utilities Sub-Commission, ALCOM. (att: Coal Divisi--)
32. Industry & Utilities Sub-Commission, ALCOM.
33. Finance Sub-Commission, ALCOM.
34. American Embassy, ROME.
35. British Embassy, ROME.
36. SCAO., AMG 13 Corps.
37/38 D/SCAO, AMG 13 Corps.
39. Economic Adviser, AMG 13 Corps.
40. Public Relations Officer, AMG 13 Corps.
41. Legal, AMG 13 Corps.
42. Finance, AMG 13 Corps.
43/44 Supplies, AMG 13 Corps.
45. Transportation, AMG 13 Corps.
46. Labour, AMG 13 Corps.
47. Public Works, AMG 13 Corps.
48/67 Jugoslav Delegation

4471

Declassified E.O. 12356 Section 3.3/NND No. 785016

Industry & Commerce - 10.00 hrs.
Finance - 14.30 "

HStGF/LVW

H. ST.G. FRENCH,
Major, DAQMG,
Secretary,
Joint Economic Committee.

- DISTRIBUTION -

1. CAO, AFHQ.
2. D/CAO, AFHQ.
3/6 G-5, AFHQ.
7. G-4, MTOUSA
8. Q(Maint), GHQ, CMF.
9. M & Tn, AFHQ.
10. US POLAD, AFHQ.
11. RESIDTN, AMHQ.
12. Tn (Main) ROME, CMF.
13. G.O.C, 13 Corps.
14/16 DA & QMG, 13 Corps.
17. AQMG (Mov), 13 Corps.
18. Chief Commissioner, ALCOM.
19. HQ ALCOM
20/29 Economic Section, ALCOM.
30. Industry & Utilities Sub-Commission, ALCOM (att: Chief Electrical Division)
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43/44 Supplies, AMG 13 Corps.
45. Transportation, AMG 13 Corps.
46. Labour, AMG 13 Corps.
47. Public Works, AMG 13 Corps.
48/67 Jugoslav Delegation
68. Commerce, AMG 13 Corps.
69. Col. C.N. BARNETT, DD.Tn, TRIESTE.
70. G-II, AMG 13 Corps.
71. Ind & Utilities, AMG 13 Corps.
72. GSI (B) Main 13 Corps.
73/100 - Spares.

4471

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APPENDIX A

SUBJECT:- Joint Economic Committee - Minutes of Meetings

H. 13 Corps
5709/G
17 May 46.

DA & QMG
Rear HQ 13 Corps.
- - - - - - - - - -

Copy to:- BGS
- - - - - - - - - -

From the minutes of recent meetings of the Joint Economic Committee it appears to me that a great deal of time is being wasted in discussion of unimportant details and the wording of the minutes of previous meetings, which are immaterial to the business of the Committee.

You should point out to all members of the Committee that I cannot agree to allow members of my Staff to waste their time in this way; that the Committee must in future confine itself to important matters, and conduct its business much more promptly, otherwise I shall have to recommend to the Supreme Allied Commander that its proceedings be drastically curtailed or suspended altogether.

(signed)

J. HARDING,
Lieutenant General,
Commander.

C&F
H/L

4470

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Economic Section
HQ COMG
Rome

COPY NO 26

Civil Affairs
HQ
AA

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
XIII CORPS, TRIESTE, ITALY

2 March 1946.

4/50.A/CA

MINUTES

184. The eleventh meeting of the Joint Economic Committee was held at 1000 hours, 2 MARCH 1946, in the Main Conference Room at HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman

Brigadier G.E.R. BASTIN, CBE,
DA & QMG Rear 13 Corps.

Members

Colonel C.H. BARNETT
DD.TN., TRIESTE.

Lt.Col. D.S. BICKERSTETH
Economic Adviser, AMG 13 Corps.

Lt.Col. N.T. BEARD
C.F.O., AMG 13 Corps.

Lt.Col. A.J. MILMAN
Q (Mov) Rear 13 Corps.

Major J.... FODEN
Industry & Utilities,
AMG 13 Corps.

Lt.Col. LENAC, Mirko,
Chief of the Jugoslav Delgn.

Capt. HRZENJAK, D.

Ing. KOVACIC, M.,
Industry, Jugoslavia.

Major JANCIGAN, M,
Commerce, Jugoslavia.

Ing. DOLGAN, M,
Industry, Jugoslavia.

Mr. BERLIC, S,
Finance, Jugoslavia.

In Attendance

Lt.Col. C.A.V. STEPHENS
Chief Commerce Officer, AMG 13 Corps.

Major K. COOPER,
Economics, AMG 13 Corps.

Major E.H. RICHARDSON
Public Works, AMG 13 Corps.

Major BELLAMY, G-2, 55 Area.

Mr. URSICIC, F.,
Commercial Transport,
Jugoslavia.

Ing. SIKOSEK, D,
Electricity,
Jugoslavia.

Major RADUKOVIC, M.

ALLIED COMMISSION HEADQUARTERS

185. Lt.Col. LENAC submitted a letter from Dr.KOBE to the Secretary of the Joint Economic Committee introducing Lt.Col. LENAC, who was taking over the position of President of the Jugoslav Delegation from him. A translation of this letter is shown at Appendix A to these minutes.

186. CANCELLED DINARS

4469

Ing. KOVACIC referred to Minute 85 of the Finance Sub-Committee minutes of 17 JAN 46, stating that she did not consider this minute was correct as Lt.Col.BEARD was not present and no answer was given to the reas...

Declassified E.O. 12356 Section 3.3/NND No. 785016

4/50.A/CA V

PRESENT:

Chairman

Brigadier G.E.R. BASTIN, OBE,
DA & QMG Rear 13 Corps.

Members

Colonel C.H. BARNETT
DD.TN., TRIESTE.

Lt.Col. D.S. BICKERSTETH
Economic Adviser, AMG 13 Corps.

Lt.Col. N.T. BEARD
C.F.C., AMG 13 Corps.

Lt.Col. A.J. HILMAN
Q (Mov) Rear 13 Corps.

Major J.A. FOHEN
Industry & Utilities,
AMG 13 Corps.

Lt.Col. LENAC, Mirko,
Chief of the Jugoslav Delgn.

Capt. HRZENJAK, D.

Ing. KOVACIC, M.,
Industry, Jugoslavia.

Major JANCIGAN, M,
Commerce, Jugoslavia.

Ing. DOLGAN, M,
Industry, Jugoslavia.

Mr. BERLIC, S,
Finance, Jugoslavia.

In Attendance

Lt.Col. C.A.V. STEPHENS
Chief Commerce Officer, AMG 13 Corps.

Major K. COOPER,
Economics, AMG 13 Corps.

Major E.H. RICHARDSON
Public Works, AMG 13 Corps.

Major BELLAMY, G-2, 55 Area.

Mr. URSICIC, F.,
Commercial Transport,
Jugoslavia.

Ing. SIKOSEK, D,
Electricity,
Jugoslavia.

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Ing. KOVACIC referred to Minute 85 of the Finance Sub-Committee minutes of 17 JAN 46, stating that she did not consider this minute was correct as Lt.Col.BEARD was not present and no answer was given to the reas the Banca d'Italia required the cancelled dinar notes.

Lt.Col.BEARD replied that this minute did not state that he was there, and at the last meeting of the Finance Sub-Committee held on 28 FEB 4 he had promised to submit a letter on this subject. In any case these minu had been reviewed at the last Joint Economic Committee and no criticism of this minute had been made then.

Ing.KOVACIC replied that they were not having sufficient time t read the sub-Committee minutes before the main meeting, as they were only available the evening before. Therefore, could arrangements be made to have them completed earlier.

The Chairman suggested t 48 hours should be allowed between the last sub-Committee meeting and the main Committee meeting instead of the present 24 hours, this would give the Jugoslav members 24 hours to examine the sub-Committee minutes. This was agreed.

Declassified E.O. 12356 Section 3.3/NND No. 785016

197. The minutes of the tenth meeting of the Joint Economic Committee held on the 19th January 1946 were received.

198. HARD COAL FOR LOCOMOTIVES IN ZONE B

Lt.Col. LENNOX asked if there had been any change in the policy concerning the question of hard coal for locomotives in Zone B. Colonel BARRETT replied that there had been no change.

199. THE SITUATION IN ZONE B OF SHIPPING OF THE FIUMARA AND OTHER SHIPPING SOCIETIES

Lt.Col.LENNOX referred to minute 167 of the Joint Economic Committee meeting of 19th January and handed a letter to the Chairman in reply to this question. (see Appendix B)

190. DEBLOCKING OF ACCOUNTS AT BANKS

Lt.Col.LENNOX handed a letter on the question of deblocking of accounts at banks in Zone B to the Chairman and drew the Committee's attention to minute 177 of the Joint Economic Committee meeting of 19th January. He stated that this letter explained the inconvenience caused by AMG's order prohibiting the meeting of liabilities by banks in Zone A, of their branches in Zone B and contained 26 claims by individuals suffering damage through this order (see Appendix C).

Lt.Col.BEARD asked if they desired the transfer of currency across the Morgan Line, which was prohibited.

Capt. HAMMICK replied that they did not desire in particular for currency to pass the Morgan Line, but wished that these credits could be transferred in Zone A in business transactions so that residents of Zone B would not suffer.

Lt.Col.BEARD replied that he would discuss the matter, if they desired, between meetings.

191. REPAIR AND SALVAGE OF SHIPS

Lt.Col. LENNOX stated that the Jugoslavs were not in agreement with the Anglo-American interpretation of what constituted war booty. A further letter of protest was therefore submitted (see Appendix D).

192. REGISTRATION OF SHIPS

Lt.Col. LENNOX submitted a letter concerning the registration and transfer of ships as requested in minute 166 of the Joint Economic Committee meeting of 19th January (see Appendix E).

193. TRANSFER AND SALE OF SHARES

Lt.Col.LENNOX submitted a letter on the question of the transfer and sale of shares as requested in minute 168 of the Joint Economic Committee meeting of 19th January. He requested that action should be taken on the suggestions incorporated in this letter. (see Appendix F). 4460

194. THE TENTH MEETING OF THE FUEL & POWER & INDUSTRY & COMMERCE SUB-COMMITTEES

The minutes of the tenth meeting of the Fuel & Power and Indus-

Declassified E.O. 12356 Section 3.3/NND No. 787016

189. THE RETURN TO ZONE B OF SHIPPING OF THE FIUMARA AND OTHER SHIPPING SOCIETIES

Lt.Col.LEMAC referred to minute 167 of the Joint Economic Committee meeting of 19th January and handed a letter to the Chairman in reply to this question. (see Appendix B)

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Lt.Col.BEARD asked if they desired the transfer of currency across the Morgen Line, which was prohibited.

Capt. BRZEMJAK replied that they did not desire in particular for currency to pass the Morgen Line, but wished that these credits could be transferred in Zone A in business transactions so that residents of Zone B would not suffer.

Lt.Col.BEARD replied that he would discuss the matter, if they desired, between meetings.

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Lt.Col. LEMAC stated that the Jugoslavs were not in agreement with the Anglo-American interpretation of what constituted war booty. A further letter of protest was therefore submitted (see Appendix D).

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194. THE FIFTH MEETING OF THE FUEL & POWER & INDUSTRY & COMMERCE SUB-COMMITTEES

The minutes of the tenth meeting of the Fuel & Power and Indus & Commerce Sub-Committees were received.

195. TRANSIT OF GOODS THROUGH ZONE A ...../

Declassified E.O. 12356 Section 3.3/NND No. 785016

195. TRANSIT OF GOODS THROUGH ZONE

Lt.Col. [illegible] requested that the Jugoslav Delegation should be sent a letter giving details of the proposed regulations on the transit of goods through Zone A and requested that contracts already entered into should be permitted without these restrictions being imposed.

Lt.Col. [illegible] replied that goods had arrived in Italy without the knowledge of the Italian Government or AMG. Details on the transit of goods through or to Zone A had always been required and if these details were given no difficulties would arise; business could obviously not be continued in the present haphazard manner.

It was further pointed out that articles including coal on the reserved commodities list were in world short supply and these materials were allocated from a pool to places where needs were most pressing, by Committees specially set up for this purpose and free trade under such circumstances could not be permitted.

Capt. [illegible] replied that as AMG did not wish to purchase AMG coal they had considered they were free to trade where and how they desired as they did not know of the reserved commodities list, and thought that trade with Italy was free. Under the existing circumstances Lt.Col. [illegible] requested that contracts already entered into should be completed, and asked that all that could possibly be done could be done as far as coal was involved.

Lt.Col. [illegible] replied that originally because of the question of the shortage of coal AMG had instructed the Anglo-American members of the Committee to discuss the purchase of coal from AMG.

The Anglo-American representatives were still prepared to discuss the purchase of AMG coal when the Jugoslavs so desired; in the meantime, no guarantee could be given of how the coal already shipped to Italy and Zone A would be distributed as it was beyond the power of this Committee to alter the controls on reserved commodities.

196. STATEMENT BY ALLIED OFFICER.

Lt.Col. [illegible] drew the attention of the Jugoslav representatives to the last paragraph of minute 189 of the Industry & Commerce Sub-Committee minutes of 27th February and asked if more details could be given on the statement referred to. The Jugoslavs promised to forward details.

197. CONFERENCE ON SHIPPING QUESTIONS

Lt.Col. [illegible] suggested that the proposed conference to deal with shipping problems should be held at 1430 hours on MONDAY, 11th March 1946.

Lt.Col. [illegible] agreed with the suggestion and stated that he would confirm this date later. It was mutually agreed that the Committee should be on a Sub-Committee basis of a panel of experts on shipping with at least one member of main Committee represented on each side.

198. RELEASE OF LIGHTERS FROM ZONE A.

Lt.Col. [illegible] said that the Jugoslavs considered that in accordance with the spirit of the Morgan-Jovanovic agreement it was not proper that plant and machinery should be removed from Zones A and B without the mutual agreement of both sides, and that instructions for the removal of machinery should not be given one-sidedly.

Lt.Col. [illegible] replied that the objection of the Jugoslavs to this point had been referred to Army, when the ruling was asked for, and that the Anglo-American representatives had been subsequently instructed th

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Declassified E.O. 12356 Section 3.3/NND No. 787016

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[illegible] in the present emphatic manner.

It was further pointed out that articles including coal on the reserved commodities list were in world short supply and these materials were also taken from a pool to places where needs were most pressing, by Committees specially set up for this purpose and free trade under such circumstances could not be permitted.

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Lt.Col.[illegible] replied that originally because of the question of the shortage of coal AMG had instructed the Anglo-American members of the Committee to discuss the purchase of coal from AMGOT.

The Anglo-American representatives were still prepared to discuss the purchase of AMGOT coal when the Jugoslavs so desired; in the meantime, no guarantee could be given of how the coal already shipped to Italy and Venezia would be distributed as it was beyond the power of this Committee to alter the controls on reserved commodities.

196. [illegible] BY ALLIED OFFICE.

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Lt.Col. [illegible] suggested that the proposed conference to deal with shipping problems should be held at 1430 hours on MONDAY, 11th March 1946.

Lt.Col. [illegible] agreed with the suggestion and stated that he would confirm this date later. It was mutually agreed that the Committee should be on a Sub-Committee basis composed of experts on shipping with at least one member of main Committee represented on each side.

198. RELEASE OF MACHINERY FROM ILVA

Lt.Col. [illegible] said that the Jugoslavs considered that in accordance with the spirit of the Morgan-Jovanovic agreement it was not proper that plant and machinery should be removed from Zones A and B without the mutual agreement of both sides, and that instructions for the removal of machinery should not be given one-sidedly.

Lt.Col.[illegible] replied that the objection of the Jugoslavs to this point had been referred to AMG, when the ruling was asked for, and that the Anglo-American representatives had been subsequently instructed that this machinery was not affected by the clause relating to the removal of plant and industrial facilities in Appendix I of the Agreement. He further stated that if the Jugoslavs were still in disagreement with this ruling the question should be taken up by them through diplomatic channels.

Lt.Col.[illegible] replied that this would be considered.

199. THE RADIO TRANSMITTER AT GORIZIA

Lt.Col.[illegible] stated that no information had been so far received regarding the release of the radio transmitter which had been impounded at Gorizia.

200. BUS SERVICES AND CIVILIAN CONVOY THROUGH ZONE B

No reply had so far been received by the Anglo-American side on the granting of permission for the operation of bus services and a civilian convoy through Zone B. Col. BICKERSTETH pointed out that although the Jugoslavs had requested the service GORIZIA-POSTUMIA no authority had been given and presumably the service was no longer required.

Capt. HRZENJAK replied that this service was required, but since they had been unable to provide the twelve tyres, as provisionally agreed, from their side, they had understood that the Anglo-American side was not prepared to operate this service.

Lt.Col. BICKERSTETH replied that if they still wished to operate this service and put up a proposition, the case would be re-examined

It was further requested that the position of the bus services already operating between Trieste and Pola should be clarified by the Jugoslav Military Government and a written authority given.

Lt.Col. LENAC stated that bus services in Zone B had greatly improved and that until Signor Gratoni withdrew his seven buses without warning, and in contravention to his contract which was not due to expire until the end of 1946, this improvement had been maintained.

The Chairman asked if a written authority for the operating of the civilian convoy could be given before the next meeting.

Lt.Col.LENAC replied that he would try to arrange this.

201. BUSES OWNED BY GRATONI

Lt.Col. LENAC requested that AMG should assist in the return of the buses owned by Signor Gratoni, who had escaped to Zone A and Pola with seven buses in contravention of his contract. It was understood that some of these buses had gone to Venice. It was requested that an answer to this request should be provided urgently so that the improvement in bus services in Zone B could be maintained.

The Chairman replied that the matter would be investigated and the results would be passed to the Jugoslavs between meetings.

202. DESTROYER SPERLO/BELGRAD

Lt.Col. LENAC stated that the letter sent by the Secretary of the Joint Economic Committee arrived on the 19th February and for this reason no answer had been given. The problem had been passed to the Jugoslav authorities and it was hoped that it would be possible to give an answer before the next meeting.

203. DISTILLATION OF TAR

Investigations had been commenced on the proposal for the distillation of the 50 tons of tar from the Rovigno Gas Works and information would be passed to AMG as soon as it was available.

204. THE CONSORZIO PER LA BONIFICA DELL'ISTRIA

Lt.Col. BICKERSTETH stated that he would submit the request for the documents of this organisation in writing.

Lt.Col. LENAC promised to do everything that was possible to obtain the necessary documents.

205. RELEASE OF BUSES (Ind & Commerce Sub-Ctte. Min.119 of 27 FEB 46)

It was agreed that the question of the release of these buses would be examined in conjunction with the case concerning Gratoni's

4466

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Declassified E.O. 12356 Section 3.3/NND No. 785016

Lt.Col. BICKERSTETH replied that if they still wished to operate this service and put up a proposition, the case would be re-examined

It was further requested that the position of the bus services already operating between Trieste and Pola should be clarified by the Jugoslav Military Government and a written authority given.

Lt.Col. LENNOX stated that bus services in Zone B had greatly improved and that until Signor Gratoni withdrew his seven buses without warning, and in contravention to his contract which was not due to expire until the end of 1946, this improvement had been maintained.

The Chairman asked if a written authority for the operating of the civilian convoy could be given before the next meeting.

Lt.Col. LENNOX replied that he would try to arrange this.

201. BUSES OWNED BY GRATONI

Lt.Col. LENNOX requested that AMG should assist in the return of the buses owned by Signor Gratoni, who had escaped to Zone A and Pola with seven buses in contravention of his contract. It was understood that some of these buses had gone to Venice. It was requested that an answer to this request should be provided urgently so that the improvement in bus services in Zone B could be maintained.

The Chairman replied that the matter would be investigated and the results would be passed to the Jugoslavs between meetings.

202. DESTROYER SCHEMES/RECORDS

Lt.Col. LENNOX stated that the letter sent by the Secretary of the Joint Economic Committee arrived on the 19th February and for this reason no answer had been given. The problem had been passed to the Jugoslav authorities and it was hoped that it would be possible to give an answer before the next meeting.

203. DISTILLATION OF TAR

Investigations had been commenced on the proposal for the distillation of the 50 tons of tar on the Rovigno Gas Works and information would be passed to AMG as soon as it was available.

204. THE CONSORZIO PER LA BONIFICA DELL'ISTRIA

Lt.Col. BICKERSTETH stated that he would submit the request for the documents of this organisation in writing.

Lt.Col. LENNOX promised to do everything that was possible to obtain the necessary documents.

205. RELEASE OF BUSES (Ind & Commerce Sub-Ctte. Min.119 of 27 FEB 46)

4466

It was agreed that the question of the release of these buses would be examined in conjunction with the case concerning Gratoni's buses.

206. FLOUR MILL AT POLA

It was agreed that as the account for the milling of UNRRA flour had still not been paid by the Jugoslav Authorities that the arrangements for payment should be made through the exchange clearing agreement and that the flour which had been held as security against payment should be released taking into consideration the world food shortage.

207. TRANSPORT OF FLOUR POLA-[illegible]

Lt.Col.LeNAC submitted a letter containing details of the overcharging for the shipments of flour on the Pola-Corso sea routes by UGIMA. He stated that the bills could be provided (see Appendix).

208. TRANSPORT OF CATTLE & GOODS THROUGH ZONE A

Lt.Col. RICHERSTETH stated that action had been taken to implement these arrangements on the 15th of February 1946 and that he would follow this up.

209. CONTROLS ON THE MORGAN LINE

Lt.Col. RICHERSTETH stated that the date for the commencement of controls on the Morgan Line had not yet been fixed but that it would take place sometime during March 1946. Full details would be provided to the Jugoslavs with copies of all the necessary forms and documents.

210. THE FIFTH MEETING OF THE FINANCE SUB-COMMITTEE

The minutes of the fifth meeting of the Finance Sub-Committee held on the 26th of February 1946 were received.

211. DEPARTMENT OF DISCUSSIONS

It was agreed that the discussions on the Finance Sub-Committee meeting of 28th February should be deferred as the Jugoslav representative had not had sufficient time to study them.

It was further agreed that a meeting of the Finance reps should be held after the main meeting so that the final points at difference in the exchange clearing agreement could be settled.

212. EMPLOYMENT OF WORKMEN FROM ZONE B IN POLA

Lt.Col. LeNAC stated that 250 men who had been employed in Pola and who resided in Zone B had been prohibited from going to work; could a reason for this action be given.

The Chairman asked that a list of men dismissed should be forwarded for investigation. This was promised by the Jugoslavs.

213. MACHINERY EXPORTED FROM THE COTTON MILL AT PODGOR.

Lt.Col. LeNAC drew the attention of the Committee to the fact that machinery had been exported from the cotton mill at Podgora on the 21st February and that on a protest received from the workmen it was understood that it was intended to export still more machinery. Could it be discovered why this machinery was removed in the first place and could arrangements be made to see that this did not continue.

Major FODEN replied that he understood that if this was electrical apparatus it had been taken to Podgora by the Germans and that it was now being returned to its proper place in CRDA Monfalcone to make space in the cotton mill so that work could be recommenced. He pointed out that if this was the case the machinery was not being exported but simply being moved to its normal place in Zone A.

Lt.Col.LeNAC stated he would investigate the matter further and inform the committee.

[illegible]

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would follow this up.

209. CONTROLS ON THE MORGAN LINE

Lt.Col. RICHERSETH stated that the date for the commencement of controls on the Morgan Line had not yet been fixed but that it would take place sometime during March 1946. Full details would be provided to the Jugoslavs with copies of all the necessary forms and documents.

210. THE FIFTH MEETING OF THE FINANCE SUB-COMMITTEE

The minutes of the fifth meeting of the Finance Sub-Committee held on the 28th of February 1946 were received.

211. DISAGREEMENT OF DISCUSSIONS

It was agreed that the discussions on the Finance Sub-Committee meeting of 28th February should be deferred as the Jugoslav representatives had not had sufficient time to study them.

It was further agreed that a meeting of the Finance reps should be held after the main meeting so that the final points at difference in the exchange clearing agreement could be settled.

212. EMPLACEMENT OF WORKMEN FROM ZONE B IN POLA

Lt.Col. LEMAC stated that 250 men who had been employed in Pola and who resided in Zone B had been prohibited from going to work; could a reason for this action be given.

The Chairman asked that a list of men dismissed should be forwarded for investigation. This was promised by the Jugoslavs.

213. MACHINERY EXPORTED FROM THE COTTON MILL AT PODGORA

Lt.Col. LEMAC drew the attention of the Committee to the fact that machinery had been exported from the cotton mill at Podgora on the 21st February and that on a protest received from the workmen it was understood that it was intended to export still more machinery. Could it be discovered why this machinery was removed in the first place and could arrangements be made to see that this did not continue.

Major PODJE replied that he understood that if this was electrical apparatus it had been taken to Podgora by the Germans and that it was now being returned to its proper place in GRIA Monfalcone to make space in the cotton mill so that work could be recommenced. He pointed out that if this was the case the machinery was not being exported but simply being moved to its normal place in Zone A.

Lt.Col.LEMAC stated he would investigate the matter further and inform the committee.

214. REMOVAL OF RAILWAY LINES

Lt.Col.LEMAC stated that he wished to draw attention to the removal of railway lines in the area of Gorizia from the tracks, which were being taken in the direction of Udine. He stated that this matter was raised with the Joint Economic Committee as it concerned the removal of plant.

The Chairman instructed that this should be investigated by Colonel BARTLETT and the Jugoslavs.

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215. IDENTITY CARDS

Three copies of the new identity cards to be issued in Zone B, colours red, green and white, were submitted by the Jugoslavs. Lt.Col. [illegible] stated that these were to be issued in accordance with the agreement and that the reason for the different colours was that one colour was to be for citizens of Italian nationality, another for citizens of Venezia Giulia and another for citizens of Jugoslav nationality.

It was requested that further copies should be forwarded for distribution to interested Departments in Zone A.

216. DATE OF NEXT MEETINGS.

It was agreed that the next meetings should be held as follow

Industry & Services and Fuel & Power Sub-Committee	:	25 MARCH 1946, 0930 hrs.
Finance Sub-Committee	:	26 MARCH 1946, 0930 hrs.
Joint Economic Committee	:	29 MARCH 1946, 0930 hrs.

J.H. JONES,
Major, RAOC,
Secretary,
Joint Economic Committee.

JHJ/JWW

Declassified E.O. 12356 Section 3.3/NND No. 785016

TRANSLATION

APPENDIX A

TO:- A.M.G.,
Secretariat of the Joint Economic Committee,
TRIESTE

I would like to inform you that, being very busy in my regular work, I am unable to attend the Joint Economic Committee conference on 2nd March 1946. Lt.Col. LEBIC, Mirko, will be my substitute in my functions of president of the Delegation of the Federative People's Republic Jugoslavia.

Please give the President of the Allied Delegation and all the other members of the Delegation my regards, and I wish them a successful future work with our Delegation under the guidance of Lt.Col. LEBIC Mirko for the best possible economic relations between the territory under Military Government of the Jugoslav Army and that under Allied Military Government until such time when the entire question will be justly solved for the benefit of the people in Zone A that is for the benefit of the Federative Peoples' Republic Jugoslavia.

DEATH TO FASCISM - LIBERTY TO THE PEOPLE.

Ljubljana, 28 Feb 46.

Dr. KOLA, Boro (signed)

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Declassified E.O. 12356 Section 3.3/NND No. 785016

TRANSLATION

APPENDIX B

Joint Economic Committee
Delegation of the
Federative People's Republic Jugoslavia.

REF : 16/46.

DATE : 25 Feb 46, Ljubljana.

TO : JEC Secretariat of the Joint Economic Committee,
TRIESTE

With reference to Minute 167 of the minutes of the Joint Economic Committee conference of 19th January 1946, we send you a list of ships which should be returned as they belong to the steam-shipping society "Fiumana" and other societies, and were registered in Zone B in the year 1939, i.e. before Italy came into the war.

1. "Moscenice" which is in Civitavecchia being used for communication with Sardinia.
2. "Risnjak" requisitioned by the Allied Navy in southern Italy.
3. "Pola", requisitioned by the Allies.
4. "Lusinio", requisitioned by the Allies.
5. "San Vito", requisitioned by the Allies.
6. "Abazia", requisitioned by the Allies, actually in Taranto.
7. "Lavrana", requisitioned by the Allies.
8. "Stemira", given to Greece by the Allies.
9. "Rossini", according to information it is in the Aegean sea.

DEATH TO FASCISM - LIBERTY TO THE PEOPLE.

President of the Delegation
Lt.Col.
LEKIC, Mitko (signed)

446~

Declassified E.O. 12356 Section 3.3/NND No. 785016

TRANSLATION

APPENDIX C

Military Government of the Jugoslav Army
for the Giulian Region, Istria, Fiume
and the Slovenian Littoral.
FINANCE DIVISION.

REF : 1500/F.

DATE : 1 March 46.

TO : A.M.G., FINANCE DIVISION, TRIESTE.

- - - - - - - - - - - - - - - - - - - -

We are receiving complaints and protests from various banks and crediting associations whose central banks are in Trieste and Pola, saying that when they ask for settlement of their claims at the central banks, the answer they get is that these central banks in Trieste and Pola would meet their obligations but for the written orders from AMG prohibiting them any payment for Zone B.

As this money belongs to inhabitants of Zone B and rest of it to business people, we request that you should issue an order to the c/c institutions to meet their obligations towards their branches in Zone B so that these could in turn meet obligations towards their customers.

We want to mention that such work considerably hinders the rehabilitation and normalization of economic life in Zone B which is granted by the "MORGAN JOVANOVIC" Agreement.

Would you, please, inform us about it.

We are sending you herewith a copy of your prohibiting order.

DEATH TO FASCISM - LIBERTY TO THE PEOPLE.

Chief
Lavro MRSIC (signed)

Encl: 1 letter.

4461

Declassified E.O. 12356 Section 3.3/NND No. 785016

TRANSLATION
FROM IT.LL.N

ENCLOSURE TO APPENDIX C.

AFHQ HEADQUARTERS
ALLIED MILITARY GOVERNMENT
TRIESTE.

Trieste, 4 Oct.45.

TO : Cassa di Risparmio di Trieste, Trieste.

FROM : Area Finance Officer TRIESTE.

SUBJECT : Transfer of funds to Zone B.

REF : F/20.

With reference to your letter dated 2 Oct 45, in which you ask us whether you may transfer to your correspondent institutes in Zone B of Venezia Giulia certain funds, we may first say that provisions normally in force in the territory of AMG temporarily permit such transfer. The delay a moment from public offices in Zone B is probably the result of erroneous interpretation of a recent AMG Order by which Credit Establishments with central offices in Trieste and branches in Zone B are exceptionally authorised to replace funds in limited quantities and for specified objects to their c/a branches.

Signed: Daniel T. Jenkins
1st Lt.,CMP
AFO - Trieste.

D.M./m.

4460

Declassified E.O. 12356 Section 3.3/NND No. 787016

TRANSLATION

APPENDIX D

Joint Economic Committee
Delegation of the People's
Federative Republic Jugoslavia.

No.1y/46.

Ljubljana, 25th Feb 1946.

TO: ..MG, Secretariat of the JEC, TRIESTE.

With reference to para. 164, in accordance with the note of the War Booty Committee it is our honour to submit a protest against the interpretation in connection with War booty.

It cannot otherwise be considered that War booty in the Italian region taken as a special booty, belonged to the Italian Government recognized by the Allies, but to be thus used directly for war purposes of the Italian forces which most actively collaborated with the Germans - according to information from the Ministry of Foreign Affairs of the Federative People's Republic Jugoslavia.

DEATH TO FASCISM - LIBERTY TO THE PEOPLE.

President of the Delegation
Dr. Kobe, Beno.

445.

Declassified E.O. 12356 Section 3.3/NND No. 787016

TRANSLATION

APPENDIX I

Joint Economic Committee
Delegation of the Federative People's
Republic Jugoslavia.

No.17/46.

Ljubljana, 25 Feb 46.

TO: U.N.O., Secretariat of the Joint Economic Committee,
TRIEST E

With reference to Minute 146 of the minutes of the Joint Economic Committee, we give you the following explanation :-

Since the moment when the Jugoslav Army entered into Trieste and other ports that are now either under Allied Government or under the Jugoslav Military Government, no change in registration of ships that were registered in these ports to other ports outside Zone A and B is permitted.

Any change of registration carried out since then should be proclaimed void as it is contrary to the agreement of 20th June 1945 between the Chief Allied Commander of the Mediterranean Theatre of Operations and the C-in-C of the Jugoslav Army (Appendix J, especially para 1/c).

DEATH TO FASCISM - LIBERTY TO THE PEOPLE.

President of the Delegation
Dr.Rob , Boso.

& 4452

Declassified E.O. 12356 Section 3.3/NND No. 785016

TRANSLATION

APPENDIX P

Joint Economic Committee
Delegation of the People's Federative
Republic Jugoslavia.

No. 16/46.

Ljubljana, 25th Feb 1946.

TO: ANG, Secretariat of the Joint Economic Committee,
TRIESTE

Referring to Minute 68 of the minutes of the Joint Economic Committee conference of 14th January, we give you the following explanation :-

According to the agreement dated 20th June 45 between the Supreme Allied Commander of the Mediterranean Theatre of Operations and the C-in-C of the Jugoslav Army, Appendix J, para 1/c - no shares or ownership of shipping or industry enterprises can be alienated during the time of the allied occupation and until the final settlement of all questions on the peace conference. According to this, transfer of shares should not be permitted by the Allied Authorities. All transactions carried out during the time of Allied occupation should be proclaimed void as they will not be recognised.

Would you please take all the measures necessary concerning this question.

DEATH TO FASCISM - LIBERTY TO THE PEOPLE.

President of the Delegation
Dr. Kobe, Bozc.

4457

Declassified E.O. 12356 Section 3.3/NND No. 785016

TRANSLATION

APPENDIX C

Military Government of the Jugoslav Army
for the Giulian Region, Istria, Fiume
and the Slovenian Littoral.

ECONOMIC DIVISION
Commerce & Supply Section.

REF : 2532/P.

DATE : 1st March 1946

TO : A.M.G., COMMERCE DIVISION, TRIESTE.

The captains of the ships "SAN GIOVANNI" and "SANTIAGO" that belong to the Society "UGENA", incorrectly charge the fare for transport of flour from Pola to Cerso.

The distance between Pola and Cerso is 32 nautical miles and according to tables issued by the society "UGENA" for transport of flour that comes into the 4th category (Table I), the tariff for 30 nautical miles amounts to 600.- Lira, for 40 nautical miles to 740.- Lira per ton, whilst these captains are charging us 862.- Lira per ton.

Therefore, if we take the distance of 40 nautical miles for reckoning, there is a difference of 122.- Lira per ton.

Would you please intervene with "UGENA" to conform with regulations in force and to return to us the incorrectly charged amount.

DEATH TO FASCISM - LIBERTY TO THE PEOPLE.

For the Chief of Economic Division
(signed)

4450

Declassified E.O. 12356 Section 3.3/NND No. 787516

DISTRIBUTION.

1.	G-3., AFHQ
2.	D/CAC., AFHQ
3/5	G-5., AFHQ
7	G-4., ETOUSA
8	Q (Maint)., GHQ., GMF
9	Lov & Th., AFHQ
10	US LOCLAD., AFHQ
11	PRSELI., AFHQ
12	Tn (Main)., RCLF
13	COC., 13 Corps
14/16	DA & Q.G., 13 Corp.
17	AQMG (Lov)., 13 Corps
18	Chief Commissioner., ALCCA
19	HQ., ALCCA
20/29	Economic Section., ALCCA
30	Industry & Utilities Sub-Commission., ALCCA (att. Chief, Electrical Div)
31	Industry & Utilities Sub-Commission, ALCCA (att. Coal Division)
32	Industry & Utilities Sub-Commission, ALCCA
33	Finance Sub-Commission, ALCCA
34	American Embassy, CASE
35	British Embassy, CASE
36	SCAC., AMG 13 Corps
37/38	D/SCAC., AMG 13 Corps
39	Economic Advisor, AMG 13 Corps
40	Public Relations Officer, AMG 13 Corps
41	Legal, AMG 13 Corps
42	Finance, AMG 13 Corps
43/44	Supplies., AMG 13 Corps
45	Transportation, AMG 13 Corps
46	Labour, AMG 13 Corps
47	Public Works, AMG 13 Corps
48/67	Yugoslav Delegation
68	Commerce, AMG 13 Corps
69	Col. C.H. LAUGHLIN, IGHH, Navy House, TRIESTE
70	Capt. EMMER., AMG 13 Corps
71	GSI (R)., Main 13 Corps
72/100	Spares

4455

Declassified E.O. 12356 Section 3.3/NND No. 785016

Economic Section
ALCOM
Rome

H/50.A/CA

COPY NO 26

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
XIII CORPS, TRIESTE, ITALY

1 March 1946

JOINT ECONOMIC COMMITTEE - AGENDA

The eleventh meeting of the Joint Economic Committee (per agreement of 20th June 1945 between the Supreme Allied Commander Mediterranean Theatre of Operations and the Supreme Commander of the Jugoslav Army), will be held at 0930 hrs on SATURDAY, 2 March 1946, in the Main Conference Room, No.68, HQ. AMG, 13 Corps, TRIESTE, to consider the following AGENDA :-

1. Minutes of the tenth meeting held on 19 January 1946.

2. To consider the minutes of the meetings of the following Sub-Committees:-

   a) Industry & Commerce and Fuel & Power Sub-Committee meeting of 27 February 1946 (Appendix A)

   b) Finance Sub-Committee meeting of 28 February 1946. (See Appendix B).

3. Any other business.

4. To set a date for the next meeting.

J. R. SNOWDEN 4454
Major, DLGiG
Secretary
Joint Economic Committee

JRS/HLC

Declassified E.O. 12356 Section 3.3/NND No. 785016

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1. Minutes of the tenth meeting held on 19 January 1946.

2. To consider the minutes of the meetings of the following Sub-Committees:-

   a) Industry & Commerce and Fuel & Power Sub-Committee meeting of 27 February 1946 (Appendix A)

   b) Finance Sub-Committee meeting of 28 February 1946. (See Appendix B).

3. Any other business.

4. To set a date for the next meeting.

J. R. SNOWDEN 4454
Major, D.C.L.I.
Secretary
Joint Economic Committee

JRS/HLC

Attachments:

Appendices "A" and "B"

Declassified E.O. 12356 Section 3.3/NND No. 785016

APPENDIX A

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
XIII CORPS, TRIESTE, ITALY

27 February 1946

MINUTES

INDUSTRY & COMMERCE SUB-COMMITTEE and the
[illegible] SUB-COMMITTEE

106. The tenth meeting of the Industry & Commerce Sub-Committee was held at 1430 hours on WEDNESDAY, 27 FEBRUARY 1946, in the Economic Section, HQ AMG 13 Corps, TRIESTE. The Fuel & Power Sub-Committee was incorporated.

PRESENT:

Chairman

Lt.Col. D.S. BICKERSTETH
AMG 13 Corps.

Members

Major. K. COOPER,
Economics,
AMG 13 Corps.

Major J.D. FODEN,
Ind & Utilities,
AMG 13 Corps.

Capt. D. HRZENJAK
Ing. SLOSEK, D.
Ing. KOVACIC, M.
Ing. DOLGAN, M.
Maj JANCIGAJ, M.

In Attendance.

Lt.Col. C.A.V. STEPHENS, Commerce.
Major BELLAMY, G-II, 55 Area.

107. TRANSIT OF GOODS THROUGH ZONE A.

Ing. KOVACIC again raised the question of the difficulties experienced, in the transit of goods through Zone A, by the Jugoslav authorities. She stated that it had been hoped that these difficulties would have been eased, but instead trade was steadily becoming more difficult.

Lt.Col. BICKERSTETH replied that many deals taking place at the present time had given the appearance of irregular transactions, and on each occasion it had been necessary to undertake investigations to ensure that the deals were regularised. Any deal that was in order and which had been recognised by the Jugoslav and Italian authorities would be helped in every way.

Ing. KOVACIC requested that the exact policy of AMG to trade and to the methods to be adopted, in clearing goods through Zone A and in trading between countries, should be clearly stated.

Lt.Col. BICKERSTETH replied that he would ask Lt.Col. STEPHENS 1455
to write to CENTROCOM giving details of the routine to be adopted in all transactions affecting Zone A and Italy.

Lt.Col. STEPHENS explained that Italy would be recommencing controls on foreign trade and it would be necessary to have import and export licences, and that goods from Zone A and Zone B imported into Italy would require a certificate of origin, and [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 785016

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PRESENT:

Chairman

Lt.Col. D.S. BICKERSTETH
MG 13 Corps.

Members

Major. K. COOPER,
Economics,
MG 13 Corps.

Major J.L. FODEN,
Ind & Utilities,
MG 13 Corps.

Capt. D. HRTENJAK
Ing. SLOSAR, D.
Ing. KOVACIC, M.
Ing. DOLGAN, M.
Maj JANCIGAJ, M.

In Attendance.

Lt.Col. C.A.V. STEPHENS, Commerce.
Major BELLAMY, G-II, 55 Area.

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Ing. KOVACIC requested that the exact policy of MG to trade and to the methods to be adopted, in clearing goods through Zone A and in trading between countries, should be clearly stated.

Lt.Col. BICKERSTETH replied that he would ask Lt.Col. STEPHENS to write to CENTROPROM giving details of the routine to be adopted in all transactions affecting Zone A and Italy. 455

Lt.Col. STEPHENS explained that Italy would be recommencing controls on foreign trade and it would be necessary to have import and export licences, and that goods from Zone A and Zone B imported into Italy would require a certificate of origin, and goods desired from Italy by Zones A and B would require a permit to export from the Chamber of Commerce of the place concerned and goods for Jugoslavia or elsewhere the export licence of the Italian Government. It was only desired that MG should control and ensure that only regular trade took place in Zone A and in consequence it had been necessary to introduce a system of transit, import or export permits in all movement of goods through, into, or out of this zone. In cases of the export of goods from Zone B to Italy, it would be necessary to have an authorisation from the Italian Chamber of Commerce of the place concerned, a certificate of origin from zone B with a stamp authorising the sale by the Jugoslav Authorities, before a transit licence could be issued.

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Lt.Col. BICKERSTETH pointed out that the reason for controls was so that materials imported to Zones A and B were not re-exported to any other country and to ensure that export trade was of solely indigenous supplies.

108. CONTROL OF GOODS ON THE MORGAN LINE

Lt.Col. BICKERSTETH stated he wished to inform the Jugoslavs officially that AMG was preparing to establish controls on the movement of goods over the Morgan Line.

109. ARSA COAL

Captain HRZENJAK asked for what reason the sale of coal dust to Zone A had been refused.

Lt.Col. BICKERSTETH replied that this coal had been run into small creeks up the coast at night and that this did not seem to be a regular way of doing business. It created the very worst imaginable impression on the Allied Authorities in UDINE and Zone A, and if coal was for sale it should be offered openly. The coal situation was very bad indeed and there was a dire need in the Mediterranean theatre for as much coal as possible, large quantities were having to be diverted for this purpose, which was creating much inconvenience to industry generally. The Anglo-American representatives were willing to negotiate the whole question of ARSA coal when the Jugoslavs were prepared to discuss the matter.

Capt. HRZENJAK pointed out that trust in such matters was essential and several things had created a bad impression amongst Jugoslav officials; for example, the statement by an Allied officer that the import of wood would have to be discontinued because the profits made were being used for propoganda purposes. It was desired to point out that Zone B was the worst damaged part of VENEZIA GIULIA by the war and that this money was needed for rehabilitation, furthermore Jugoslavia was at present only exporting to Zone B those goods most needed by the population.

110. SALVAGE AND REPAIR OF SHIPS

Lt.Col. BICKERSTETH raised the question of the salvage and repair of ships which had been subject to War Booty claims and asked if a reply could be given to his request that the Jugoslavs should agree to make a reimbursement for the work undertaken if the ships at a later date should be awarded to them. (see minute 164 of the Joint Economic Committee of 19 JUNE 46). It was agreed that this was a matter for the Finance Sub-Committee.

111. SHIPPING

It was agreed that all matters relating to shipping should be discussed at the main Committee, and the Jugoslavs propose a special meeting to deal with shipping between main Committee meetings.

The points raised for discussion were:

4452

a) Shipping removed from Zone A during the Jugoslav occupation. (see Minute 164 of Joint Economic Committee meeting 19 JUNE 46).

b) THE RELEASE OF THE SAN GIORGIO Z. which was placed on

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goods over the Morgan Line.

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The points raised for discussion were:

4452

a) Shipping removed from Zone A during the Jugoslav occupation. (see Minute 164 of Joint Economic Committee meeting 19 JAN 46).

b) THE RELEASE OF THE SAN GIORGIO 2. which was placed on the slips ostensibly for repairs in March 1945 at Rovigno, but which in fact was placed there to prevent her use by the Germans and is still on the slips awaiting release by the Jugoslav authorities so that it may be towed to Trieste for completion.

c) THE RELEASE OF THE PICCOLA MERINA a motor fishing vessel owned by Mr. Pietro Dorigo who desired to bring the vessel to Trieste, its port of registry, but was refused by the Harbour Master at Pirano, on instructions from the Jugoslav Maritime Authorities who wished to use the ship for trade in the gulf of Fiume.

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a) RELEASE OF THE MOTOR TRAWLER OSTRO which was on a voyage from Jablanica (Dalmatia) to Trieste and due to damage to her engines, took shelter at Fiume. Special engineers were sent to Fiume by the firm of Ansaldo from Trieste, to undertake repairs, but when she was ready to sail the Harbour-Master at Fiume informed the owner through a shipping agent by the name of "Lotis" that the ship would be held as War Booty, pending a decision on the question of reparations by Italy. This vessel was built in Toscan Italy in 1920 at Forte dei Marmi, and the present owner, Mr. Rocco, bought and renamed the vessel Ostro, port of registry, Trieste, in October 1941.

112. RELEASE OF MACHINERY FROM ILVA.

Lt.Col.BICKERSTETH stated that he wished to inform the Jugoslav Authorities that the Anglo-American members of the Committee had been instructed by AFHQ, that the 78 machines, to be used for the construction of a cement plant, could be released from ILVA as they were not effected by Appendix I of the Morgan-Jovanovic agreement.

Capt. HRZENJAK asked that this could be brought up at the main Committee as it was a one-sided decision and the Jugoslav members of the Committee could not agree to this principle.

Lt.Col. BICKERSTETH pointed out that this was a final ruling and if the Jugoslavs were dissatisfied he suggested that it should be taken up through diplomatic channels.

113. THE RADIO TRANSMITTER AT GORIZIA.

Lt.Col. BICKERSTETH stated that concerning the letter submitted by the Jugoslavs on a radio transmitter, which was impounded at GORIZIA, the matter had been taken up on a higher level, and a reply was awaited.

Capt. HRZENJAK asked if this could be expedited and a satisfactory answer given.

Lt.Col. BICKERSTETH replied that no guarantee of any sort could be given.

114. BUS SERVICES AND CIVILIAN CONVOY

Lt.Col. BICKERSTETH asked if the Jugoslavs had any reply on the question of permission to operate the bus services and civilian convoy which had been previously brought up at the Joint Economic Committee and in a letter from the Secretary of 12 Feb 46. This concerned :

a) Gorizia - Postumia Service (which was ready to operate)

b) Two bus Services Trieste - Pola (already operating)

c) Civilian convoy between Trieste and Pola.

4451

Capt. HRZENJAK replied that he understood a letter in reply had been dispatched on this matter, but they did not know the answer.

Lt.Col. BICKERSTETH replied that as this had not been received and the question had been outstanding for a long time, could the Jugoslavs

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Lt.Col. BICKERSTETH replied that as this had not been received and the question had been outstanding for a long time, could the Jugoslavs ensure that the Committee had a reply to this question at the main meeting.

115. DESTROYER SEBENICO/BOGRAD

Lt.Col. BICKERSTETH stated that a letter on this ship had been dispatched to the Jugoslavs on the 9th February asking that if the salvage and sale of this ship to defray expenses of salvage by AMG was not agreed by the Jugoslavs notification should be given by 16 Feb 46.
As no notification had been received it was proposed to carry on with the salvage as the ship was lying in the way of shipping.
Capt. HRZENJAK replied that the Jugoslavs did not agree to this proposal and the letter from the Secretary had not been received.

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Lt.Col. BICKERSTETH asked for an immediate answer, as the ship was not worth salvaging except as scrap, and the Jugoslavs had instruct Tripcovich to discontinue salvage operations, and it was necessary that it should be removed.

116. PRICES CHARGED BY UIVOD

Lt.Col. BICKERSTETH drew attention to the fact that prices of goods purchased from Zone B were considerably higher than for the same good sold in Zone B to residents, could an explanation please be given on this matter, as it is necessary for trading that prices should be equitable.

Capt. HRZENJAK replied they did not know of this matter as trade was free and no control was exercised over the prices charged by private concerns; a small export charge was made but this should in no way affect the price.

Lt.Col. BICKERSTETH pointed out that civilians in Zone B were buying timber more cheaply than the price paid through UIVOD by AMG.

117. DISTILLATION OF TAR

The Jugoslavs were asked if they were prepared to undertake a business deal for the distillation of 50 tons of tar situated at ROVIGNO Gas Works by the distilleries in Trieste. It was pointed out that this was to create work in the local distilleries.

The Jugoslavs replied that they would give an answer to this question.

118. THE CONSORZIO PER LA BONIFICA DELL'ISTRIA

It was requested that the Jugoslavs should provide on loan the documents concerning the Consorzio per la Bonifica dell'Istria, which was being liquidated, so that outstanding credits could be ascertained. Lt.Col. BICKERSTETH promised to submit the request in writing.

119. RELEASE OF BUSES

AMG had been requested by the Jugoslav Military Government to release a bus situated at Scoile (No.FM 3984) to the owners in Fiume. It was felt that as the Jugoslavs were at present holding two buses, two trucks and a trailer, which belonged to INT, some form of exchange could be arranged. The details of these buses are as follows:-

Autobus	Isotta Fraschini	D/120	targa	TS	14252	motore 5002	tel 5002
"	Fiat	635	"	TS	8783	" 002817	" 000072
Autocarro	OM	5 BLD	"	TS	8794	" 0660	" 0318
"	"		"	TS	8795	" 0118	" 0118
Rimorchio	Bartoletti		"	TS	464		" 745

120. FLOUR MILL AT POLA.

Lt.Col. BICKERSTETH stated that the flour mill at POLA which had been milling UNRRA grain had not so far been paid and the debt now amounted to two million lire.

Capt. HRZENJAK replied that he understood that this had now been settled and that an exchange for timber had taken place.

Lt.Col. BICKERSTETH replied that if this arrangement was not satisfactory it could be brought up between meetings.

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" Fiat 635	"	TS	8783	"	002817	"	000072
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" "	"	TS	8795	"	0118	"	0118
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Lt.Col. BICKERSTETH replied that if this arrangement was not satisfactory it could be brought up between meetings.

121. TRANSPORT OF FLOUR POLA-CARSO

Ing. SIKOSEK said that UGIA were charging 120 lire a ton too much according to published rates in transporting flour on the POLA-CARSO route.

Lt.Col. BICKERSTETH asked for details and the actual documents in any specific case where they have been charged.

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122. TRANSPORT OF CATTLE & GOODS

Ing. KOVACIC drew Lt.Col. BICKERSTETH's attention to the fact that authority had not so far been given to the transport of cattle through Zone A as had been requested in Minute 104 of the Sub-Committee meeting of 16 Jan.

Lt.Col. BICKERSTETH replied that the matter had been passed to Public Health Division and Agriculture for action and he would investigate the reason for the delay.

123. FUEL & POWER SUB-COMMITTEE

Major FODEN stated that there was no business to be discussed.

J.R. SNOWDEN,
Major, DAQMG,
Secretary,
Joint Economic Committee.

JRS/LVT

4.4.20

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APPENDIX "B"

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
XIII CORPS, TRIESTE

JOINT ECONOMIC COMMITTEE
FINANCE SUB-COMMITTEE - MINUTES.

28 February 1946

37. The fifth meeting of the Finance Sub-Committee was held at 0930 hours on the 28th February 1946 in the Finance Division, HQ AMG, 13 Corps, TRIESTE.

Chairman

Lt.Col. N.T. BEARD
CFO., AMG XIII Corps

Members

Ing. KOVACIC, M. - Jugoslavia
Mr. BERLIC, S. - Jugoslavia
Mr. URSICIC, F. - Jugoslavia
Capt. HRZENJAK - Jugoslavia

In attendance

Major BELLAMY, G-II 55 Area

38. APPOINTMENT OF COMMISSARS.

Lt.Col. BEARD asked if Commissars had been appointed to all private undertakings in Zone B, if so had they taken over management and were undertakings in Zone B, whose owners and registered offices were in Zone A, being subjected to the same control.

Capt. HRZENJAK replied that he did not feel that this was a suitable question for the Finance Sub-Committee as each military Government was responsible to operate its own policy to the best of its ability.

It was agreed that this question should be raised at the main meeting.

39. OPERATION OF BANKS IN ZONE B.

Lt.Col. BEARD asked if private banks were permitted to operate in Zone B, and if they were not operating was this because they had insufficient currency.

Capt. HRZENJAK replied that banks in Zone B were functioning freely, some banks were having difficulty regarding currency as they had sent their money to their central banks outside Zone B before the liberation but it was felt that when the problem of the indebtedness of the central banks to their branches was solved this question could be answered, but if the same system was adopted as had been used by Cassa di Risparmio, Fiume, the currency shortage could also be settled in this way. The method used by the Cassa di Risparmio had been to sell the assets in foreign banks to concerns who were in possession of currency in Zone B. These assets had come into the hands of the Cassa di Risparmio when clients in Zone B transferred their accounts to the Cassa di Risparmio. The amount

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Lt.Col. BEARD asked if other banks used the same methods would there be sufficient money in private hands to meet their needs.

Capt. HRZENJAK replied that there were not thousands of people in Zone B who had money and further asked the reason for the interest in this matter.

Lt.Col. BEARD replied that Allied Commission wanted advice on the situation so that they would be in a position to advise the Italian Government in reply to Dr. KOBE's letter on the question concerning the liabilities of banks in Zone B.

It was agreed that this question would be raised at the main conference.

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40. MONOPOLY STAMPS.

In reply to the request of Lt.Col. BEARD that the Italian monopoly stamps which had been withdrawn from use in Zone B should be returned to AMG., it was stated that these stamps had been withdrawn from use and would not be used.

41. THE QUESTION OF THE CANCELLED DINAR NOTES.

Capt. HRZENJAK requested that the reason for the request of the return of the cancelled Dinar notes to the head office of the Banca d'Itali Fiume should be submitted to the Jugoslav Military Government by letter so that an answer could be given to the request.

42. FINANCIAL LIABILITY OF THE JUGOSLAVS IN ZONE A.

Lt.Col. BEARD stated that there were considerable sums due by the Jugoslav Authorities to concerns in Zone A. This matter had been under consideration by the Jugoslav Authorities for at least four months, could they make a statement on this matter.

Capt. HRZENJAK replied that Jugoslavia can meet these debts and will do so.

Lt.Col. BEARD asked when this would take place, as private firms could not maintain the sums owing to them much longer. As an example, Magazine Generale was a creditor to the extent of approximately 20 million lire for the unloading of UNRRA goods and they could not possibly continue to unload ships if they were not paid.

Capt. HRZENJAK replied that they were doing their utmost to meet these obligations including those through AMG and he understood that a way had been found to pay for the off-loading of UNRRA supplies. He also felt that AMG could probably help in the meeting of regular liabilities if they assisted in getting debts, owed by Italy and from outside zone B, paid. He pointed out that many of the debts were originally incurred in recommencing industry and in alleviating unemployment when this area was first liberated, and most of the debts in consequence are other than normal commercial debts.

Lt.Col. BEARD stated that there were three types of debts outstanding:-

a) Debts incurred to create employment.
b) " " since the Anglo-American Army had been in occupation
c) " " continually.

How was it intended to pay the debts continually incurred? It seemed obvious that the best way of meeting these obligations was to sell surplus Jugoslav products which could be offered to merchants in Zone A.

Capt. HRZENJAK stated that he considered he had answered the question sufficiently by answering that the Jugoslav Authorities would pay their debts.

It was agreed to raise the question again at the main meeting.

43. DEBTS OWED TO CANTIERI BY THE JUGOSLAV AUTHORITIES

Lt.Col. BEARD stated that several hundred million lire was due to the Cantieri by the Jugoslav Authorities and that a list of materials, which the Cantieri would accept in part quittance of these debts, had been submitt to the Jugoslavs. Would the Jugoslavs be prepared to agree to the supplying

Declassified E.O. 12356 Section 3.3/NND No. 785016

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In reply it was stated that the Jugoslavs had nothing against this arrangement and that when this proposition had been received it was passed to the competent authorities for examination.

Lt.Col. BEARD requested that this matter should be settled as soon as possible, in reply to which Capt. HRZENJAK stressed that was in their interests also to clear up debts in this territory.

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44. RETURN OF BANK EMPLOYEES

Lt.Col. BEARD raised two questions:

a) concerning 5 Bank employees removed from Zone A in May 45.
b) Low Chief Cashier of the Bank of Italy, ZARA.

He asked whether it would be possible to return these individuals as their services were required in the former instance in Trieste, and in the second instance in Rome. In reply to Lt.Col. BEARD stated that he had no knowledge of their political background or whether they were desirable people and that he felt confident that the Jugoslavs were the best judges of this point.

Capt. HEINRICH replied that the political views of these people had not been examined, but suggested that the best method of dealing with the question was through diplomatic channels.

45. CLOSING OF THE NATIONAL MATERNITY AND CHILDHOOD ORGANISATION IN ZONE B

Lt.Col. BEARD asked if there was any information concerning the dissolving of the National Maternity and Childhood Organisation in Zone B, and whether it was the policy of the Jugoslavs to dissolve all Italian social organisations.

Capt. HEINRICH replied that he did not consider this was a suitable question for the Finance Sub-Committee, and that in any case the position in Zones A and B was not the business of the Italian Government. Furthermore any questions of this nature should be taken up through diplomatic channels, and only questions raised by Allied Commission or AFHQ could be considered.

Lt.Col. BEARD replied that no questions were received direct from the Italian Government and that in all cases questions of Italian Government origin were passed to him by AC or AFHQ, who themselves reques an answer.

It was agreed that this question should be discussed at the main Committee.

4440

J.R. SNOWDEN,
Major, DAQMG,
Secretary,
Joint Economic Committee.

JRS/LVW

Declassified E.O. 12356 Section 3.3/NND No. 785016

Economic Section
AFCOM
ROME

COPY NO. 26

(05)1.47

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT,
XIII CORPS, TRIESTE, ITALY.

3 May 1946.

V

MINUTES

17 MAG. 1946

252. The thirteenth meeting of the Joint Economic Committee was held at 10.00 hours, on 3 MAY 1946, in the Main Conference Room at HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman

Brigadier G.E.R. BASTIN, OBE,
Brigadier i/c Admin, Rear 13 Corps.

Members

Colonel C.F. BARNETT,
DD.TN., TRIESTE.

Lt.Col. N.T. BEARD,
C.F.O., AMG 13 Corps.

Lt.Col. A.J. MILMAN,
"Q" (Movements),
Rear 13 Corps.

Major K. COOPER,
Economics Division,
HQ AMG 13 Corps.

Major J.E. FODEN,
Industry & Utilities,
HQ AMG 13 Corps.

Lt.Col. LENAC, M,
Chief of Jugoslav Delegation.

Ing. KOVACIC, M,
Industry, Jugoslavia.

Ing. SIKOSEK, D,
Electricity, Jugoslavia.

Mr. URSICIC, P,
Finance, Jugoslavia.

Mr. BARISIC, M,
Commerce, Jugoslavia.

Major BJELIS, S,
Transportation, Jugoslavia.

In attendance

Lt.Col. C.A.W. STEPHENS,
Chief Commerce Officer,
HQ AMG 13 Corps.

Lieut. I. McL'ORP, RNVR,
SO. I.

Lieut. N.J. LISTER
Economics, HQ AMG 13 Corps.

ALLIED COMMISSION SECTION 1838 HEADQUARTERS

253. BRITISH OWNED PROPERTY IN ZONE B.

Lt.Col. BEARD said that a second written request had been sent to the Jugoslavs asking if a representative of the Company might visit the property. 4445

The Jugoslavs acknowledged having received the letter.

254. PRIVATE UNDERTAKINGS IN ZONE B.

With reference to Minute 248 of the twelfth meeting of the

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PRESENT:

Chairman

Brigadier G.E.R. BASTIN, CBE,
Brigadier i/c Admin. Rear 13 Corps.

Members

Colonel C.H. BARNETT,
DD.TN., TRIESTE.

Lt.Col. N.T. REED,
C.F.O., AMG 13 Corps.

Lt.Col. A.J. MILMAN,
"Q" (Movements),
Rear 13 Corps.

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ALLIED COMMISSION
1838
HEADQ. ARTENE

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The Jugoslavs acknowledged having received the letter.

254. PRIVATE UNDERTAKINGS IN ZONE B.

With reference to Minute 248 of the twelfth meeting of the Joint Economic Committee, Lt.Col. LENAC said that the minutes should be altered to read 'temporary administrators had been appointed by the peoples' authorities (not the peoples' party) and that such administrators had not been appointed to all undertakings but only to those businesses whose owners were absent.

255. DEBTS.

Referring to the fourth paragraph of Minute 250 of the twelfth meeting of the Joint Economic Committee, Lt.Col. LENAC said that the "blocking of money abroad" should read 'blocking of money in Zone A and Italy'.

Lt.Col. BEARD said he had no objection to this amendment.

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256. MINUTES OF THE FINANCE SUB-COMMITTEE.

The minutes of the seventh meeting of the Finance Sub-Committee were received.

257. EXCHANGE OF CURRENCY OF RAILWAY EMPLOYEES LEAVING ZONE B.

Mr. URSICIC said this question will be dealt with after the Exchange Clearing Agreement has been signed.

Lt.Col. BEARD said he would have a translation made of the Jugoslav text of the Agreement and it could come into force on the 15 MAY. He would fix an early date for the signing.

258. CANCELLED DINARS.

In reply to the Jugoslav enquiry as to why the Bank of Italy required these cancelled dinars, Lt.Col. BEARD said he would find out and let them know.

259. DOCUMENTS BELONGING TO UFFICIO CATASTO FONDIARIO.

In reply to Lt.Col. BEARD, Lt.Col. LENAC said they were making enquiries at AIDUSSINA and they will send a reply as soon as possible.

260. DOCUMENTS HELD IN ZONE A.

Lt.Col. LENAC said that some valuable papers and documents belonging to the IDRIA and KOPAR districts are held by the Cassa di Risparmio in GORIZIA and he asked if the Jugoslavs could be given these documents.

Lt.Col. BEARD asked for details and said he would speak to the Cassa di Risparmio.

Lt.Col. LENAC said he would hand over a list before the next meeting.

261. ELECTRICAL EQUIPMENT AT OPICINA.

Colonel BARNETT enquired if confirmation could now be given that a damaged 2,000 KW Rectifier may be removed from REDIPUGLIA with a view to it's being repaired and put to use in Italy where it is urgently required.

Ing. SIKOSEK said they had already put forward a request for the removal of three generators and one transformer from OPICINA and they were informed that this question had been raised with the Co-ordinating Committee and that only one transformer was in question. He asked if further information could be given.

Colonel BARNETT said he was not discussing OPICINA; he was simply asking for the removal of a Rectifier from REDIPUGLIA.

The Jugoslavs said they agreed to it being removed providing it is returned.

Colonel BARNETT suggested it could either be returned, or compensation paid. 4444

Lt.Col. LENAC said it should be returned when the final settlement is made and the Chairman asked the Jugoslavs if they would agree either to it's being returned or suitable compensation being paid instead.

Lt.Col. LENAC said he understood the need for the rectifier but the question whether it would be returned or compensation paid is a matter for agreement at the final settlement.

The Chairman said he understood the Rectifier was out of

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Lt.Col. LENAC said he understood the need for the rectifier but the question whether it would be returned or compensation paid is a matter for agreement at the final settlement.

The Chairman said he understood the Rectifier was out of order at present, but we would move it and make a suitable record of this fact.

Lt.Col. LENAC referred to the opening paragraph of Minute 239 of the twelfth meeting of the Joint Economic Committee. It has been proved that the Railway Co-ordinating Committee had refused authority for the removal of the generators and transformer and, therefore, the permission of the Jugoslav Delegation was withdrawn.

Col. BARNETT said a request had been received from ROME for the removal of a synchronous motor from OPICINA to RIFREDI in Italy. The movement was requested because without this motor it is difficult and dangerous to pass heavy voltage currents towards different parts of Italy and this affects the general power supply and both Zone A and Zone B suffer.

This request ...../

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This request was referred verbally to the Railway Co-ordinating Committee, and on the understanding that the Jugoslavs had agreed, the movement was begun and was in process when the Railway Co-ordinating Committee said they did not agree. The position now is that all movement has been stopped and the matter has been referred to AFHQ who are taking it up with Jugoslav higher authorities with a view to settlement.

Lt.Col. LENAC said the Jugoslavs had raised the question in order to state that the transaction had been carried out in an irregular manner. According to the Morgan-Jovanovic Agreement, the Joint Economic Committee should have dealt with the matter.

The Chairman said that all further work is being held up pending a decision and that no further movement will take place without consulting the Jugoslavs.

The Jugoslavs remarked that one synchronous motor would not occupy six railway wagons, and Colonel BARNETT stated there must be some misunderstanding as a synchronous motor and its equipment would easily occupy six wagons.

Lt.Col. LENAC said it was not necessary to prove how many wagons would be needed to transport the equipment. Ing. SIKOSEK can give the numbers of the machines exported and this will assist us to understand each other better.

Ing. SIKOSEK then handed over a list showing particulars of the machines which had been moved.

262. MOVEMENT OF DISPLACED PERSONS FROM ZONE B TO ZONE A.

The Chairman said that, at present, only authorised Displaced Persons are allowed to enter Zone A, but that some unauthorised persons are arriving on trains. Obviously we must control the movement of unauthorised Displaced Persons but the difficulty lies in moving the unauthorised persons from the train and holding them under guard until they can return to Zone B. On many occasions these people have objected to being returned to Zone B and force has had to be used. It has been suggested that, in the case of a coach arriving with unauthorised persons on board, it should be detached and connected to the next train going to Zone B. This will cause a certain amount of hardship to bona-fide travellers. The difficulty could be overcome if all passengers' credentials could be checked before leaving Zone B.

Lt.Col. LENAC remarked that the Anglo-American side referred to these people as "Displaced Persons", whereas the Jugoslavs considered them to be black market operators, or escapees who leave Zone B because of a bad conscience. He considered they should be prosecuted by courts in Zone A, and he added that trains are not the only means of entry used by them.

The Chairman said that such persons were not wanted in Zone A and he suggested that if they were wanted by the Jugoslavs for black market activities or other offences, they should be tried in Zone B.

Lt.Col. LENAC enquired if the Allies were prepared to return wanted persons to Zone B. He said the question should be solved in the interests of justice, and where concrete proof was available he could furnish particulars.

Brigadier BARLIN emphasised that the Allies were simply trying to find a method of controlling the entry of unwanted people into Zone A, and they wanted to avoid having to use force to do so.

Lt.Col. LENAC said he was against the return of whole coaches because such action would be very unfair to duly authorised passengers. The Jugoslavs were checking trains to the best of their ability, but he thought the best deterrent would be to return all unauthorised persons who had already entered Zone A.

The Chairman agreed that turning back coaches would cause hardship to bona-fide travellers, and he suggested that passengers should be checked in the carriages before leaving Zone B.

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The Chairman agreed that turning back coaches would cause hardship to bona-fide travellers, and he suggested that passengers should be checked in the carriages before leaving Zone B.

Lt.Col. LENAC repeated that if the Allies would return wanted persons who had already reached Zone A, such action would produce a strong moral effect. Failing this, he asked whether they might be prosecuted by Allied courts on evidence supplied by the Jugoslavs.

The Chairman replied it was beyond his competence to decide what steps should be taken against people who have already crossed into Zone A, but he would refer the question to 13 Corps. Meanwhile it might be necessary to turn coaches back to Zone B if large numbers of unauthorised persons are found attempting to cross the boundary line.

Lt.Col. LENAC again protested against the hardship this action would cause to authorised travellers, and in reply the Chairman pointed out that if the Allied authorities attempted to sort out the passengers, the use of force would be needed, and this was the difficulty.

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262. (Cont'd).

Mr. BARISIC said that criminals are entering Zone A and they would claim they left Zone B because they did not agree with the Government or were being persecuted. There should be some way to put these people in prison and hold them for trial.

Brigadier BASTIN said he would take this point up with 13 Corps.

263. INDUSTRY & COMMERCE - DEPARTMENT OF DISCUSSIONS.

Referring to Minute 219 of the twelfth meeting of the Joint Economic Committee, Lt.Col. LENAC said that lines 2 and 3 should read "The Jugoslav Delegates had not been allowed by the guards to enter the building and therefore the meeting was put back".

The Chairman gave instructions for the minute to be altered.

264. MOVEMENT WITHIN 1 KM. OF THE MORGAN LINE.

Ing. KOVACIC referred to Minute 226 of the twelfth meeting of the Joint Economic Committee and said the minute was not clear. She did say they were giving the permission, and this would be discussed together with the question of import and export licences.

Major COOPER said he was satisfied with this amendment.

265. MACHINERY EXPORTED FROM THE COTTON MILL AT PODGORA.

Lt.Col. LENAC said that para 5, line 2 of Minute 228 should read "but if control on the Italian - Zone A Frontier is carried out, it would prevent removals". Agreed.

266. CONTROL OF GOODS CROSSING THE MORGAN LINE.

Referring to the last three lines of Minute 235, Lt.Col.LENAC said the wording gave the impression that the Jugoslavs had only agreed after the discussion that control was necessary. This was not correct, since they had agreed on this point right from the beginning.

267. THE MINUTES OF THE TWELFTH MEETING OF THE INDUSTRY & COMMERCE SUB-COMMITTEE.

The above Minutes were then received.

268. IDENTITY CARDS.

The Jugoslavs acknowledged, with thanks, the receipt of sets of specimen identity cards which they had requested.

269. BUSES OWNED BY GRATONI.

The Jugoslavs requested that Minute 153, line 3, be amended to read "If private speculators, such as Gratoni, will in future be permitted to hinder the transportation plan to the disadvantage of the people, this may provoke an economic crisis".

The Chairman directed the amendment to be made.

Major COOPER said the position is exactly as stated in the

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267. THE MINUTES OF THE TENTH MEETING OF THE INDUSTRY & COMMERCE SUB-COMMITTEE.

The above Minutes were then received.

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The Jugoslavs acknowledged, with thanks, the receipt of sets of specimen identity cards which they had requested.

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The Chairman directed the amendment to be made.

Major COOPER said the position is exactly as stated in the minutes. The owner of the buses came from Zone B to operate in VENICE. This is a private enterprise and it is not our policy to dictate to the owners of private transport.

Lt.Col. LENAC said that in all parts of the world, not only in Zones A and B, private individuals who wish to run a bus service must get concessions. Gratoni escaped with eight buses and other vehicles, and with goodwill on the part of AMG he could be forced to return.

Major COOPER replied that the question is one of private property and these buses are no different from any other commercial enterprise.

270...../

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270. MACHINERY EXPORTED FROM THE COTTON MILL AT PODGORA.

Major COOPER said he had made enquiries and had received an answer that three pieces of machinery went to ITALY, but were replaced by three newer and more modern machines to do the same work, with the object of increasing production. The mill is now operating more efficiently and has more modern machinery than before. He agreed that under the terms of the Morgan-Jovanovic Agreement machinery should not be moved from VENEZIA GIULIA, but nothing is said about bringing new machinery in. Therefore, he took the attitude that the Agreement had not been violated, since the old machinery had been replaced by the new.

The Jugoslavs asked for lists of the machines imported and those which had been removed, and a guarantee that the new machines replaced the old ones. They also requested details concerning which machines are replacing which.

Major COOPER agreed to forward all particulars.

271. FORESTRY OFFICE.

Major BJELIS referred to the minutes of a special forestry meeting held on 5 April 46 and said he would like some amendments to be made.

Lt.Col. LENAC said the Jugoslavs were grateful to Major COOPER for solving this matter as quickly as he did, and the only reason they asked for these amendments was because someone reading the minutes might believe the Jugoslavs wanted control in Zone A. The word "jointly" should be substituted for "Jugoslavs."

Major BJELIS said they agreed the answers given on the first two points but they had not received an answer to point 3.

Major COOPER replied he had not had an opportunity to check this but he would send a report when he had done so.

A copy of the amended minutes is attached (Appendix A).

272. RELEASE OF M/V ZVIR AND LABOR.

The Chairman said the Jugoslavs had promised to produce a letter from the Owners stating they wished these ships to be returned to Zone B ports, and he enquired whether this letter had been sent.

Lt.Col. LENAC said the Jugoslavs did not remember making such a promise, but this was unimportant. Any such statement from the Owners or Captains was not the decisive point. According to International Law and maritime customs no ship can leave the port of registration without permission from the harbour authorities. These ships cannot be considered as private property in the same sense as the GRATONI buses, and according to International Law they must return to the harbour where they are registered. The Allied Authorities should give permission for them to do so.

The Chairman then reviewed the circumstances and events (as recorded in the minutes of previous meetings) which led up to the present position, and he emphasised that both ships are now entirely free to sail anywhere they wished.

Lieut. McL'ORR, RNVR said that a ship can sail anywhere it wishes on the orders of the Owner or Master.

The Chairman said it appeared that these ships were partly owned by several individuals and he suggested a meeting between the people who owned shares in them to decide where they should go. E 4471

Lt.Col. BEARD asked to whom the ships belonged, and Lt.Col. LENAC replied that according to their information, FIUME HARBOUR, but they thought, to individuals, possibly displaced persons. The fact remained that they were registered in FIUME HARBOUR and no permission had been given

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Mr BARISIC said that according to maritime law, ships cannot alter their registration to a different port without permission from competent authorities. A ship is part of the country in which it is registered, it sails under the flag of that country and if the Owner wishes to change the nationality of the ship, he must do so through the competent authorities. Both the ZVIR and the LABOR are registered in FIUME and are a part of that territory, therefore they cannot register in another harbour without permission from the FIUME Authorities.

/.... If this law

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272. RELEASE OF M/V ZVIR AND LABOR (Cont'd)

If this law is violated the harbour authorities concerned can take legal action against the transgressors. In this case the FIUME port authorities were informed that these ships violated International Law still further, and therefore we propose that the Allies should find a better solution to the matter than legal action by the harbour authorities.

The Chairman said it would be better to bring the matter to court, and the legal owners to meet and decide what they want to do. He had no control over them.

Mr URSICIC. The information of the port authorities is that one of the ships changed it's name and registration without notifying anyone. It can therefore be classed as a pirate and the case brought to court.

In answer to questions by the Chairman and Lt.Col. BLAED, Mr BARISIC said the owner has the right to sail his ship wherever he pleased, but he cannot change the flag or port of registration without permission from the harbour authorities. The FIUME port authorities have information that the LABOR changed it's name to NUOVA STELLA and registered in VENICE. The onus to take action lay with these authorities, and he considered they would proclaim the ship rissing and take legal action in the event of unlawful change of registration.

At the request of Lt.Col.LENAC it was agreed to record in the minutes that "The Anglo-American Delegation suggests that the Owners should meet in order to decide what should be done with the ships. At the same time the Anglo-American Delegates do not consider they are empowered to take action to return the ships to their ports of registration."

273. CONTROL OF GOODS CROSSING THE MORGAN LINE.

Major COOPER said that steps have been taken to secure additional personnel to man the control posts and that everything possible is being done.

The Jugoslavs requested the matter to be speeded up as much as possible.

274. GOODS IN TRANSIT FROM ITALY.

Referring to a special meeting held on 1 April 46 (Appx B) Lt.Col. STEPHENS said a transit permit is issued on the basis of the certificate of origin issued by the Chambers of Commerce of ITALY. With reference to minute 1 of the meeting, it was agreed in future to use the term "certificate of origin," instead of "export licence."

Lt.Col. LENAC said the matter was clear in practice, but he thought the instructions differed from the General Order.

Major COOPER said he would issue amended instructions as an appendix to the minutes of the meeting.

275. IMPORT OF GOODS INTO ZONE A FROM ZONE B.

In reply to Ing. KOVACIC, Major COOPER said General Order No.45 could be amended to create a system of licensing food imports into Zone A, provided the Jugoslavs on their part are prepared to issue the necessary export licences.

Ing. KOVACIC said the Jugoslavs were already issuing such licences.

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The Jugoslavs requested the matter to be speeded up as much as possible.

274. GOODS IN TRANSIT FROM ITALY.

Referring to a special meeting held on 1 April 46 (Appx B) Lt.Col. STEPHENS said a transit permit is issued on the basis of the certificate of origin issued by the Chambers of Commerce of ITALY. With reference to minute 1 of the meeting, it was agreed in future to use the term "certificate of origin," instead of "export licence."

Lt.Col. LENAC said the matter was clear in practice, but he thought the instructions differed from the General Order.

Major COOPER said he would issue amended instructions as an appendix to the minutes of the meeting.

275. EXPORT OF GOODS INTO ZONE A FROM ZONE B.

In reply to Ing. KOVACIC, Major COOPER said General Order No.45 could be amended to create a system of licensing food imports into Zone A, provided the Jugoslavs on their part are prepared to issue the necessary export licences.

Ing. KOVACIC said the Jugoslavs were already issuing such licences.

276. ARSA COAL.

With reference to minute No.4 of the special meeting held on 1 April 46, Ing. KOVACIC said the Jugoslavs had never promised to supply a plan of the ARSA mine's production, and she requested that the minute be amended.

277. AMENDMENTS TO MINUTES.

At the Chairman's suggestion it was agreed in future that the amending of minutes should be carried out before the main meeting.

278. POSTAL FACILITIES FOR JUGOSLAVIA IN ZONE A.

Lt.Col. LENAC said he sent Mr. LENASSI to AMG with a note requesting the authorities to allow him to work in TRIESTE, in order to deal with the parcels which arrive by post for JUGOSLAVIA from AMERICA. As this is a huge task he should reside in TRIESTE.

The reasons for his presence are:-

1. When ships arrive with parcels, to study how many parcels have arrived and to act as liaison with the Institution of Special Purchases in TRIESTE.

2. To contact the Jugoslav Post Office about arrivals.

3. To settle all matters with the forwarding agents.

4. To inform the Jugoslav authorities about the number of parcels and by what means they are forwarded.

5. To intervene with the forwarding agencies regarding expenses.

6. To ensure that wagons carrying these parcels are sent with Red Cross wagons, which is less expensive than carriage in ordinary trains.

Lt.Col. LENAC added that the number of parcels arriving from AMERICA is increasing every day and he asked if the Allies would have any objection to Mr. LENASSI carrying out this work. He thought it easier to explain these particulars verbally than in writing. The Anglo-American Delegation sometimes comes to them with business which is not purely of an economic character.

The Chairman said that now the details are known, the Jugoslav Military Government should submit a written application to AMG for a representative to be allowed to safeguard their interests in the matter.

279. AUCTION OF WAR BOOTY IN POLA.

Lt.Col. LENAC said the Jugoslavs still maintained that this material should not have been sold because they still claim it as war booty. Even if the Allies stated it is not contained in their war booty lists, it still can be claimed as such, and lists of claims can still be sent in. The material cannot be sold, and it cannot be regarded as Anglo-American war booty.

The Chairman said the question was a matter for the War Booty Committee to examine, and this meeting was not the place to discuss it.

It had already been referred to the War Booty Committee.

280. ACT OF PIRACY AGAINST THE M/V SALPA.

Major COOPER enquired whether the responsible parties had been apprehended, and what action has been taken to prevent future occurrences of a similar nature.

Lt.Col. LENAC replied that when the Chairman had raised this matter at the last meeting he said the case had been referred to diplomatic levels. As a delegation the Jugoslavs were unable to take action, but they could give assurances that an enquiry is proceeding, and as soon as a statement is made the information will probably be passed back through

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Major COOPER asked if the registration book belonging to the seized motor car could be returned to the owner, and Lt.Col.LENAC said he would take the necessary steps, and he believed the book would soon be returned.

Major COOPER said the owner was claiming damages and he would pass a copy of the claim to the Jugoslavs after the meeting.

Lt.Col. LENAC promised to forward it to the proper quarters.

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281. ROMSA OIL REFINERY AT FIUME.

Major COOPER said we had asked the Jugoslav to ensure that the dismissed employees receive full legal compensation.

Lt.Col. LENAC said he considered this matter an internal affair of the Jugoslav Military Government, but they would make further investigations if desired. Since it was entirely a Zone B affair he thought it unnecessary to give the information; in the same way, similar information regarding workers in Zone A would not be required by him.

282. REMOVAL OF INDUSTRIAL PLANT FROM ZONE A.

Lt.Col. LENAC said that according to minute 169 of the twelfth meeting of the Industry & Commerce Sub-Committee the Jugoslavs had requested the Allies to issue a general order controlling the removal of industrial plant. The Jugoslavs had not asked for such an order - they did ask that control on the Morgan Line should be fortified. He requested that the minute be amended accordingly.

283. ALTERATION OF NUMBERS ON RAILWAY WAGONS.

Major COOPER said it had been agreed that the matter would be taken up by the Railway Co-ordinating Committee, and he had nothing further to add.

Lt.Col. LENAC said it was a question for the Jugoslav Government and the U.S. Embassy in BELGRADE. and Major COOPER replied that the information had come from the U.S. Embassy in BELGRADE.

Lt.Col. LENAC said that if the alterations in the wagon numbers had been carried out in Zone B the Jugoslavs would discuss the matter, but they could not discuss questions on behalf of JUGOSLAVIA. The Railway Co-ordinating Committee will discuss the affair but they will not be able to solve it.

284. EXPORTS FROM ZONE A.

Major COOPER handed over some extracts from a letter addressed to CENTROPROM, and said if these details were not sufficiently complete he could give further information.

285. ASSAULTS ON JUGOSLAV FUNCTIONARIES.

Major BJELIS said there have been some recent cases of physical assaults on Jugoslav Functionaries, also arrests. These functionaries are in possession of documents from Allied authorities authorizing them to reside in Zone A, and it would seem that the Police have not been informed of their right to remain in Zone A.

The Chairman enquired which functionaries were referred to, and Major BJELIS gave an example of two Jugoslav officials who had been arrested by the Police, although they were in possession of papers authorizing their presence in Zone A. He added that this was not an isolated case.

The Chairman said he insisted on the fullest report being sent at once by the Jugoslavs, without fail. Every single case would be fully investigated and dealt with by the highest authority in this area. There was no use, however, in talking generalities.

Lt.Col. LENAC thanked the Chairman for his promise of intervention.

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286. CONSORZIO PER LA BONIFICA DELL'ISTRIA.

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Lt.Col. LENAC thanked the Chairman for his promise of intervention.

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Lieut. LISTER said the President of the Company had asked if he might be accompanied to ABBAZIA by an AMG officer.

It was agreed that Lieut LISTER should accompany the President, and the date of the visit was tentatively fixed for 8 MAY 46.

287. REMOVAL OF COPPER TO LUBLANA.

The Chairman read out a letter from the Italian Government (Appx.C) stating that 12.100 kgs of copper had been removed to LUBLANA by the Jugoslavs on 21 AUG 45.

Lt-Col. LENAC promised to make enquiries.

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288. JOINT OPERATING COMMITTEE -- AGREEMENT OF MINUTES.

Colonel BARTLET said that at the last meeting of the Joint Operating Committee, held on 16 APRIL, it was agreed that the minutes of the meeting would be checked and agreed by the 18th. These minutes have not yet been agreed by the Jugoslav representatives and the work of the Committee is being held up.

Major BIELIS replied it was owing to the fact that the Jugoslavs had no interpreter, but they would have one for the next meeting.

289. DATE OF THE NEXT MEETING.

Industry & Commerce and Fuel & Power Sub-Committee	-	31 MAY 1946 at 1000 hours.
Finance Sub-Committee	-	1 JUNE 1946 at 1000 hours.
Joint Economic Committee	-	6 JUNE 1946 at 1000 hours.

H St G French

H. ST G. FRENCH.
Major, DAQMG.
Secretary.
Joint Economic Committee.

HSTGF/HLC

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APPENDIX "A"

AMENDED COPY

MINUTES OF JOINT ANGLO-AMERICAN-JUGOSLAV

FORESTRY MEETING.

5 APRIL 1946.

MEMBERS PRESENT:

Anglo-American:		Jugoslav
Major	KENNETH COOPER - Chairman	Major BJELIS
Lt.Col.	N.T. BEARD - AMG Finance	
Major	H. ST G. FRENCH - J.E.C.	Ing. JOST
Captain	LESTER WEIL - AMG Agric.	

The above Committee met for the purpose of clarifying the forestry questions raised by the Jugoslav delegates at the last Joint Economic Committee held 29 March.

1. Major COOPER referred to the minutes of the last meeting, and then asked the Jugoslav representatives to state exactly what they wanted, and list each question separately so they could be answered.

2. ENG. JOST then stated that the Jugoslavs had received no report of the financial status of the Administrative Office of Demesne Forest at Gorizia.

Capt. WEIL then produced copies of the accounting and showed them to Eng. JOST. He reaffirmed that he had not seen the report.

3. The Jugoslav representatives then requested they be permitted to review the whole forestry transaction. In substance it was stated that A.M.G. had closed the office without proper authority; that the accounts were liquidated without a representative from Zone "B" being present; that no proper inventory had been taken of the office equipment nor the sawmill machinery; and that the whole deal was irregular.

4. To this Major COOPER replied that a careful investigation had been made and that the results showed:-

A) The Gorizia Forestry Office was closed in October 1945 by order of the Area Commissioner as a result of questionable dealings, and the selling of fuel woods on the Black Market; and that all money and documents were impounded and sealed.

4436

B) Since some agents from Zone "B" were in the Forestry Office, and claimed part of the funds and documents, an accounting was sent to Zone "B" Forestry Offices in November 1945. Moreover, that copies of this accounting may be found at the Gorizia office, in the office of the

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PRESENT:

Anglo-American:		Jugoslav
Major	KENNETH COOPER - Chairman	Major BJELIS
Lt.Col.	N.T. BEARD - AMG Finance	
Major	H. ST G. FRENCH - J.E.C.	Ing. JOST
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B) Since some agents from Zone "B" were in the Forestry Office, and claimed part of the funds and documents, an accounting was sent to Zone "B" Forestry Offices in November 1945. Moreover, that copies of this accounting may be found at the Gorizia office, in the office of the President of the Zone, and also in the Forestry Office in Trieste.

C) All funds have been accounted for and are held in trust by the Intendenza di Finanza.

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5. The Jugoslav delegation made two proposals:-

A) That a joint commission of Allied Military Government and Jugoslav Military Government be set up at once to solve the question of operation of the Forestry Office and its closing.

B) That a delegate from Jugoslav Military Government be appointed to help in sorting out documents and plans at the forestal offices in Trieste and Gorizia, in order that the Jugoslav Military Government could make full use of the archives and forestal plans in possession of these offices.

6. In answer to the first question Major COOPER replied that such a proposal was completely out of the question, at this time, and that to the best of his knowledge such a request was ruled out at the last main Joint Economic Meeting. To the second question it was stated at the main Joint Economic Committee the records requested were available when wanted, and if necessary the originals could be taken to the offices in Zone "B". (Capt. WEIL replied a representative from his office would accompany the Jugoslav representative to the Trieste Forestal Office to obtain the documents.)

7. Lt.Col. BEARD re-emphasised these remarks, and pressed the Jugoslav representatives for specific instances of abuse of the Forestal Offices in Zone "A", and asked for such instances in writing. And he agreed that any instances of abuse on any one's part would be properly dealt with. (The Jugoslav representatives thanked him).

8. The Jugoslav representatives again requested the accounts be reopened, and when refused again by Major COOPER, indicated the matter would have to be again taken up at the next Joint Economic Committee meeting.

9. Major BJELIS then requested that a joint commission of experts be allowed to settle the matter on the spot (in GORIZIA.).
Major COOPER replied that he was prepared for Major BJELIS and if he wished, one expert Forestal Official from Zone "B", to visit with him the Forestal office at Gorizia, but only to see, and that no persons would be interviewed nor would any property be checked. The date was set for 0930, 9, April.

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KENNETH COOPER
MAJOR F.A.
DEPUTY CHIEF ECONOMIC SECTION.

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APPENDIX B

HEAD QUARTERS
ALLIED MILITARY GOVERNMENT
13 CORPS
Economic Section

Notes on a meeting held in Economic Section on 1 April 46 between Economic Section and the Commerce and Industry Members of the Jugoslav Delegation to the Joint Economic Committee.

PRESENT:

Anglo-American	Major	K. COOPER	Economics
	"	J.R. STOKES	Joint Ec. Committee.
	F.O.	D.H. LLOYD	Commerce
	Lieut.	N.J. LISTER	Economics
Jugoslavs	Ing.	KOVACIC	Industry
	Major	MARISIC	Commerce

The Jugoslav Delegates asked for clarification of the Instructions issued by Commerce Division HQ AMG 13 Corps as an explanation of General Order No.45 (Control of Movement of Goods into and from the Territory).

They first protested against the order, which in their opinion was contrary to the terms of the Morgan-Jovanovic Agreement.

Major COOPER replied that as stated by Brig. Bastin at the main Joint Economic Committee Meeting, the Order was legal and would not be recalled. If, however, the Jugoslav Delegates would specify points for discussion, we would attempt to meet their demands, within the General Structure of the Order.

The Jugoslav Delegates then raised the following points for discussion :-

1. Import of Goods from Italy to Zone B.- What documents were required by AMG before a Transit Licence would be issued? Flying-Officer Lloyd replied:-

a) Export Licence from Chamber of Commerce in Italy
b) Import Licence from Jugoslav Authorities in Zone B.

The Jugoslavs were under the impression that the granting of such licence was a long and complicated process.
Flying Officer LLOYD stated that we needed a) above, to satisfy ourselves that the Italian Authorities were content with the export, and b) above, to satisfy Ourselves that the Jugoslav Authorities were in favour of the import. If these two documents were presented to the Commerce Division properly completed the issue of a licence could be completed in one day at the maximum.

4434

2. Import from Zone B into Italy.- It was agreed by the Anglo-American and Jugoslav Delegates that in this case Jugoslavs will issue export licence and Commerce Division AMG 13 Corps will issue Transit Licence.

PRESENT:

Anglo-American	(Major	K. COOPER	Economics
	("	J.R. SWORD	Joint Ec. Committee.
	(F.O.	L.I. LLOYD	Commerce
	(Lieut.	N.J. LISTER	Economics
Jugoslavs	(Ing.	KOVACIC	Industry
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2. Import from Zone B into Italy.- It was agreed by the Anglo-American and Jugoslav Delegates that in this case Jugoslavs will issue export licence and Commerce Division AMG 15 Corps will issue Transit Licence.
Major COOPER also agreed that goods originating in Zone A will not require "certificate of origin", that only the export licence will be issued.

3. Import of Goods into Zone A from Zone B.- General Order No.45 states that Food may be imported into Zone A from Zone B without licence. The Jugoslav Authorities wished to put a licence system into force and are prepared to issue the export licence on food, as on other items, and could AMG 15 Corps require their guards to be shown the same before allowing the food to enter Zone A.
Major COOPER promised to investigate this possibility and let the Jugoslav Delegates have an answer between meetings.

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4. Arsa Coal:- The Jugoslav Delegates asked, in view of the fact that cargoes of ARSA coal had been seized in Italy by the Authorities, if they could be given a full picture of our attitude in this matter.
Major J.R. SMC DEN said that the present difficulties had arisen because Jugoslavia was not a member of the World Coal Pool, owing to the fact that she had, for some reason or other, not become a signatory to the agreement.
We were anxious (this was confirmed by Major COOPER), to buy all the coal the Jugoslavs could sell us from the ARSA Mines.
If the Jugoslav Delegates would let us have a plan, saying what their surplus coal would amount to over the next few months we would go right ahead with the purchase of it.
The Jugoslav Delegates promised to supply this information and stated that all such business would of course be dealt with by their Commercial concern, CENTROPROM. They would also quote price etc. and give details of any mining equipment they might require.

5. Roads on which Control is set up in General Order No.45.

The Jugoslavs submitted a list (Appendix A to these notes) of additional roads which they wish to be included in General Order No.45.
Major COOPER stressed personnel difficulties but promised to investigate.

6. The Jugoslav Delegates requested that the licence for the import of wood be lifted.
Major COOPER replied this matter would be taken up before the next meeting, and a reply given then.-

KENNETH COOPER
MAJOR R...
DEPUTY CHIEF ECONOMIC SECTION.

APPENDIX A.

ROADS FOR TRAFFIC BETWEEN ZONES "A" and "B"

MAIN ROADS

1. Trento - Bovec
2. Tolmino - Volce - Gorizia
3. Santa Lucia - Gorizia
4. Grgar - Gorizia
5. Tarnova - Gorizia
6. Aidussina - Gorizia
7. Rifembergo - Potoce - Aidussina
8. Stanjel - Vipacco.
9. Trieste - Postumia
10. Divaccia - Lokve - Trieste
11. Erpelle - Trieste
12. Koper - Milje.

LOCAL ROADS

13. Kal - Avec - Canale
14. Kal - Canale
15. S. Daniele - Samaria
16. Cobdil - Podbrega - Vipacco
17. Storie - S. Vito.
18. Sesana - Divaccia
19. Buzet - Cernical - Milje
20. Scempas - Vogrsko

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Finance Division
Commerce Division

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17. Storie - S. Vito.
18. Sesana - Divaccia
19. Buzet - Cernical - Milje
20. Scempas - Vogrsko

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DISTRIBUTION

Finance Division
Commerce Division
Joint Economic Committee
Food Division
Transportation Division
J.M.G. Rep.

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APPENDIX "C"

COPY

Ministero degli Affari Esteri.

MEMORANDUM FOR THE ALLIED COMMISSION.

Subject: Removal of copper to Lubiana.

1. Reference is made to Allied Commission's note 396/EC(L) dated January 16, 1946.

2. As requested, the following details are herewith furnished :-

a) The Yugoslav Railway Delegation has sent from Trieste to Lubiana 12,100 Kg. of copper removed from damaged installations.

b) The removal was effected on August 23rd 1945 by freight car P.R. 97560.

c) The intelligence reached on August 31st 1945 from the Ufficio Impianti e Elettrici e di Segnalamenti of Trieste.

3. The same source reveals that other goods existing in warehouses of the a/n Ufficio in Zone B have been removed by the Yugoslav Railway Delegation and forwarded to Lubiana.

4. The Ministry Of Foreign Affairs would greatly appreciate the kind attention of the Allied Commission on the matter.

Rome, March 8th 1946.

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10	US POLAD., AFHQ
11	RESMIN., AFHQ
12	Tn (Main)., ROME
13	GOC., 13 Corps
14/16	DA & QMG., 13 Corps
17	AQMG (Mov)., 13 Corps
18	Chief Commissioner., ALCOM
19	HQ., ALCOM
20/29	Economic Section., ALCOM
30	Industry & Utilities Sub-Commission, ALCOM (att. Chief, Electrical Div)
31	Industry & Utilities Sub-Commission, ALCOM (att. Coal Division)
32	Industry & Utilities Sub-Commission, ALCOM
33	Finance Sub-Commission, ALCOM
34	American Embassy, ROME
35	British Embassy, ROME
36	SCAO., AMG 13 Corps
37/38	D/SCAO., AMG 13 Corps
39	Economic Adviser, AMG 13 Corps
40	Public Relations Officer, AMG 13 Corps
41	Legal, AMG 13 Corps
42	Finance., AMG 13 Corps
43/44	Supplies., AMG 13 Corps
45	Transportation, AMG 13 Corps
46	Labour, AMG 13 Corps
47	Public Works, AMG 13 Corps
48/67	Jugoslav Delegation
68	Commerce, AMG 13 Corps
69	Col. C,H, BARNETT, DDTN., Navy House, TRIESTE
70	Capt. FARMER., AMG 13 Corps
71	GSI (B)., Main 13 Corps.
72/100	Spares.

Economics Section
AFCOM
ROME

ES/1.37
Civil Affairs

COPY NO 26

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
XIII CORPS, TRIESTE, ITALY

29 April 1946

JOINT ECONOMIC COMMITTEE - AGENDA

The thirteenth meeting of the Joint Economic Committee (per agreement of 20th June 1945 between the Supreme Allied Commander Mediterranean Theatre of Operations and the Supreme Commander of the Jugoslav Army), will be held at 1000 hrs on FRIDAY, 3 MAY 1946, in the Main Conference Room, No.68, HQ. A.M.G 13 Corps, TRIESTE, to consider the following AGENDA :-

1. Minutes of the twelfth meeting held on 29 March 1946.

2. To consider the minutes of the meetings of the following Sub-Committees:-

   a, Industry & Commerce and Fuel & Power Sub-Committee meeting of 25 April 1946 (Appendix A).

   b, Finance Sub-Committee meeting of 26 April 1946 (Appendix B).

3. Reference Minute 239 of the twelfth meeting. Confirmation is required from the Jugoslav representatives that a damaged 2,000 K.W. 3,000 V C.C.E. rectifier may be removed from MEDFUGLIA with a view to it's being repaired and put to use in ITALY where it is urgently required.

4. Any other business.

5. To set a date for the next meeting.

ES/1.7

H. St G. FRENCH.
Major, FAG.S. 4430
Secretary
Joint Economic Committee.

HSTGF/HLC

Declassified E.O. 12356 Section 3.3/NND No. 785016

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The thirteenth meeting of the Joint Economic Committee (per agreement of 20th June 1945 between the Supreme Allied Commander Mediterranean Theatre of Operations and the Supreme Commander of the Jugoslav Army,, will be held at 1000 hrs on FRIDAY, 3 MAY 1946, in the Main Conference Room, No.66, HQ. AMG 13 Corps, TRIESTE, to consider the following AGENDA :-

1. Minutes of the twelfth meeting held on 29 March 1946.

2. To consider the minutes of the meetings of the following Sub-Committees:-

   a, Industry & Commerce and Fuel & Power Sub-Committee meeting of 25 April 1946 (Appendix A),

   b) Finance Sub-Committee meeting of 26 April 1946 (Appendix B),.

3. Reference Minute 239 of the twelfth meeting. Confirmation is required from the Jugoslav representatives that a damaged 2,000 K.W. 3,000 V C.C.E. rectifier may be removed from SPLIT/SPALATO with a view to it's being repaired and put to use in ITALY where it is urgently required.

4. Any other business.

5. To set a date for the next meeting.

H. St G. FITCH.
Major, D.A.G.
Secretary
Joint Economic Committee.

HSTGF/HLC

Attachments:

Appendices "A" and "B"

Declassified E.O. 12356 Section 3.3/NND No. 785016

APPENDIX A

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
XIII CORPS, TRIESTE, ITALY.

25 April 1946

MINUTES

INDUSTRY & COMMERCE SUB-COMMITTEE and the
FUEL & POWER SUB-COMMITTEE

151. The twelfth meeting of the Industry & Commerce and Fuel & Power Sub-Committee was held at 10.00 hours, 25 APRIL 46, in the Economic Section, HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman

Major K. COOPER,
Economics Division,
HQ AMG 13 Corps.

Members

Major J.E. FODEN,
Ind & Utilities,
HQ AMG 13 Corps.

Ing. KOVACIC, M.
Maj. BARISIC, M.
Maj. BJELIS, S.

In Attendance

Lieut. N.J. LISTER,
Economics Division,
HQ AMG 13 Corps.

F/O. LLOYD,
Commerce Division,
HQ AMG 13 Corps.

152. IDENTITY CARDS

Ing. KOVACIC asked for 15 sets of Allied identity cards for administration purposes.

The Chairman instructed the Secretary to supply them as soon as possible.

153. BUSES OWNED BY GRATONI

The Jugoslavs enquired if any further steps had been taken in this matter and said that Appendix I of the Morgan-Jovanovic Agreement covered transport questions such as this. They added that if transportation is allowed to remain in private hands an economic crisis will be provoked.

In reply, Major COOPER said we cannot compel the return of these buses because they are private property, and it is now up to the good will of the owner to put them on the road. He said he did not, however, consider the matter closed. 4429

Major BJELIS said the Joint Economic Committee is responsible for these matters and this is an economic question.

The Chairman replied he would try to get something further

Declassified E.O. 12356 Section 3.3/NND No. 781016

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Chairman

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Members

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Ind & Utilities,
HQ AMG 13 Corps.

Ing. KOVACIC, M.
Maj. BARISIC, M.
Maj. BJELIS, S.

In Attendance

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Major BJELIS said the Joint Economic Committee is responsible for these matters and this is an economic question.

The Chairman replied he would try to get something further accomplished before the main meeting.

154. MACHINERY EXPORTED FROM THE COTTON MILL AT PODGORA

Ing. KOVACIC asked what steps had been taken in this matter and the Chairman agreed that such machinery should not be removed. In this connection, he had received information that machinery was leaving Zone B for Jugoslavia.

Major BJELIS said they did not want to discuss the broad question of movement of machinery; he only wished to know if the Allies had carried out the promises made at the last meeting. If any machinery had been removed from Zone B the Jugoslavs would be glad to have details.

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154. (Cont'd).

The Chairman replied that the decision at the last meeting was that we would try to get the machinery returned. We have had no answer so far but we will try to have one for the main meeting. He referred the Jugoslavs to Lt.Col. BICKERSTETH'S statement in the last part of Minute 228.

Ing. KOVACIC: Did you request the return of the machinery?

Chairman : Investigations are being made to find out if this is possible.

155. REMOVAL OF DRILLING SHAFTS AT AGIP FIUME (ROMSA)

The Chairman enquired what steps the Jugoslavs had taken to have these drilling shafts returned.

Ing. KOVACIC replied that according to their investigations, the information that the machinery had been removed was not true.

156. FORESTRY OFFICE.

The Chairman said the Jugoslavs had agreed to send a representative to collect the maps and documents, but no such representative had come. He added he had received the Jugoslav account and would go to GORIZIA to make investigations at the first opportunity.

Major BJELIS stated that they would send Ing. JOST and they would like Major COOPER to study their report.

Major COOPER then enquired the reason why supplies of wood are no longer coming to the Gorizia saw mill from Zone B since he had made theinvestigation on the subject.

Major BJELIS replied he knew nothing about this, and he asked who is stopping the wood coming in.

The Chairman answered apparently someone in Zone B is doing so. An officer was sent to investigate and he was told that suppliers were not sending in any more wood to the saw mill.

The Jugoslavs suggested that the wood is possibly being stopped at the check-posts on the Morgan Line but the Chairman replied that this is not the case. The Jugoslavs then stated they would make investigations.

157. RELEASE OF M/V. "ZVIR" AND "LABOR"

Ing. KOVACIC asked what is the present position with regard to these ships.

The Chairman enquired what has happened to the five ships the Jugoslavs are holding.

Ing. KOVACIC said they would not be released until the"ZVIR" and "LABOR" returned to Zone B ports.

The Chairman answered he had already said that the ships were free to return and the Captain of the "LABOR" has been told he can leave VENICE as soon as he wishes. The "ZVIR" was released as soon as we found out it had been improperly impounded.

The Jugoslavs had promised to produce a letter from the owner stating he wished his ship to be returned to Zone B, but this letter has not been forthcoming so far.

Major BARISIC: The "ZVIR" and "LABOR" were requisitioned by the Allies when they sailed from Zone B waters. These ships often went to VENICE before and they always returned, but the fact that they were requisitioned encourages the Captains to stay away. As the requisition was irregular, AMG are responsible for compelling the ships to return.

The Chairman referred the Jugoslavs to the minutes of the last

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The Chairman referred the Jugoslavs to the minutes of the last shipping meeting where it is stated the Captains were instructed to return.

Major BJELIS: We have given permission to our five Captains to return to Zone A but nothing has been done by AMG to return the "ZVIR" and "LABOR".

The Chairman again asked the Jugoslavs to produce a letter from the owners and said that if they did so steps would be taken to have the ships returned as soon as possible.

The Jugoslavs said the Captains of the ships were under the impression that they are under no obligation to return and the economy of Zone B is being damaged. The only measures left to them were to hold back ships of corresponding tonnage, and they would be glad if the matter could be cleared u...

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157. (Contd).

The Chairman referred the Jugoslavs to para.2 of Appendix G in the Morgan-Jovanovic agreement and said that if the Jugoslavs intend to hold these ships we are entitled to inspect the ports.

The Jugoslavs said these ships are registered in FIUME, and the War Transport Office which controls all shipping is aware that shipping space is being wasted.

The Chairman replied that the War Transport Office knows the circumstances and that he could do nothing unless the Jugoslavs produced letters from the owners. We would discuss the matter further at the main meeting.

158. CONTROL OF GOODS CROSSING THE MORGAN LINE

Ing. KOVACIC stated the Jugoslavs had sent in a list of roads on which they would like check-posts to be established, and the Chairman said that enquiries are being made to find out if qualified personnel can be found to man these posts. As soon as this information is known, he will give a further reply.

The Jugoslavs requested that the matter be hastened as commercial traffic is being held up.

The Chairman said he agreed, but it is a matter of finding the necessary personnel.

159. GOODS IN TRANSIT FROM ITALY

Ing. KOVACIC said that the firm DEZMAN TERINA had been refused an import licence for goods entering Zone A and Major BARESIC asked if an exception could be made in the case of goods which were already in Zone A before the regulations came into force and if such goods could be given a transit permit to enter Zone B.

The Chairman said it had been agreed that goods originating in Zone A do not require an Italian Chamber of Commerce certificate of origin.

The Jugoslavs said they were referring to goods imported into Zone A before General Order No.45 came into force, and this firm is an example. It was agreed at the last meeting that such goods should be treated as originating in Zone A.

F/O. LLOYD said that Italian authority is not required in the case of goods which arrived in Zone A before General Order No.45 came into force.

The Jugoslavs repeated that the goods in question come under this category but the firm was told that a certificate from the Milan Chamber of Commerce would be needed.

The Chairman said he would give an answer regarding this particular case at the main meeting.

160. RADIO TRANSMITTER IMPOUNDED AT GORIZIA.

The Chairman read an extract from AMG, letter No.G-5:912.311 dated 11 April 1946, which stated "Under Italian law a permit is required for the export of goods. In this case no permit was obtained for the purchase of radio equipment. Moreover if the equipment was exported prior to 31st December 1945, then AMG regulations in effect in Northern Italy at that time were infringed. Infringement is still actionable in Italian courts. The radio equipment will be returned to the Italian authorities for use in connection with any legal proceedings which they may wish to take against the owners".

The Jugoslavs made no reply.

161. ELECTRICAL EQUIPMENT OF ORIGIN

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The Jugoslavs made no reply.

161. ELECTRICAL EQUIPMENT AT OPICINA.

The Jugoslavs enquired whether the transformer which was taken to ITALY had been returned and Major FODEN said he would ask Colonel BARNETT, who would be able to give an answer at the main meeting.

162. POSTAL FACILITIES FOR JUGOSLAVIA IN ZONE A.

The Jugoslavs said that a letter had been sent to the Joint Economic Committee appointing Mr. LEMASSI, Milan, to represent the Jugoslav Post Office in connection with the arrival of parcels from the United States destined for Jugoslavia.

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162. (Cont)

The Secretary answered he had got in touch with the A.M.G. Communications Officer who informed him that such work would occupy two or three days. Mr. LENASSI was not in possession of an AMG permit to enter Zone A and it was therefore explained to him that his presence in Zone A was irregular and that if he wished to obtain such a permit he must make application to AMG through the appropriate Jugoslav channels. Mr LENASSI agreed to do so.

The Chairman said in this connection an American sailor was put in jail by the Jugoslavs for entering Zone B without a permit.

The Jugoslavs requested that facilities be given to Mr. LENASSI to carry on his work undisturbed as soon as he receives the necessar permit.

163. BEE-KEEPING.

The Jugoslavs said that certain bee-keepers in Zone B are in the habit of moving their hives to an area near GORIZIA in the Summer time. May they continue to carry on this practice in exchange for similar facilities for bee-keepers in Zone A. It would not be necessary for the bee-keepers themselves to remain in the area. The Jugoslavs feared that the bees and hives might be prevented from crossing by the AMG control posts.

The Chairman replied that he would take the necessary steps to prevent this happening. He would give a decision on the whole question at the main meeting.

164. AUCTION OF WAR BOOTY IN POLA.

The Jugoslavs said they had been informed that an auction will be held on the 26th April for the sale of machinery, electrical, and waste materials. They consider this to be irregular.

Lt. LISTER said that no material claimed as War Booty by the Jugoslavs would be included in the sale; all items have been thoroughly checked and nothing which the Jugoslavs have claimed would be offered for sale.

The Jugoslavs said they would get in touch with their own War Booty Committee on the matter, and further assurances were then given by the Chairman.

165. ACT OF PIRACY AGAINST THE M/V SALPA.

The Chairman enquired what action the Jugoslavs had taken against the offenders and they replied that investigations are being made and an answer would be given at the main meeting. They agreed with the Chairman that the matter was important.

166. ROMSA OIL REFINERY AT FIUME.

The Chairman read out a letter from the Company regarding dismissal of the management and employees and asked the Jugoslavs to ensure that the dismissed persons are fully compensated according to law.

The Jugoslavs replied that they had not been informed about the case but if the employees are insured persons they should get in touch with the appropriate authorities. They promised to make investigations.

4426

167. POLA CONVOY.

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4426

167. POLA CONVOY.

The Chairman asked if the Jugoslavs could now give a reply to this question.

The Jugoslavs referred to the reply they had given at the last main meeting under Minute 213 and also to the statement by Lt.Colonel BICKERSTETH that an answer was required by 10th April. They understood from this that no further reply would be required if their decision remained unchanged. The position, therefore, remains as before and the answer is in the negative.

168. MOVEMENT WITHIN 1 KM OF THE MORGAN LINE.

The Jugoslavs stated that they had given the required permission at the meeting on 1st April.

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169. REMOVAL OF INDUSTRIAL PLANT FROM ZONE A.

Major COOPER said that some time ago the Jugoslavs proposed that the Anglo-American side should issue a General Order regarding the removal of plant for industrial facilities from Zone A. This question has been considered but it is not felt that such an order is necessary.

170. ALTERATION OF NUMBERS ON RAILWAY WAGONS.

The Chairman said that he had received information that railway wagons in transit to Jugoslavia from Italy, containing goods for the Allied Governments, particularly the U.S. Embassy in BELGRADE, had arrived at their destination with their numbers altered and differing from the numbers shown on the manifest.

Major BJELLIS said that as far as they knew no such changes had been made, and in any event they thought it was a question for the Railway Co-ordinating Committee. If details regarding time, place and the wagons whose numbers had been altered could be given, the matter would be taken up by the Railway Co-ordinating Committee at their meeting on the 4th May

171. EXPORTS FROM ZONE A

Major COOPER said he would bring a list of surplus exportable goods to the main meeting.

172. CONSORZIO PER LA BONIFICA DELL'ISTRIA

Lieut. LISTER asked if a meeting could be arranged at AMG in TRIESTE in order that AMG experts could attend. He said that AMG had subsidised this Company to prevent dismissals and accordingly AMG is interested in the matter.

Ing. KOVACIC replied that the Jugoslavs had already agreed that the President of the Company might visit ABBAZIA and she asked why the matter should be discussed here. We have only been asked for documents which, however, we are unable to find.

The Jugoslavs did not see the necessity for the meeting in TRIESTE and they thought it would be more useful if the President of the Company visited ABBAZIA himself.

H St G French

H. ST.G. FRENCH,
Major, DAQMG,
Secretary,
Joint Economic Committee.

HSTGF/LVT

4425

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APPENDIX B

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
XIII CORPS, TRIESTE, ITALY.

26 APRIL 1946.

JOINT ECONOMIC COMMITTEE
FINANCE SUB-COMMITTEE - MINUTES

58. The seventh meeting of the Finance Sub-Committee was held at 10.00 hours on the 26 APRIL 1946, in the Finance Division, HQ AMG 13 Corps, TRIESTE.

PRESENT:-

Chairman

Lt.Col. N.T. BEARD,
CFO, AMG 13 Corps.

Members

Ing. KOVACIC, M.)
Mr. URSICIC, F. } Jugoslavia.
Maj. BARISIC, M.)

59. EXCHANGE OF CURRENCY OF RAILWAY EMPLOYEES LEAVING ZONE B.

Lt.Col. BEARD enquired whether any solution to this question had been arrived at and the Jugoslavs replied that the matter would be solved when the Exchange Clearing Agreement is signed.

The Jugoslavs asked the Chairman to fix a date for the signing of this agreement.

60.. BRITISH OWNED PROPERTY IN ZONE B.

Lt.Col. BEARD asked if permission could now be given for a representative of the British-owned Bauxite Company in Zone B to visit the property.

Mr. URSICIC replied that a written request from AMG had been promised but had not yet been received.

Lt.Col. BEARD said that such a request had been sent and he would forward a copy of it.

61. CANCELLED DINARS

In reply to the Chairman, Ing. KOVACIC said they would like to know why the Bank of Italy required these cancelled dinars.

Lt.Col. BEARD said he would find out and let them know.

62. PENSIONS.

The Chairman said he had written to the Jugoslavs stating that AMG had been paying pensions to residents in Zone B for some time. He forwarded a list of these pensioners to the Jugoslav Military Government and pointed out that they were now a Jugoslav responsibility.

Mr. URSICIC replied that the matter had been passed to the Finance Division of the Jugoslav Military Government, and he had no doubt that the question was now being dealt with.

63. CARGO OF WINE SEIZED BY THE JUGOSLAVS.

4434

Declassified E.O. 12356 Section 3.3/NND No. 787016

PRESENT:-

Chairman

Lt.Col. N.T. BEARD,
CFO, AMG 13 Corps.

Members

Ing. KOVACIC, M.)
Mr. URSICIC, F.) Jugoslavia.
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63. CARGO OF WINE SEIZED BY THE JUGOSLAVS.

Lt.Col. BEARD said the Jugoslavs had seized four vessels, one of which carried a cargo of wine, value eight million lire. He was interest because of the Insurance Company who insured the cargo and he had sent a signal to the Jugoslav Military Government stating they would be held responsible for any financial loss due to deterioration of the wine.

Ing. KOVACIC: This signal was received and instructions were given to release the ship.

Lt.Col. BEARD stated he would confirm this with the Insurance authorities, and added that the unlawful seizure of ships was serious enough in itself, but the matter became even more serious when valuable and perishable cargoes were affected.

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64. MISCELLANEOUS FINANCIAL QUESTIONS.

The Chairman passed a letter to the Jugoslavs containing various queries on financial matters and said he would appreciate a reply as quickly as possible.

65. DOCUMENTS BELONGING TO UFFICIO CATASTO FONDIARIO.

Lt.Col. BEARD referred to a letter addressed to the Jugoslav Military Government requesting the return of some files belonging to the Ufficio Catasto Fondiario which are at present located at MIDUSSINI (Zone B). Could the Jugoslavs meet this request ?

Ing. KOVACIC answered that the letter had been received and investigations are being made. It may take a little time to trace the documents but a reply would be given as soon as possible.

66. LABOURERS IN POLA.

Mr. URSICIC said that labourers who had been employed in POLA but are now dismissed, and are living in Zone B, are not receiving unemployment insurance benefits.

Lt.Col. BEARD enquired whose liability this matter was, and said he thought an agreement had been reached at a previous meeting.

The Jugoslavs replied that no agreement had been reached.

Lt.Col. BEARD said he would find out from the Insurance Company as he understood that these labourers contributed to insurance funds in POLA.

The Jugoslavs replied that this was the case.

67. EXCHANGE CLEARING AGREEMENT.

Mr. URSICIC asked if the Exchange Clearing Agreement could be signed at the Main Committee meeting on 3 M.Y.

Lt.Col. BEARD replied that he may be unable to attend this meeting, but he would fix a date for the signing as early as possible.

H. ST.G. FRANCH,
Major, D.S.C.,
Secretary,
Joint Economic Committee.

HSTGF/LVW.

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Economic Section
AHCOM
Rome

Civil Affairs Sect.

COPY NO 27 ES/1.47

JOINT ECONOMIC COMMITTEE.
HEADQUARTERS, ALLIED MILITARY GOVERNMENT.
XIII CORPS, TRIESTE, ITALY

27 March 1946

11 APR 1946

JOINT ECONOMIC COMMITTEE - AGENDA

The meeting of the Joint Economic Committee (per agreement of 20th June 1945 between the Supreme Allied Commander Mediterranean Theatre of Operations and the Supreme Commander of the Jugoslav Army), will be held at 0930 hrs on FRIDAY, 29 March 1946, in the Main Conference Room, No.68, HQ. AMG, 13 Corps, TRIESTE, to consider the following AGENDA :-

1. Minutes of the eleventh meeting held on 2 March 1946.

2. To consider the minutes of the meetings of the following Sub-Committees:-

   a) Industry & Commerce and Fuel & Power Sub-Committee meeting of 25 March 1946 (Appendix A).

   b) Finance Sub-Committee meeting of 26 March 1946 (Appendix B).

3. Any other business.

4. To set a date for the next meeting.

4422

J. R. SNOWDEN.
Major, DAQMG.
Secretary
Joint Economic Committee.

JRS/HLC

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Attachments:

Appendices "A" and "B"

ALLIED COMMISSION 1450 HEADQ TRIESTE

Declassified E.O. 12356 Section 3.3/NND No. 785016

APPENDIX "A"

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
XIII CORPS, TRIESTE, ITALY

25 March 1946

M I N U T E S

INDUSTRY & COMMERCE SUB-COMMITTEE and the FUEL & POWER SUB-COMMITTEE.

124. The eleventh meeting of the Industry & Commerce and Fuel & Power Sub-Committee was held at 1530 hours, on MONDAY, 25 MARCH 46, in the Economic Section, HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman

Lt.Col. D.S. BICKERSTETH
Economic Adviser,
HQ AMG 13 Corps

Members

Major J.E. FODEN,
Ind & Utilities,
HQ AMG 13 Corps.

Ing. SIKOSEK D.
Ing. KOVACIC, M.
Mr. URSICIC, F.

In Attendance

Lt.Col. H.C. QUARTIER
AD/SCAC.
Major T.E.N. McKITTRICK,
AFHQ.

125. RETURN OF SHIPPING BELONGING TO THE FIUME AND OTHER SOCIETIES TO ZONE B.

Ing. KOVACIC said a letter suggesting a conference on the subject had been addressed to the Secretariat and as no reply had been received, the Jugoslav Delegation assumed this conference was not desired by the Allied delegates.

Lt.Col. BICKERSTETH said no such letter has been received, and certainly the Anglo-American representatives still wished to have this meeting. The whole question was a complicated one and would be dealt with at this shipping conference which should be arranged as soon as possible.

126. ARSA COAL.

The Chairman said AMG are willing to assist the arrangement for the payment of electricity by coal, and in reply the Jugoslavs stated that investigations on this question had been started with SELVEG.

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127. POLA CONVOY.

Lt.Col. BICKERSTETH asked for a reply to his request for written authority for the running of the civilian convoy.

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FUEL & POWER SUB-COMMITTEE.

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PRESENT:

Chairman

Lt.Col. D.S. BICKERSTETH
Economic Adviser,
HQ AMG 13 Corps

Members

Major J.E. FODEN,
Ind & Utilities,
HQ AMG 13 Corps.

Ing. SIKOSEK D.
Ing. KOVACIC, M.
Mr. URSICIC, F.

In Attendance

Lt.Col. H.C. QUARTIER
AD/SCAC.
Major T.E.M. McKITTRICK,
AFHQ.

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127. POLA CONVOY.

Lt.Col. BICKERSTETH asked for a reply to his request for written authority for the operating of the civilian convoy.

Ing. KOVACIC said that a written reply had been sent, and enquiries will be made to trace the letter.

128. BUSES OWNED BY GRATONI.

The Chairman said the case had been submitted for a legal opinion, and this was read.

129. TAR FROM ROVIGNO.

Lt.Col. BICKERSTETH asked if the Jugoslavs can now give further information about this question.

Ing. KOVACIC replied the matter has been investigated but there was no need to distil tar at present in Trieste as they will probably do this in Fiume.

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130. CONSORZIO PER LA BONIFICA DELL'ISTRIA.

The Chairman again asked for documents of this concern. The Jugoslav delegates undertook to examine the question.

131. TRANSPORT OF FLOUR POLA-CERSO.

Transport Division letter 13C/AMG/TN/6, giving the reason for the additional charges, was read to the Jugoslav members.

132. TRANSPORT OF CATTLE & GOODS THROUGH ZONE A.

The Chairman said he had again taken up the question, and as far as he knew, arrangements were now satisfactory.

133. MOVEMENT WITHIN 1 KM. OF THE MORGAN LINE.

Lt.Col. BICKERSTETH enquired whether the Jugoslavs had received a letter on this subject and Ing. KOVACIC replied "No".

134. EMPLOYMENT OF WORKMEN FROM ZONE B IN POLA.

Lt.Col. BICKERSTETH asked whether the Jugoslavs had received a letter on this subject from the Joint Economic Committee, and they replied "Yes".

Ing. KOVACIC said they would discuss this at the main meeting.

135. MACHINERY EXPORTED FROM THE COTTON MILL AT PODGORA.

The Jugoslavs have now received a letter on the subject from Economics Division, AMG 13 Corps.

136. REMOVAL OF RAILWAY LINES.

The Chairman said this matter is being dealt with by Colonel BARNETT, LD.TN., TRIESTE, but it is understood the railway lines were not sent to Italy.

137. FORESTRY OFFICE.

Lt.Col. BICKERSTETH said he was at a loss to understand the letter he had received regarding the closing of the Forestry Offices in Gorizia, since work has been carried out in a satisfactory manner, the money had all been accounted for and held in trust by the Intendenza di Finanza and copies forwarded to the Jugoslav Authorities in November. He added that he had visited Gorizia with another officer, who went into the matter with the Area President. The President said everything was in order. A letter with regard to the accounts has since been received from the Jugoslavs acknowledging the a/m letter dated November 1945 in which certain accounting items are disagreed.

Ing. KOVACIC: "So you agree this office should be closed and the property confiscated".

Lt.Col. BICKERSTETH replied that nothing has been confiscated. A complete inventory has been made and all the cash frozen at the Intendenza di Finanza.

Ing. KOVACIC requested a written reply and said the matter would be raised at the main conference.

138. IDENTITY CARDS.

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Ing. KOVACIC requested a written reply and said the matter would be raised at the main conference.

138. IDENTITY CARDS.

The Chairman asked when the two hundred sets of Jugoslav identity cards will be delivered and Ing. KOVACIC replied that Lt.Col.LENAC would bring them to the main meeting on the 29th March.

139. REMOVAL OF DRILLING SHAFTS FROM AGIP FIUME (ROMA).

Lt.Col. BICKERSTETH drew the attention of the Jugoslavs to the removal of drilling shafts from the firm of AGIP Fiume to Jugoslavia. It was considered that this constituted the removal of plant and machinery from Venezia Giulia, which was contrary to the terms of the Morgan-Jovanovic Agreement.

It was understood ..../

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139. (Continu) :

It was understood from a letter received by AMG that the Jugoslavs had removed this plant on the assumption that it was war booty; it was requested that a reply should be given to this question.

140. SS "PEX".

The Chairman said more complaints have been received about goods being stolen from this ship and suggested that it might be wise to hire watchmen. The Shipping Company would like to discuss the matter with the Jugoslavs. Could a meeting be arranged ?

Ing. KOVACIC said a reply would be given at the main meeting.

141. RELEASE OF M/V "ZVIR" AND "LABOR".

The Chairman explained that these ships were seized because they were carrying coal. The coal was unloaded for distribution through the proper channels and the ships were then released.

In the discussion which followed the Jugoslavs alleged that these ships had not been released, as they would under normal circumstances return to Zone B themselves.

The Chairman stated that the "ZVIR" was seen loading at Pola and investigations would be made concerning her immediately. It had at no time been the policy of AMG to requisition Jugoslav ships and these vessels were most certainly not operating on behalf of AMG through UGENA.

Ing. KOVACIC requested that investigations should be made immediately to find out why the ships were not permitted to sail from POLA, as if this permission was not granted, the ships which were being held by the Jugoslavs would neither be released.

142. THE EXCHANGE CLEARING AGREEMENT.

The Chairman asked if this agreement would be signed at this session of the Committee and said he was convinced that the agreement will greatly facilitate trade between the two zones and will be of enormous advantage to both parties. He promised every assistance to trade as soon as the agreement is signed.

The Jugoslavs promised to co-operate and said the agreement will be signed shortly.

143. CONTROL OF GOODS CROSSING THE MORGAN LINE.

Ing. KOVACIC said the Jugoslav members do not agree to the control of goods crossing the Morgan Line and added that it is contrary to the Morgan-Jovanovic Agreement.

Lt.Col. BICKERSTETH replied that only unauthorised traffic is being stopped and that AMG are in fact issuing a large number of permits for the transfer of goods across the Line, which was in itself an indication that commercial traffic is moving satisfactorily.

Ing. KOVACIC complained that commercial traffic will cease if these regulations are enforced, because traffic is only allowed on approved roads. The Jugoslav members protest against this rule.

Lt.Col. BICKERSTETH explained that AMG can maintain check posts on the main roads only.

Ing. KOVACIC: "This prohibits traffic on all other roads and commerce is held up".

Lt.Col. BICKERSTETH requested that this matter be raised at the main meeting.

4419

144. NAVAL TRAFFIC.

Ing. KOVACIC said the Jugoslavs did not agree that [illegible]

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141. RELEASE OF M/V "ZVER" AND "LABOR".

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In the discussion which followed the Jugoslavs alleged that these ships had not been released, as they would under normal circumstances return to Zone B themselves.

The Chairman stated that the "ZVER" was seen loading at Pola and investigations would be made concerning her immediately. It had at no time been the policy of AMG to requisition Jugoslav ships and these vessels were most certainly not operating on behalf of AMG through UGENA.

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Lt.Col. BICKERSTETH requested that this matter be raised at the main meeting.

4419

144. NAVAL TRAFFIC.

Ing. KOVACIC said the Jugoslavs did not agree that naval traffic should be controlled under the authority of an Italian Decree of 1922 and asked AMG to issue new regulations, which should previously be discussed with the Jugoslav delegates.

The Chairman replied that AMG has full authority in this area and that the question should be raised at the main meeting.

145. STATEMENT BY AN ALLIED OFFICER.

Ing.KOVACIC said that the statement referred to in Minute 196 at the Joint Economic Committee meeting on 2 MAR 46 was made by an Allied Captain to the owner of the firm DURATI in UDINE. No further particulars were available.

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146. THE R.D.F. TRANSMITTER IMPOUNDED AT GORIZIA.

The Chairman said that no information had yet been received about this matter, but he would ask for it.

147. IMPOUNDED CARS.

Ing. KOVACIC handed the Chairman a list of cars impounded by AMG for transmission to the police.

148. EXPORTS FROM ZONE A.

Ing. KOVACIC asked what items are permitted to be exported from Zone A.

Lt.Col. BICKERSTETH replied that in principle surplus goods of local origin and goods coming from Italy subject to the approval of the Italian Government. He added he would be happy to see the maximum possible volume of trade and would help the Jugoslavs to obtain requirements.

149. FUEL & WATER.

Major FOLEN confirmed that restrictions on electric current are now officially lifted.

150. ELECTRICAL EQUIPMENT AT GRICIN.

Mr. URSICIC complained that some electrical equipment is being removed from the railway sub-station at GRICIN.

Major FOLEN replied that Colonel BARRETT will deal with this matter at the main meeting.

H. ST.G. FRENCH,
Major, D.A.&Q.M.G.,
Secretary,
Joint Economic Committee.

HSTGF/LVT

4418

Declassified E.O. 12356 Section 3.3/NND No. 785016

APPENDIX B

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT
XIII CORPS, TRIESTE.

26 MARCH 1946.

JOINT ECONOMIC COMMITTEE
FINANCE SUB-COMMITTEE - MINUTES.

46. The sixth meeting of the Finance Sub-Committee was held at 0930 hours on the 26th March 1946 in the Finance Division, HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman

Lt.Col. N.T. BEARD
CFC., AMG 13 Corps

Members

Ing.KOVACIC, M.)
Mr. URSICIC, F.) Jugoslavia.
Ing. SIKOSEK, D.)

In Attendance

Major T.S.M. McKITTERICK, AFHQ.

47. It was agreed that questions arising from the last meeting, which had not been discussed, should be raised at the main meeting of the Joint Economic Committee.

48. JUGOSLAV OCCUPATION LIRE ACCEPTED BY BUS COMPANIES.

Zone A Bus Companies operating through Zone B had been forced to accept Jugoslav Lire, which they were now holding. This amounted to several million lire and it was requested that they should be permitted an opportunity of clearing occupation lire with the Jugoslav Authorities.

The Jugoslavs in reply stated that the bus companies have expenses to be met in Zone B for the operation of Bus Stations, etc., and that it was the responsibility of the bus companies themselves to find means of spending the currency in Zone B. It was impossible for the Jugoslavs to pay them out in Metropolitan lire, and the whole arrangement depended upon the exchange clearing agreement.

Lt.Col. BEARD pointed out that the bus companies had been forced to accept this currency, which was valueless to them, by the Finance Section AMG, and some means must be found in the meantime to enable this money to be changed, such as for example the sale of timber to the bus companies so that in turn this might be sold to buyers in Zone A.

Ing. KOVACIC asked which routes were affected as the TRIESTE - POLA route had not been officially recognised by them.

It was agreed that the routes affected would be submitted to the Jugoslavs before the next meeting.

49. EXCHANGE OF CURRENCY OF RAILWAY EMPLOYEES LEAVING ZONE B.

Lt.Col. BEARD stated that Railway employees who were being transferred from Zone B to Zone A had a certain amount of Jugoslav Lire in their possession. Could the Jugoslav Authorities exchange this for Metropolitan Lire before these individuals left Zone B?

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PRESENT:

Chairman

Lt.Col. N.T. BEARD
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Members

Ing.KOVACIC, M.)
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In reply to this question it was stated that while Metropolitan Lire had been available, this currency had been exchanged, but the matter could be settled through the exchange clearing agreement, when it was completed.

Ing. KOVACIC pointed out that the Jugoslavs had lire in the banks in POLA.

50. MONEY OWING TO SELVEG.

The question of the settlement of the 30 million lire owing to SELVEG was being taken up between SELVEG and the Jugoslav Authorities.

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51. INDEBTEDNESS OF THE HEAD OFFICES OF CASSA DI RISPARMIO TO ITS BRANCHES IN ZONE B.

Lt.Col. BEARD asked what the individual sums owing to branches of the Cassa di Risparmio in Zone B amounted to in each case. He further pointed out that it was only branches in Zone B that had been unable to pay out and that all accounts held in Zone A had been available. It was people in Zone B with accounts in Zone B who were complaining. Therefore, what action was it desired that he should take in the matter.

Mr. URSICIC replied that the total owing to depositors in the Zone B branches of the Cassa di Risparmio amounted to approximately 80 million Lire. It was suggested, therefore, that AMG Finance Division should permit the funds in Zone A owing to branches of Cassa di Risparmio to be used for meeting obligations in Zone A. Then debtors to Zone A in Zone B could pay corresponding sums into the branches of the Cassa di Risparmio in Zone B in each individual case.

Lt.Col. BEARD replied that another simpler suggestion was that the accounts of individuals in the branches of this bank in Zone B should be transferred into the head office in Zone A and treated in the same way as the other accounts in Zone A held by residents of Zone B. this system would satisfy the liabilities of the bank to their individual clients. In order to operate the system suggested by the Jugoslavs for the Cassa di Risparmio to have funds, it would be necessary for someone in Zone B to owe money to someone in Zone A, and such amounts on current debts did not appear to be sufficient to meet these liabilities.

Mr. URSICIC stated that many people wished to meet their obligations in Zone A and also wished to purchase goods, as for example the bus services and the railway workers. Their system would not necessitate people coming to TRIESTE.

In reply Lt.Col. BEARD stated that he would discuss the matter with the Cassa di Risparmio and would try and assist in this matter, but that the adequacy of currency was a Jugoslav responsibility.

52. ISSUE OF OCCUPATION LIRE.

The Jugoslavs stated that they did not propose nor were they entitled to give answers to the following questions :-

a) The amount of occupation lire issued by Jugoslav Military Authorities to date.

b) The amount of new occupation lire being issued monthly.

c) The future programme for the issue of occupation lire.

Lt.Col. BEARD pointed out that these questions had been asked by the Combined Chiefs of Staff, and emphasised that the Jugoslavs had given an undertaking to inform AMG Finance Division before any further issues of currency were made.

Mr URSICIC replied that no such undertaking had ever been given in writing.

It was further stated by the Jugoslavs that no conversion of Metropolitan lire to Occupation lire had been made nor was any conversion contemplated; both currencies were circulating freely.

53. CANCELLED DINARS.

The letter written by the Chief Finance Officer, AMG, on cancelled dinars (see Minute 41 of 5th meeting of Finance Sub-Committee) had not been received, and it was agreed to raise the matter at the main meeting.

54. LETTER FROM THE PEOPLES AUTHORITY FIUME TO THE MANAGERS OF BANKS.

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4417

54. LETTER FROM THE PEOPLES AUTHORITY FIUME TO THE MANAGERS OF BANKS.

Lt.Col. BEARD stated that the Peoples' Authority had written a letter to the managers of banks in FIUME instructing them to obtain currency to meet their liabilities in FIUME. The managers of these banks had applied to their head offices for funds; what was the desire of the Jugoslavs as they had previously stated at this meeting that they did not wish for currency, yet the Peoples' Authority were demanding currency? Could the position of the Powers of the Peoples' Authority be clarified.

Mr. URSICIC ..../

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54. (Continued)

Mr. URSICIC replied that it was considered democratic to allow the Peoples' Authority to make such demands without the direct authority of the Government. This letter referred to was written by the City National Council of Fiume on behalf of the people who held accounts at banks, and as the direction of the Financial Institution of Fiume they were entitled to make these demands.

Lt.Col. BEARD asked which desire should be carried out as one negatived the other; was it desired that currency should be transferred or not? If so, would the Jugoslavs be prepared to submit a request for a certain sum of currency in writing?

Mr. URSICIC replied that if currency could have been transferred it would have been preferable, and that they would consider the possibility of making such a request to AMG for currency.

Lt.Col. BEARD requested that the Peoples' Party should be kept informed.

55. BRITISH OWNED PROPERTY IN ZONE B.

Lt.Col. BEARD asked if the sums accruing from the sale of Bauxite, the property of a British concern in Zone B, were being credited to the British firm or not.

Ing. KOVACIC replied that this would be settled when the Treaties were made and that, in the meantime, firms of which the owners or directorships were absent were under a temporary administration which treated all estate equally and administered property and banked receipts.

56. PENSIONS.

Lt.Col. BEARD asked if the Jugoslavs had arranged to commence the payments of pensions in Zone B as all payments of these pensions would cease from Zone A from 31st March; the lists of pensioners now being in the possession of the Jugoslav Military Government.

Mr. URSICIC replied that the matter would be examined and that an answer would be given.

57. EXCHANGE CLEARING AGREEMENT.

Mr. URSICIC stated that para 2 (a) of the revised draft of the Clearing Agreement was not quite as agreed by the Sub-Committee, and that the last sentence of para 2 (a) should read "This will be subject to agreement between AMG and JMG".

This was agreed.

Mr. URSICIC further stated that the draft had been passed to Higher Authority for approval.

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4416

J.R. SNOWDEN,
Major, DAQMG,
Secretary,
Joint Economic Committee.

JRS/LVW.

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Economic Section
AFCOM
ROME

Civil Affairs Sect.

COPY NO 22

ES/1.47

JOINT ECONOMIC COMMITTEE
HEADQUARTERS, ALLIED MILITARY GOVERNMENT,
XIII CORPS, TRIESTE, ITALY.

A/5DA/14

29 March 1946.

11 APR 1946

MINUTES

217. The twelfth meeting of the Joint Economic Committee was held at 0930 hrs on 29 MARCH 1946, in the Main Conference Room at HQ AMG 13 Corps, TRIESTE.

PRESENT:

Chairman

Brigadier G.L.P. BASTEN, CBE,
DA & QMG Rear 13 Corps.

Members

Colonel C.M. BARNETT,
DD.TN., TRIESTE.

Lt.Col. D.S. BICKERSTETH,
Economic Adviser,
AMG 13 Corps.

Lt.Col. N.T. BELL,
C.F.O., AMG 13 Corps.

Major R.R. GIBSON,
2 (Inv), Rear 13 Corps.

Major J.E. BOLEN,
Industry & Utilities,
AMG 13 Corps.

Lt.Col. MENAC, M,
Chief of the Jugoslav Delegation.

Major GOLOB, R,
Transportation, Jugoslavia.

Ing. KOVACIC, M,
Industry, Jugoslavia.

Ing. SIKOSEK, D,
Electricity, Jugoslavia.

Mr. URSICIC, P,
Finance, Jugoslavia.

Major BABIC, M,
Commerce, Jugoslavia.

In Attendance

Lt.Col. H.C. QUARTER,
A.D/SCAO, AMG 13 Corps.

Capt. R.K. HARPER,
Transportation, AMG 13 Corps.

F/O. E.H. LLOYD,
Commerce, AMG 13 Corps.

Major K. COOPER,
Economics, AMG 13 Corps.

Major BJELIS, S,
Jugoslavia.

ALLIED COMMISSION 1449 4410 BARRIERS

218. POL. CONVOY.

Lt.Col. MENAC read a copy of the Jugoslav reply, and Lt.Colonel

Declassified E.O. 12356 Section 3.3/NND No. 787016

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G (Gov), Rear 13 Corps.

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Major K. COOPER,
Economics, AMG 13 Corps.

Major BJELIS, S,
Jugoslavia.

ALLIED COMMISSION 1449 4413 AUSTRIA

218. POLA CONVOY.

Lt.Col. MENAC read a copy of the Jugoslav reply, and Lt.Colonel BICKERSTETH said it failed to meet the question at issue, namely the granting of a permit for a civilian goods convoy from TRIESTE to POLA.

Lt.Col. MENAC said if the reply was considered unsatisfactory, a request should be submitted for a further answer.

Lt.Col. BEARD asked if the Jugoslavs objected to AMG trucks going to POLA and Lt.Col. MENAC replied he could not give an answer now.

Lt.Col. BICKERSTETH: The question is urgent and has been outstanding for a long time and I must press for an answer.

Lt.Col. MENAC replied he understood but hadn't authority to give an answer.

Lt.Col. BICKERSTETH ...../

Declassified E.O. 12356 Section 3.3/NND No. 785016

Lt.Col. BICKERSTETH: We require an answer by 10 April. Failure to comply is tantamount to refusing to allow AMG to send goods from one part of Zone A to another part of Zone A. Supplies pass through Zone A to Jugoslavia and we only ask the same privilege.

Lt.Col. LENAC said that goods in transit from abroad by international agreement cannot be compared to local traffic.

219. DEPARTURE OF DISCUSSIONS.

Lt.Col. LENAC said that para.1 of Minute 211 should be altered by inserting "the Jugoslav delegates had not been allowed into the building and therefore they had not had sufficient time to study them".

The Chairman agreed to this alteration, but pointed out that this in no way affected the length of time which had been available for the reading of the minutes.

220. IDENTITY CARDS.

Lt.Col. LENAC said the penultimate line of para 1, minute 215, should read "residents of Italian citizenship". He then handed in a supply of the new identity cards issued in Zone B.

221. MINUTES OF THE INDUSTRY & COMMERCE AND FUEL & POWER SUB-COMMITTEE.

The above-mentioned minutes were then received.

222. RETURN OF SHIPPING BELONGING TO THE FIUME AND OTHER SOCIETIES TO ZONE B.

Lt.Col. LENAC said the Jugoslavs had written suggesting a shipping conference for 19 MARCH and he now suggested 5 APRIL for this conference. The letter from the Jugoslavs had apparently not been received.

Lt.Col. BICKERSTETH asked if the date could be brought forward to 1 APRIL to allow him to attend, and Lt.Col. LENAC replied that the Jugoslav shipping specialists would not be available on that day. The meeting was then arranged to be held in the Conference Room at 1030 hours on 5 APRIL and Lt.Col. BICKERSTETH said he would ensure that his deputy and the AMG members would be fully briefed.

223. ARSA COAL.

Lt.Col. LENAC said he thought this question had now been solved.

224. BUSES OWNED BY GRATONI.

Lt.Col. LENAC acknowledged receipt of legal opinion and said these buses are very important to Zone B and that with goodwill on both sides the matter could be settled. Legal action should be taken against Gratoni for the return of the buses, since public interests are involved.

Lt.Col. BICKERSTETH said we have no power in law to compel GRATONI to return the buses because they are private property, but we will do what we can to persuade him.

Lt.Col. LENAC said the removal of buses comes under the same heading as the removal of machinery in the Morgan-Jovanovic agreement and Lt.Col. BICKERSTETH pointed out that the movement of buses was never covered under the clause prohibiting the removal of machinery.

Lt.Col. LENAC said he would be glad of AMG help, and Lt.Colonel BICKERSTETH promised to take the matter up with him out of committee.

225. CONSORZIO PER LA BONIFICA DELL'ISTRIA.

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Declassified E.O. 12356 Section 3.3/NND No. 787016

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Lt.Col. LENAC said he would be glad of AMG help, and Lt.Colonel BICKERSTETH promised to take the matter up with him out of committee.

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225. CONSORZIO PER LA BONIFICA DELL'ISTRIA.

The Chairman asked if the documents requested could now be produced and Ing. KOVACIC replied it was difficult to know exactly what the President wanted. She suggested the President should meet the Jugoslav delegates and Lt.Col. BICKERSTETH said he would try to arrange a meeting at ABBAZIA between committee meetings.

226. MOVEMENT WITHIN 1 KM. OF THE MORGAN LINE.

Ing. KOVACIC said they would give the required permission for their side of the Morgan Line, not now, but in conjunction with the question of import and export licences.

227. EMPLOYMENT OF WORKMEN FROM ZONE B IN POLA.

Lt.Col. LENNAC said not all the workmen involved were employed on public works, but he would make further enquiries.

Lt.Col. BICKERSTETH informed the Jugoslav delegates about the lifting of the ban forbidding the dismissal of workers in Zone A in conformity with the rest of Italy, and said that further dismissals of Zone B residents will follow.

Lt.Col. LENNAC enquired the reason for this and Lt.Colonel BICKERSTETH replied it was owing to lack of work.

Lt.Col. BEARD emphasised that work would be found for dismissed employees, but residents of Zone A would receive preferential treatment.

228. MACHINERY EXPORTED FROM THE COTTON MILL AT PODGORA.

Lt.Col. LENNAC said the Jugoslavs were not satisfied with the written reply from AMG (Appendix A) because it seemed that all machinery could be removed under this clause.

Lt.Col. BICKERSTETH agreed but said it seemed unreasonable to demand return at this stage. He added that had he been consulted he would not have permitted the removal, and in fact he had more than once blocked the removal of machinery.

Colonel LENNAC said he knew this, but it meant the Jugoslavs must keep AMG informed.

The Chairman said that factories are constantly visited and any attempt to remove machinery is prevented to the best of our ability.

Lt.Col. LENNAC said this was not a strong enough guarantee, but if control on the Morgan Line is carried out, it would prevent removals. He still thought the machinery should be returned in compliance with the Morgan-Jovanovic Agreement.

Further discussion followed, in which Lt.Col. BICKERSTETH pointed out that the removal in question did not violate the principle, that factories must not move from Venezia Giulia for operations elsewhere. Lt.Col. LENNAC said the Jugoslavs were arguing a matter of principle and if the machinery is not returned the Agreement will be violated. He asked for the return of Lot No.3 in the AMG reply.

Lt.Col. BICKERSTETH said he would ask for this to be returned, and added he would also ask for the return of any machinery which had been removed to Zone B. Lt.Col. LENNAC agreed.

229. REMOVAL OF DRILLING SLEDS FROM MONTE FIORE (ROMSA).

Lt.Col. LENNAC said investigations were being made and if the facts are as stated, the machinery would be returned.

230. FORESTRY OFFICES.

Major GOLOB repeated the request contained in the last paragraph of Dr. KOBE'S letter. (Appendix B).

The Chairman said the funds had been frozen and the accounts sent to the Jugoslavs. He was not clear what further action was wanted.

Major GOLOB said these offices in Zone A served forests in Zone B and therefore forestry activities in Zone B are prejudiced. He made three requests :-

1. A joint committee to examine the situation.

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Lt.Col. LEMAC enquired the reason for this and Lt.Colonel BICKERSTETH replied it was owing to lack of work.

Lt.Col. BRAND emphasised that work would be found for dismissed employees, but residents of Zone A would receive preferential treatment.

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Colonel LEMAC said he knew this, but it meant the Jugoslavs must keep AMG informed.

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Lt.Col. LEMAC said this was not a strong enough guarantee, but if control on the Morgan Line is carried out, it would prevent removals. He still thought the machinery should be returned in compliance with the Morgan-Jovanovic Agreement.

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Lt.Col. BICKERSTETH said he would ask for this to be returned, and added he would also ask for the return of any machinery which had been removed to Zone B. Lt.Col. LEMAC agreed.

229. REMOVAL OF DRILLING SLETS FROM AGIP FIUME (ROMSA).

Lt.Col. LEMAC said investigations were being made and if the facts are as stated, the machinery would be returned.

230. FORESTRY OFFICE.

Major GOLOB repeated the request contained in the last paragraph of Dr. KORE'S letter. (Appendix B).

The Chairman said the funds had been frozen and the accounts sent to the Jugoslavs. He was not clear what further action was wanted.

Major GOLOB said these offices in Zone A served forests in Zone B and therefore forestry activities in Zone B are prejudiced. He made three requests :-

1. A joint committee to examine the situation.

2. A representative from Zone B to work in the office in Zone A.

3. Copies of the documents and maps to be sent to the Jugoslavs.

Lt.Col. BICKERSTETH said these requests were perfectly reasonable and that with regard to the documents and maps the Jugoslavs might have the originals if they wished.

Major GOLOB still pressed for a joint committee of enquiry to be set up and the Chairman asked for a written request giving terms of reference and stating precise requirements.

Major GOLOB ...../

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Major GOLOB then produced Dr. KORE'S letter, but Lt.Colonel BICKERSTETH said terms of reference were also needed and suggested that Major GOLOB and Major COOPER could settle the matter out of committee.

The Chairman said these two officers should visit the Forestry Office and settle the question on the spot. He thought a commission unnecessary, but if these officers failed to reach an agreement, one could be set up.

Lt.Col. LENAC agreed and said the Jugoslavs would nominate their representatives before 2 April and suggest the time and date of the meeting.

231. COURIER.

Lt.Col. LENAC requested a permit for a Jugoslav courier to run between MERAZLA and TRIESTE.

The Chairman instructed the Secretary to take the matter up with 13 Corps.

232. SS REX.

Lt.Col. LENAC said the Jugoslavs were not aware of the stealing from the ship, but suggested the matter be raised at the shipping meeting on 5th April.

The Chairman agreed.

In reply to Lt.Col. BICKERSTETH, Lt.Col. LENAC said there would be no difficulty if the ship owner would visit Jugoslav Military Government.

233. RELEASE OF M/V. "ZVIR" AND "LABOR".

Ing. KOVACIC said the last paragraph of minute 141 should be amended to read "until the ships arrived at Jugoslav ports, the ships held by the Jugoslavs would not be released".

Lt.Col. BICKERSTETH said it now appears that "ZVIR" was requisitioned by British Military Authorities near VENICE without the knowledge of AMG. Arrangements have been made for her immediate release. "LABOR" was not requisitioned by the British and her present whereabouts is not known.

Ing. KOVACIC asked if it was agreed to amend minute 141.

The Chairman replied "Yes", and added that AMG acted in good faith, but "ZVIR" was requisitioned without their knowledge.

Lt.Col. LENAC said, "LABOR" is a ship of 400 tons and should be found without difficulty.

The Chairman replied that since she has not been requisitioned she is free to go anywhere, but we will try to find out where she is. It would help if the Jugoslavs could give the name of the agents in VENICE.

234. THE EXCHANGE CLEARING AGREEMENT.

Ing. KOVACIC said delay had been caused by the need to alter the draft, but she thought the agreement would soon be signed.

235. CONTROL OF GOODS CROSSING THE MORGAN LINE.

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Ing. KOVACIC said the Jugoslavs did not agree with the controls established by AMG. According to para. C (I) of the MORGAN-JOVANOVIC Agreement, VENEZIA GIULIA is an economic unit, and the control would prevent trade between the two zones.

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Lt.Col. BICKERSETH said the matter had been discussed for the past four months and no objection was raised by the Jugoslavs until the controls had already been established. Furthermore the Jugoslavs had agreed that control is necessary to keep a check on UNRRA supplies coming to Zone B, the export of salt and other black market activities. On our side control is necessary to prevent smuggling of monopoly goods free of tax, and the re-export of goods imported for the prevention of disease and unrest. In the prolonged discussion which followed the Jugoslav delegates agreed that control was necessary but complained it had been established without consulting them.

They made ...../

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They made the following additional points :-

1. The control is too strict - all roads should be open.

2. Persons in Zone B suffer hardships because they are prevented from bringing wood to relatives in Zone A.

3. The transit trade between ITALY and Zone B is hampered.

4. Italian Chambers of Commerce will not issue the necessary certificates.

Lt.Col. BICKERSTETH replied that AMG has approved as many roads as it is possible to man and that the railway and main roads are all open. With regard to points 3 and 4, these are matters for the Italian Government to decide, not AMG.

The Chairman then suggested the Jugoslavs should forward a list of the points in dispute, and Lt.Col. BICKERSTETH suggested a meeting in his office on 1 APRIL at 1430 hours.

Lt.Col. LENAC agreed, but said the control should be suspended meanwhile, since the publication of the Order violates the principle of control by agreement.

Lt.Col. BICKERSTETH replied the Jugoslavs were given formal notice that the Order would be published and they took no action. The Jugoslavs were in possession of copies fourteen days before publication. The control is now in force and cannot be suspended.

Lt.Col. LENAC said he would like to record in the minutes that AMG refused to defer putting the control into force and that it violated the Morgan-Jovanovic agreement.

The Chairman said he did not agree that the Morgan-Jovanovic agreement had been violated. Adequate notice of the Order had been given to the Jugoslavs.

236. NAVAL TRAFFIC.

It was agreed to discuss this matter at the conference on 1 APRIL 46.

237. THE RADIO TRANSMITTER IMPOUNDED AT GORIZIA.

Lt.Col. BICKERSTETH said no reply had been received so far.

238. EXPORTS FROM ZONE A.

Lt.Col. BICKERSTETH said he would try to produce a list of surplus exportable goods, but any such list would be subject to fluctuations in availabilities.

Lt.Col. LENAC pointed out with reference to minute 148, that in the case of goods handled by agents who are not controlled by Italian Chambers of Commerce, the approval of the Italian Government would not be needed.

4411

239. ELECTRICAL EQUIPMENT AT OPICINA.

The Jugoslav delegates said that three generators and one transformer had been removed from OPICINA on 15 MAR 46.

Colonel BARRETT replied there was no question of these generators

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Declassified E.O. 12356 Section 3.3/NND No. 785016

...smart trade between ITALY and Zone B is hampered.

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4411

239. ELECTRICAL EQUIPMENT AT ORICINA.

The Jugoslav delegates said that three generators and one transformer had been removed from ORICINA on 15 MAR 46.

Colonel BARNETT replied there was no question of three generators having been removed. The facts were, that about two months ago, Railway Command, ROME, requested the transfer of an electric motor. This request was referred to the Joint Operating Committee, who raised no objection. Action to remove the motor was then taken.

The Jugoslavs made no further comment.

Colonel BARNETT said a request had been received for the transfer of an electric rectifier from Zone A. He proposed to meet the request and record the transfer and the destination.

Lt.Col. LENAC said there would be an obligation to return the rectifier to Zone A.

Colonel BARNETT agreed it would either be returned, or compensation paid, when the final settlement was made.

240. ACT OF PIRACY AGAINST M/V. "SAVA".

The Chairman tabled a report on a case of armed piracy.

The report (which was then read to the Jugoslav delegates) disclosed that on 18 MARCH 46, at PORTO GROSSA, a Jugoslav motor-boat discharged a machine-gun against the M/V. "SAVA", forced the vessel to stop, and ordered it to put into Capodistria. The vessel was then boarded by men in plain clothes who removed documents, a motor car, two tyres from a second car, five wheels, a differential gear and four seats. The Chairman went on to say that the Allied Command take a very serious view of the occurrence and the matter is being taken up through diplomatic channels. It would appear the Jugoslavs are not capable of controlling shipping in their Zone and if this is the case, it must be remembered the Allies have power to enter ports for the purpose of inspection.

Lt.Col. LENNO said he believed the guilty persons would be punished and the goods returned. For the time being he was not authorized to say more.

241. MINUTES OF THE FINANCE SUB-COMMITTEE.

The minutes of the sixth meeting of the Finance Sub-Committee were received.

242. JUGOSLAV OCCUPATION LIRE ACCEPTED BY BUS COMPANIES.

Lt.Col. BEARD said that details of the bus lines operating in Zone B, authorized by Companies in Zone A, had been handed to the Jugoslavs before the meeting.

Ing. KOVACIC asked which lines were affected by the currency question and the amounts involved in each case.

Lt.Col. BEARD replied that the total amounts to 4-5,000,000 lire and added that the companies cannot operate much longer without funds.

243. EXCHANGE OF CURRENCY OF RAILWAY EMPLOYEES LEAVING ZONE B.

Lt.Col. BEARD said that nothing much can be done until the Exchange Clearing Agreement is signed. Mr. URSICIC agreed, and added that the problem could be solved by unblocking funds in Zone A.

244. MONEY OWING TO SELVEG.

Lt.Col. BEARD asked if the Jugoslavs have agreed to give coal to SELVEG in exchange for electric power and Mr. URSICIC replied an agreement has been completed.

245. INDEBTEDNESS OF THE HEAD OFFICES OF CASSA DI RISPARMIO TO ITS BRANCHES IN ZONE B.

Lt.Col. BEARD stated he had discussed the matter with the Banks, and as the Jugoslav proposal meant giving them (the Jugoslavs) a credit in Zone A he preferred to consider recommending his proposal, which was that Branches in Zone B transfer the accounts under reference to their Head Office in Zone A. A depositor would still have control over his account and use it as residents in Zone B with accounts in Zone A were now doing.

Mr. URSICIC stated that the Jugoslavs were not in agreement with this idea as it would mean the liquidation of the branches of the bank

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Mr. URSICIC stated that the Jugoslavs were not in agreement with this idea as it would mean the liquidation of the branches of the bank in Zone B. The liability of the head office of the bank was to its branch.

Lt.Col. BEARD again pointed out that the liability of the head office was to the depositor, who was entitled to decide how his deposit would be used.

Lt.Col. LETHAC asked if this attitude meant that the head office desired to liquidate the branches and take over the depositors. Lt.Col.BEARD considered that the banks could still take on new depositors under Jugoslav control. And anyhow the Bank could not operate because of lack of currency.

Mr. URSICIC stated that it was thought unlikely that a bank would receive new depositers if it could not meet its old liabilities and there was therefore no confidence.

Lt.Col. BEARD ...../

Lt.Col. BEARD replied that the Bank was not proposing to repudiate its liability to its depositors, and he had already said that the Head Offices were prepared to repay the depositors, but he was not prepared to give the Jugoslavs a bulk credit in Zone A.

Mr. URSICIC stated that not only individuals had accounts but also credit corporations.

Lt.Col. BEARD replied that these accounts could be passed through the clearing agreement.

Mr. URSICIC considered that the unblocking of accounts should be carried out without the clearing agreement nor did he think that it was in any way a practical proposition that peasants should have to go to Trieste or Rome to draw their deposits.

Lt.Col. BEARD replied that the only way for these depositors to get their money was to obtain currency in Zone B and he was waiting to hear from the Jugoslavs whether they wanted currency. He further suggested that this question should be discussed between meetings.

Ing. KOVACIC stated that the branches had put their money in the central banks and that this discussion was only deferring the points involved and that therefore this must be considered tantamount to a wilful gaining of time.

Lt.Col. BEARD replied that he would suggest to the banks that they should pay individual depositors and that it would be necessary to discuss the methods of paying them. Was there any objection to the individual depositor applying in writing to be paid.

Lt.Col. LENAC replied that for organisational reasons it was undesirable and the branch offices in this case would be made unnecessary, also if the funds were made available in Zone A the Zone B resident would be forced to stay in Zone A as he could not carry currency across the border.

Lt.Col. BEARD replied that the depositor staying in Zone B would be able to clear his money through the Exchange Clearing Agreement, and referred to his earlier reply.

Lt.Col. LENAC in reply stated that there would be no further reason to stop money passing through the Exchange Clearing Agreement when it came into force. This point was acknowledged by Col. BEARD.

246. AMENDMENT TO MINUTE 51 OF FINANCE SUB-COMMITTEE.

Mr. URSICIC pointed out that the reference to bus services and railways in para.4 of minute 51 of Finance Sub-Committee of 26 MAR 46 was not clear.

It was agreed that this should now read - "As also for example in the case of the exchange of Jugoslav to Metropolitan lire taken by bus services and the exchange of Jugoslav lire to Metropolitan lire of railway workers moving from Zone B to Zone A".

247. BRITISH OWNED PROPERTY IN ZONE B.

In reply to Lt.Col.BEARD, Lt.Col. LENAC said the British-owned bauxite company in Zone B was without a proprietor, and in all such cases a temporary administration had been installed until the Peace Conference and no discrimination was being made in the meantime. 4405

Lt.Col. BEARD asked if there would be any objection to inspecting the British property and Lt.Col.LENAC said a written request should be made.

248. PRIVATE UNDERTAKINGS IN ZONE B.

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248. PRIVATE UNDERTAKINGS IN ZONE B.

Lt.Col. BEARD asked if commissars had been appointed to all private undertakings in Zone B and Lt.Col. LENAC replied that temporary administrators had been appointed by the Peoples Party. They were not Commissars.

249. PRIVATE BANKS.

In reply to Lt.Col. BEARD, Lt.Col.LENAC said private banks are permitted to operate in Zone B, but are restricted by shortage of currency. Difficulties are caused by the blocking of funds in ITALY and Zone A. The Jugoslav Military Government does everything possible to help.

250. DEBTS ...../

250. DEBTS.

Lt.Col. BEARD asked if the Jugoslavs would make a statement regarding sums owed by them to concerns in Zone A.

Lt.Col. LEMAC said the answer had been given in Sub-Committee and that the question of financial liabilities is a matter for the Jugoslav Government.

Lt.Col. BEARD pointed out that the economy of Zone A is an AMG responsibility and is affected by those debts.

Lt.Col. LEMAC said similar difficulties arise in Zone B through the "locking of money abroad, and Lt.Col. BEARD replied he was only concerned with debts incurred since the arrival of AMG.

Lt.Col. LEMAC asked for details and Lt.Col. BEARD said he would supply them.

251. DATE OF THE NEXT MEETING.

Industry & Commerce and Fuel & Power Sub-Committee,	:	25 APRIL 1946 at 1000 hrs.
Finance Sub-Committee	:	26 APRIL 1946 at 1000 hrs.
Joint Economic Committee	:	3 MAY 1946 at 1000 hrs.

H.St.G. French

H. ST.G. FRENCH,
Major, DAQMG,
Secretary,
Joint Economic Committee.

HSTGF/LMW.

4402

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APPENDIX "A"

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
13 CORPS

Telephone No: 29794 Ext.45 — 19th March 1946

Reference No. 130/AMG/Ec.27a/339

Subject : Machinery taken from Cotton Mill Podgora.

To : Secretary Joint Economic Committee.

1. Reference minute 213 of the Joint Economic Committee.
Investigation has been made of the Jugoslav delegates complaint and the following is the position:

1.	February 9	1946.	Old warping machine taken to Milan after recent arrival of a new machine.
2.	February 16	1946.	Two devices for distaffs making taken to Main Plant at BUSTO (Milan) for repair.
3.	March 3	1946.	A big steel vat capable of holding 3000 kilos of cloth for dyeing together with the tools concerned - value 680.000 Lire weight 17.000 kilos.

The removal of items 1 and 2 would appear to be in order in the normal course of business and not constitute any infringement of the Morgan Jovanovich agreement. The removal of items 3 however would appear to be irregular. The necessary instruction to prevent this removal of further machinery has been given and the position regarding the item in question is being regularized by A.M.G. Gorizia, who have been instructed to inform the company that in the event of any change in the ownership of the territory the machinery will have to be returned.

(SIGNED)

Declassified E.O. 12356 Section 3.3/NND No. 785016

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(SIGNED)

D.S. BICKERSTETH
LT.COLONEL
ECONOMICS.

Copy to : Area Commissioner Gorizia.

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APPENDIX "B"

Delegation of Federative People's Republic
Jugoslavia

No.15/46-2

Ljubljana, 25 Feb 46.

TO: A.M.G. Trieste.

SUBJECT: Confiscation of property of the Slovene Littoral State Forests Administration and of the Trnovo State Forestal Administration.

In Gorizia in the house No.17 Via Montesanto, a forestal office for the Gorizia Province, administered by the fascist forestal militia (Milizia Nazionale Forestale) existed up to 17 May 45. After the liberation of Gorizia by the Jugoslav Army, the forestal division of the district people's liberation council for the Gorizia Province was accommodated in this building. Besides the forestal division two entirely economic institutions worked in this building; they are the administration of the State Forests of the Slovenian Littoral and the administration of the State Forest in Trnovo, the property of which is the building itself with its inventory and the saw-mill; this can be seen in the Italian documents and the land and property survey lists.

When AMG, with its Decree No.11, withdrew from the people's liberation council the right to exercise public power, the forestal division of the district people's liberation council left the building.

The administration of State Forests in the Slovenian Littoral which, since the demarcation line was established, had separate business for forests in Zone A (altogether 730 hectares) and for those in Zone B (altogether 16,000 hectares) and the administration of the State Forest in Trnovo as the owner of the building and of the saw-mill where it continued to saw wood coming from its forests, continued to work in the building. In connection with this we would like to mention that the administration of Trnovo forests always had its head office in this building whilst on its forests' territory it only had auxiliary buildings which were completely destroyed by the occupation power during the war.

In spite of the fact that both administrations had a completely economic character and that one of them had all rights to keep its old business residence in its own business, on the 5th October 1945 an AMG officer came into the building and prohibited further working of these administrations, confiscated the safe and locked the rooms. At the same time the saw mill stopped working too. The officer then stated that this was only a temporary measure until a special Commission would inspect the work of these administrations.

In that moment the following state of cash was found in the safe :-

From Zone A
State Forest Postojna

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To: ...G. Trieste.

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From Zone A State Forest Panovec	62.555 - L.
From Zone B Administration of State Forest Head Office	49.971 - L.
Trnovo State Forest	185.555 - L.
State saw mill (income of the Trnovo State Forest)	218.000 - L.
Municipal Forests, Kol.	18.805 - L.

4400

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APPENDIX "B"
(Cont,

Besides the position of cash, no inventory list of both administrations was then made out, not even of the material in the saw mill where there was a big quantity of planks and beams (logs) to the value of approx. half a million lira.

Immediately after returning from their official trip, both administrators protested by letter to AMG Corizia against such action and asked that the Commission should be detailed as soon as possible, as promised by the AMG officer. AMG did neither answer the letter, nor did it detail the Commission but it can be found at once that it handed the keys to the former commander of the Fascist Forestal Militia, Dr. Roberti, who, after the collapse of Germany, escaped to Gorizia but who came back afterward, and at the request of AMG he founded in the premises of the administration of the State Forests of the Slovenian Littoral and of the administration of the State Forest Trnovo, a certain office for liquidation of the former forestal militia's obligations.

Dr Roberti, together with the members of the former fascist forestal militia who gathered around him is today freely in possession of the inventory and material of both the administrations.

As AMG did not think it necessary, up to today, to consider the justified claims of both the administrators of the annulled administrations, especially with regard to the possession, we consider it our duty to protest most strenuously against the irregulation taken by the AMG officer and against the not very great understanding of AMG who, for nearly 5 months, have not esteemed it necessary to settle the problem of both administrations property by a Commission. At the same time we must state that the order of AMG Gorizia about closing is not in accordance with the main agreement in as far as by the closing of the residence and of the saw-mill belonging to the Administration of the State Forest Trnovo it is made impossible for this administration to import the wood and to cut it on its own saw-mill. Because of this considerable economic damage for not only Zone B but also for Zone A has been caused which fact can be clearly seen from the fact that the saw-mill did not continue its work after the day of its closing as it was left without wood that was arriving from the Trnovo forest.

Because of all the a/m actions and in accordance with the main agreement dated 20 July, we request that the problem of solving the controversy regarding the closing of the administration of the State Forests in the Slovene Littoral and the administration of the Trnovo State Forest be approached as soon as possible, and we propose:

1. That a Commission should be composed at once composed of delegates from AMG for the Julian Venezia in Trieste and of delegates from the Jugoslav Military Government, Abbazia, who will solve the question of the closed administration's property.

2. To permit the Jugoslav Military Government to appoint their delegate to the forestal offices in Gorizia and Trieste in order that Jugoslav Military Government could use the archives and forestal plans that are in possession of these offices and relate to forests belonging to Zone B.

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(Signed)

Dr. KOBE, BOZO

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68	Commerce, AMG 13 Corps
69	Col. C.H. BARRETT, DDTN, Navy House, TRIESTE
70	Capt. PARKER., AMG 13 Corps
71	GSI (E)., Main 13 Corps
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