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

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

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ECON, MEETINGS, ECONOMIC SECTION
DEC. 1943 - OCT. 1944

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HEADQUARTERS ALLIED COMMISSION
 ECONOMIC SECTION
 APO #384

MINUTES OF MEETING OF REPRESENTATIVES OF THE ITALIAN
 GOVERNMENT AND REPRESENTATIVES OF THE ALLIED COM-
 MISSION, 24 NOVEMBER 1944, 1930. RE "JOINT PRO-
 GRAMMING OF CIVILIAN REQUIREMENTS."

PRESENT:

- Mr. E. Cerabona, Minister of Communications
- Mr. E. Grobachi, Minister of Industry, Commerce and Labor
- Mr. E. Soleri, Minister of Industry
- Mr. E. Serbelli, Under-Secretary of Agriculture
- Mr. E. Ruini, Minister without Portfolio
- Mr. E. Mancini, Minister of Public Works
- Mr. A. G. Antolini, Acting Deputy Chief of Staff, E/S
- Mr. E. Clevelland, Executive Director, E/S
- Mr. Leland G. Alden, Director, Agriculture S/C, E/S
- Col. W. P. Evans, Director, Commerce S/C, E/S
- Col. A. P. Graffley-Smith, Joint Director, Finance S/C, E/S
- Mr. Wm. S. Vaughan, Director, Industry S/C, E/S
- Col. L. A. Jenny, Director, Public Works & Utilities S/C, E/S
- Col. E. A. Martine, Supply and Resources Division, E/S
- Mr. Merriat Taylor, Chief, Priorities & Movements Div., E/S
- Mr. A. L. Villa, Priorities & Movements Division, E/S
- Maj. F. W. Tooley, Supply & Resources Division, E/S
- Mr. Van Lear Woodward, Members of Ambassador Gilbertson's Mission
- Mr. Wm. M. Friedlander

NOTE

These minutes were taken from those remarks and state-
 ments at the meeting which were made in English. They there-
 fore reflect the Ministers' statements in Italian only to
 the extent that they were translated or summarized by
 Chairman, Mr. A. G. Antolini.

RUINI: Wishes to express the views of the Italian Government to
 the effect that they are very pleased at the method of approach
 to the civilian requirements problem which has been adopted jointly
 by the Allied Commission and the Government. He referred to three
 distinct steps: (1) He takes us back a bit to the time when we
 were discussing the need in the first instance of coordinating
 transportation by air, sea and road. He has transmitted to the
 Economic Section, the Italian Government's views on transportation.
 (2) He mentioned the document which he has presented which con-
 tains the Italian Government's views by Ministries on the things
 that need to be done in the north. This document is a result of a
 meeting under the chairmanship of Minister Ruini. I (AGN) will
 distribute copies to each of the Sub-Commissions concerned. The
 Ministers now request that each Sub-Commission contact their own
 Minister on his particular plans as stated in the document. (AGN)

H. E. Carabona, Minister of Communications
 H. E. Crocchi, Minister of Industry, Commerce and Labor
 H. E. Scerri, Minister of Treasury
 H. E. Fargam, Under-Secretary of Agriculture
 H. E. Ruini, Minister Without Portfolio
 H. E. Mancini, Minister of Public Works
 Mr. A. G. Antolani, Acting Deputy Chief of Staff, E/S
 Mr. Harlan Cleveland, Executive Director, E/S
 Mr. Leland G. Allbaugh, Director, Agriculture S/C, E/S
 Col. W. P. Evans, Director, Commerce S/C, E/S
 Col. A. P. Griffith-Smith, Joint Director, Finance S/C, E/S
 Mr. Wm. S. Vaughan, Director, Industry S/C, E/S
 Col. L. A. Janny, Director, Public Works & Utilities S/C, E/S
 Col. R. A. Mantano, Supply and Resources Division, E/S
 Mr. Newton Taylor, Chief, Priorities & Movements Div., E/S
 Mr. A. L. Villa, Priorities & Movements Division, E/S
 Maj. F. W. Tobin, Supply & Resources Division, E/S
 Mr. Van Lear Woodward, Members of Ambassador Culbertson's Mission
 Mr. Wm. N. Friedlaender, Mission

NOTE

These minutes were taken from those remarks and statements at the meeting which were made in English. They therefore reflect the Ministers' statements in Italian only to the extent that they were translated or summarized by the Chairman, Mr. A. G. Antolani.

Mr. Ruini wished to express the views of the Italian Government to the effect that they are very pleased at the method of approach to the civilian requirements problem which has been adopted jointly by the Allied Commission and the Government. He referred to three distinct steps: (1) He takes us back a bit to the time when we were discussing the need in the first instance of coordinating transportation by air, sea and road. He has transmitted to the Economic Section, the Italian Government's views on transportation. (2) He mentioned the document which he has presented which contains the Italian Government's views by Ministries on the things that need to be done in the north. This document is a result of a meeting under the chairmanship of Minister Ruini. I (AGN) will distribute copies to each of the Sub-Commissions concerned. The Ministers now request that each Sub-Commission contact their own Minister on his particular plans as stated in the document. (AGN) This document reflects, by and large, plans which we have already made for the north. (3) Minister Ruini restated the Government's impression, which is accurate of what it was that we had asked them to do. I am in accord with his views. He has asked that Category "A" goods be forwarded as much as possible and that Category "B" goods be forwarded to extent to their destination. The Minister also requests, on the part of the Italian Government, that we consider the possibilities of broadening the credit mechanism by reviewing and possibly agreeing a conversion of line expenditures by the Allied Armed Forces for goods and services in Italy. That request has appeared before. The Minister

has reviewed in broad terms the general outline of their approach. This outline, which is tentative and properly so, reflects priority allocation. The Italian Government lacks, however, two fundamental facts to establish a less tentative outline: it needs to know (1) exactly and specifically what is in Category "A", and (2) the prices of goods in Category "B" so that they will not be as the dark sea to whether or not they are within the fixed limits of dollar credit.

Their tentative outline establishes priority allocation in this fashion:

- 1 - Transport
- 2 - Equipment for the Rehabilitation of Electric Power
- 3 - Fertilizers and Agricultural Equipment
- 4 - Raw Materials which could be supplied to specific enterprises that now have productive capacity. (As an example, in Gardinia there are plants which have the facilities and power to start manufacturing immediately, but which lack raw materials.)

They also add what may be called a "contingency reserve" -- out of which, for example, goods for taxation purposes (e.g. coffee) might be purchased.

The Minister says he will hand the detailed information to us and then he would like the Sub-Commissions to work on them with the appropriate Ministries.

ANTONINI: Should we set up within our various Sub-Commissions a working party to request the Ministers to set up a counter part within the Government?

(This agreement referred to by Sub-Commission represented views concurred.)

ANTONINI: I explained our operating plan to set up a working party within each Sub-Commission and requested the Italian Government to do likewise. They have agreed. They have raised a question as to whether the working party should be large or small?

(Sub-Commission representatives agreed that working party should have 3 members on each side.)

Messrs. Saragocchia and Bozzi have been designated as Coordinators on the Italian side. On the AC side, coordination will be directed through the Economic Section, while Col. Evans will aid in "managing" the program in terms of end-products.

I am going to refer the Minutes to the Ministers to the press released that they submitted to us regarding joint programming, and ask them to delay submitting it to the public.

DISTRIBUTION:

Comodore Stone, Chief Commissioner
 Alexander Lusk, Chief of Staff
 Mr. Hopkinson, Joint Vice-President, Political Section

- 1 - Representative
- 2 - Equipment for the Rehabilitation of Electric Power
- 3 - Facilities and Agricultural Equipment
- 4 - Raw Materials which could be utilized to specific factories that now have productive capacity. (As an example, in Sardinia there are plants which have the facilities and power to start manufacturing immediately, but which lack raw materials.)

They also add that they may be called a "contingency reserve" out of which, for example, goods for taxation purposes (e.g. coffee) might be purchased.

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AMBOLINI: Should we set up within our various Sub-Commissions a working party and request the Ministers to set up a counter part within the Government?

(This arrangement agreed to by Sub-Commission Representative gives concerned.)

AMBOLINI: I explained our operating plan to set up a working party within each Sub-Commission and requested the Italian Government to do likewise. They have agreed. They have raised a question as to whether the working party should be large or small?

(Sub-Commission representatives agreed that working party should have 3 members on each side.)

Messrs. Siniscalchi and Bozzi have been designated as Coordinators on the Italian side. On the AC side, coordination will be effected through the Economic Section, while Col. Evans will aid in "merchandising" the program in terms of end-products.

I am going to refer the Ministers to the press release that they submitted to us regarding joint programming, and ask them to delay submitting it to the public.

DISTRIBUTION:

- Comodoro Stone, Chief Commissioner
- Walter Lush, Chief of Staff
- Mr. Hopkins, Joint Vice-President, Political Section
- Mr. Sonett, Joint Vice-President, Political Section
- Col. Grimes, Vice-President, Administrative Section
- Mr. Ambolini, Acting Vice-President, Economic Section
- Col. Donahoe, Chief of Staff, Economic Section
- Mr. Cleveland, Executive Director, Economic Section
- Mr. Alibough, Director, Agriculture Sub-Commission
- Col. Evans, Director, Commerce Sub-Commission
- Col. Greifley-Smith, Joint Director, Finance Sub-Commission
- Mr. Vaughan, Director, Industry Sub-Commission
- Col. Jenny, Director, Public Works & Utilities Sub-Commission
- Col. Martino, Supply
- Mr. Taylor, Chief, Priorities & Movements Division, E/C
- Mr. Vail, Priorities & Movements Division, E/C

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HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 354

25/22

5/31/44

Minutes of Economic Staff Meeting

Held on 2 Oct 1944

1. Present.

Economic Staff:	Mr. Antolini, Col. Denmore,
	Maj. Sullivan, Lt. Atkins.
Agriculture S/C	Lt. Col. Hartman, Lt. Col.
	Dickson, Mr. Allbaugh.
Commerce S/C	Maj. Scotton
Finance S/C	Col. Geoffrey Smith
Food S/C	Maj. Imrie
Industry S/C	Col. Todd, Mr. Vaughan
R.W. & U. S/C	Lt. Col. Thompson
Shipping S/C	Mr. Bell
P.R.E.	Maj. Loane

2. Mr. Antolini reported upon the V.I. meeting held last Friday.

No official communication had yet been received as to the present status of ACC, following announcement in the press that title would be changed to "Allied Commission". Clarification of position had been requested and until that arrived ACC will carry on as heretofore, including all relations with the Italian Government, although the latter had interpreted the announcement as altering its status.

3. UNRRA. It was not clear how UNRRA's activities would be introduced to us, whether apart from ACC or with us and through us, i.e., using their own transport, warehouses, and organization or using ours. The normal channels for operating American Relief supplies was: Italian Government, Vatican, American Red Cross. In reply to a question by Col. Geoffrey Smith, Mr. Antolini said it was also not known whether UNRRA relief supplies will be distributed free, or some payment made with subsidy from the Italian Government. He presumed there would be 4866 financial transaction between the Italian Government and UNRRA. American relief is entirely a free distribution.

4. The very serious question of land mine was brought up at the Sienna conference. Mine were considerably delaying operations in every sphere. The military were not available to clear them in non-operational areas. Schools had been started to train civilians in detection and removal. Mr. Antolini asked if Industry Sub-commission could exert every effort to commence manufacturing equipment. Col. Todd pointed out that the Detectors were on the secret-list, and in consequence not even a start could be made. Essential materials for their

Antolini
Sullivan
Hartman
Dickson
Stanton
Imrie
Vaughan
Thompson
Bell
Loane

1. Present.

Economic Staff: Mr. Antolini, Col. Donamoro,
 Maj. Sullivan, Lt. Atkins,
 Agriculture S/C Lt. Col. Hartman, Lt. Col.
 Dickie, Mr. Allmayer,
 Commerce S/C Maj. Scotten
 Finance S/C Col. Graffey Smith
 Food S/C Maj. Harris
 Industry S/C Col. Todd, Mr. Vaughan
 P.W. & A. S/C Lt. Col. Thompson
 Shipping S/C Mr. Bell
 P.E.B. Maj. Leascoe

2. Mr. Antolini reported upon the V.P. meeting held last Friday.

His official communication had not been received as to the present status of ACC, following announcement in the press that title would be changed to "Allied Command". Clarification of position had been requested and until that arrived ACC will carry on as heretofore, including all relations with the Italian Government, although the latter had interpreted the announcement as altering its status.

3. UNRRA. It was not clear how UNRRA's activities would be introduced to us, whether apart from ACC or with us and through us, i.e., using their own transport, warehouse, and organization or using ours. The normal channels for operating American Relief supplies are: Italian Government, Vatican, American Red Cross. In reply to a question by Col. Graffey Smith, Mr. Antolini said it was also not known whether UNRRA relief supplies will be distributed free, or some payment made with subsidy from the Italian Government. He presumed there would be **4866** financial transaction between the Italian Government and UNRRA. American relief is entirely a free distribution.

4. The very serious question of land mines was brought up at the Sienna conference. Mines were considerably delaying operations in every sphere. The military were not available to clear them in non-operational areas. Schools had been started to train civilians in detection and removal. Mr. Antolini asked if Industry Sub-committee could exert every effort to commence manufacturing equipment. Col. Todd pointed out that the Detectors were on the secret-list, and in consequence not even a start could be made. Essential materials for their manufacture were critical and would require importation. Obsolete detectors were useless and actually dangerous to use. Mr. Antolini reiterated the serious position and if any action was possible it should be taken. Col. Donamoro referred to the application from Brig. Upjohn.

Antolini
 Dickie
 Harris
 Thompson
 Bell
 Leascoe

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Action

for the supply of vehicles, etc., to the mine
Transportation Sub-Commission.

5. Political. Dr. Antolini referred to Dr. Cacciatore's review of the political situation. Not much change from his previous report. The Northern Regions, when liberated, may cause the introduction of new elements politically. Socialists and Communists were predominant with the scales slightly in favor of the Socialists. This may cause a change or reshuffle in the government.

6. Stagna Conference. Food & Transportation were the principal topics. Northern Regions were concerned with:

(a) Disparity of prices between producing and non-producing areas.

(b) Too much emphasis on supplies to Rome.

Dr. Antolini said he replied to those by explaining the critical situation--import program for all Italy down from 100,000 to 40,000--imposing position--and possibility of reduction in rations. No word yet received from Washington. Food Sub-Commission were now working out effect of reduction in imports.

7. Staff. Col. Palmer request to be relieved as Director. Later Sub-Commission had been received and accepted per announcement at V.P. meeting today. Col. Smith to be appointed Acting Director.

8. RITC. Col. ... and Dr. Villa were leaving for U.K. today to represent ... on E.I.T.C. conference. The Director of the Italian State Railways was also attending. Information as to the functions of E.I.T.C. will be circulated to Sub-Commissions.

Action

Col. Donsmore

9. General. Col. Donsmore asked Sub-Commission Heads to ensure that they were personally fully aware of present position on any Decrees put up by the Italian Government for ... comment or approval. It was important that he delay in these matters could be attributed to ... He also said to point out that some Sub-Commissions in their communications with the Italian Government couched them in somewhat dictatorial terms reminiscent of ... He suggested that "recommendation" is preferable to "orders". In answer to questions he agreed to see Local Sub-Commission as to Sub-Commissions being provided with copies of the ... forms.

Action

Col. Donsmore

10. Reorganization. Col. Donsmore informed S/O's he had written them today as to the Reorganization Committee's proposals, copies of which are being sent them. He would be interviewing each Sub-Commission on the reorganization

and, may cause the introduction of new elements politically. Socialists and Communists were predominant with the feeling slightly in favor of the Socialists. This may cause a change or reshuffle in the government.

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- (a) Disparity of rations between producing and non-producing areas.
- (b) Too much emphasis on supplies to Rome.

Mr. Antolini said he replied to these by explaining the critical situation--import program for all Italy down from 100,000 to 20,000--imposing position--and possibility of reduction in rations. He would not receive from Washington. Food Sub-Commission were now working out effect of reduction in imports.

7. Staff. Col. Salinas' request to be relieved as Director Labor Sub-Commission had been received and accepted per announcement at V.F. meeting today. Col. Smith is to appoint Acting Director.

8. YITO: Col. Salinas and Mr. Villa were leaving for U.K. today to represent ACC on E.I.I.O. conference. The Director of the Italian State Railways was also attending. Information is to the functions of E.I.I.O. will be circulated to Sub-Commissions.

Action
Col. Donemoro

9. General. Col. Donemoro asked Sub-Commission heads to ensure that they were personally fully aware of present position on the Decree set up by the Italian Government for ACC command or approval. It was important that no delay in these matters could be attributed to ACC. He also said to point out that some Sub-Commissions in their communications with the Italian Government couched their in somewhat dictatorial terms reminiscent of Axis regimes. He suggested that "recommendation" is preferable to "orders". In answer to questions he agreed to say that Sub-Commission is to Sub-Commissions being provided with copies of the armistice terms.

Action
Col. Donemoro

10. Reorganization. Col. Donemoro informed S/S's he had written them today as to the Reorganization Commission proposals, copies of which are being sent them. He would be interviewing with Sub-Commission on the reorganization and he asked them to submit it that interview. A tie-up of present strength with that shown in the proposals.

Action
All S/O's

11. Mr. Antolini reported that the following provinces will be handed back to the Italian Government probably on 16 Oct.

PERMO, AQUILA, PESCARA, CHITTI, PIETRA SANT'ANGELO.

- 3 -

12. He would try to get advance information of transfers of areas from AdG Armies to Regions and pass it on to Sub-Commissions.

13. Mr. Bell mentioned that Capt. Northcott Crieford, one of a party about whom a report was asked by Troopore, was in the Flora, having returned from Cairo. Mr. Antolini told Sub-Commissions that if this gentleman or any others connected with him approached them, to notify the Economic Section immediately.

Mr. Bell also said a Mr. Rose, representing himself as of the French Embassy, had inquired for schooners for shipping food for French Convents, etc. He was advised to have no dealings with this gentleman.

14. Mr. Vaughan asked about the handing over of industries to the Italian Government. Mr. Antolini said the Director of the Sub-Commission should know if transfer of any industry to the Italian Government was justifiable and possible and he relied upon such decision of the Sub-Commissions.

15. Col. Donmore reported that arrangements for a Section pool of cars were under way.

C. W. Atkins
C. W. ATKINS, Lt., RA
Staff Lieutenant
Economic Section

DISTRIBUTION

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All Sub-Comms (1) ea.
AGC rep. at A-1 (2)
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CENTRAL ECONOMIC COMMITTEE

Minutes of First Meeting Held at 1100 Hours on 27 December 1943
Conference Room, AFHQ Advanced Administrative School.

Agenda

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

Officers in Attendance

1. Major General Sir Brian H. Robertson, DSO.
2. Brig. General A. L. Hambro, DSO.
3. Col. C. A. Spofford, Headquarters AFHQ.
4. Lt. Col. A. I. Henderson, Food Controller.
5. Lt. Col. G. M. Berry, AFHQ 15th Army Group.
6. Lt. Col. J. E. Rogers, AFHQ Advanced Administrative School.
7. Lt. Col. J. E. Bernstein, AFHQ Finance Sub-Commission.
8. Major J. E. Berry, AFHQ Finance.

1. Organization and Composition of the Committee.

The following organization of the Committee was agreed upon.

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

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

2. Consideration of procedures and Staff.

The Committee will initially be composed of the following sections:

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

The following points regarding the Committee were agreed upon:

- a. The Chairman stated that an instruction would go out from his headquarters stating the functions and methods of procedure of the Committee.
- b. The Minutes of the Committee may or may be signed by the Chief Executive on behalf of the committee.
- c. It was agreed that the Committee was authorized to communicate direct with all regions and areas, but it was decided that such direct communication would be used only in those cases when communication through channels was not considered satisfactory. In all cases of direct communication, all intermediate Headquarters will be kept fully informed.
- d. The Committee will meet fortnightly. The second meeting will be held in approximately ten days on a date to be fixed by the Chairman.
- e. The Chairman directed that a paragraph be inserted in the administrative instructions stating that requirements for vehicles, office equipment and personnel be met by AEG 15th Army Group, AEG Headquarters and AGO. Expendable office supplies, food and accommodations will be provided for the Committee by the Department Commandant, AGO, AGO Adm. AGO (Adv) will maintain contact with the Commandant for the above.
- f. The Chairman stated that the Committee should, if possible, be given its own Table of Organization.

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

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

4. Consideration of Prices of Imported Petroleum Products.

It was decided that, pending determination of a basic price policy, prices would remain those given in a Flambo message dated

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

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

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

The Committee on the proposed increase of passenger tariffs was positive at the next Committee Meeting because of the quality of the information received in support of the proposal.

6. Report on the General Supply Situation.

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

7. Other Matters.

The Deputy Chairman cited a request made by a representative of Region III to PPS for flour for issue to the civilian population and expressed the opinion that request of this kind should be transmitted through the Committee. It was decided that in the future all emergency requests for military stocks should be submitted to the Committee.

8. The meeting adjourned at 1400 hours.

Naples, 30 December 1943.

L. S. Plummer

L. S. PLUMMER
Captain, A. S. C.
Secretary,
General Economic

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4 -- DONG (H)
5 -- AMG 15th Army Group (Attn: Lt. Col. Garry)
6 -- AMG 15th Army Group (Attn: Lt. Col. G. P. Merrill)
7 -- ACC/AMG Finance Sub-Committee (Attn: Lt. Col. Bernard Bernhardt)
8 -- ACC/AMG International Transportation Commission (Attn: Col. S. A. Smith)
9 -- FLAMEO (Attn: Lt. Col. E. Loren Gray)
10 -- DDC, AFHQ
11 -- HRT, AFHQ
12 -- Local Resources Board (Italian)
13 -- See FLAMEO
14 -- File
15 -- 3 Spares

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

CMB/sen

BS/20

15 August 1944

SUBJECT: Benifiche Conference

1. A Conference was held in the Office of the Executive Director at 1600 hours, 14 Aug 44, to consider the various aspects of Benifiche and the problems of Agriculture, Public Works, Anti-Malarial Control, Finance and law which were involved.

Present: Mr. Artolini }
Mr. Radleigh } - Economic Section
Lt. Col. Sharp }

Colonel Russell - Public Health Sub-Commission

Lt. Col. Stephen, Finance Sub-Commission

Lt. Col. Grossman, Legal Sub-Commission

Lt. Col. Jemmy } - Public Works & Utilities Sub-Commission
Lt. Col. Rhodes }

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Capt. Ault } - Agriculture Sub-Commission
Prof. Sullivan }

2. Lt. Colonel Jemmy stated that all engineering arrangements for the draining of the Pontine Marshes had been completed four weeks ago but that financial approval for the work had not been received until today. Colonel Russell stated that this delay meant that work completed would have no effect in reducing malaria this year. 25% of the residents in the Pontine Marshes now have malaria and this percentage would increase to 40 or probably 50.

3. Colonel Stephen explained that consideration must be given to the rapidly increasing Government budget deficit. Up to now he had understood that the justification for a project depended upon whether it would assist in winning the war. If rehabilitation was now an adequate justification, he considered that some directive to this effect should be issued. Financial approval had now been given to the proposed work in the Pontine Marshes estimated to cost approximately 48 million lire. In reply to Colonel Russell he stated that, to his knowledge, financial approval given to anti-malarial work, as opposed to land reclamation, had not been revoked, however, he would check on this and advise Colonel Russell.

4. Captain Ault produced a map of Italy showing the Benifiche Areas. The largest area was in the Valley of the Po. There was a long narrow strip adjoining the West Coast in most of Central Italy whilst there were other areas in Southern Italy. He emphasized the importance of these areas from an agricultural point of view. 16.6% of total agricultural production in the 18 Northern Provinces of Italy came from the Benifiche whilst 30% of the main agricultural products of Central Italy came from the Benifiche. From this point of view of future food production it was imperative that all necessary drainage

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Present: Mr. Artalini }
Mr. Macleigh } - Economic Section
Lt. Col. Sharp }

Colonel Russell - Public Health Sub-Commission

Lt. Col. Stephen, Finance Sub-Commission

Lt. Col. Grosman, Legal Sub-Commission

Lt. Col. Jenny }
Lt. Col. Rhodes } - Public Works & Utilities Sub-Commission

Capt. Ault }
Prof. Sullam } - Agriculture Sub-Commission

4604

2. Lt. Colonel Jenny stated that all engineering arrangements for the draining of the Pontine Marshes had been completed four weeks ago but that financial approval for the work had not been received until today. Colonel Russell stated that this delay meant that work completed would have no effect in reducing malaria this year. 25% of the residents in the Pontine Marshes now have malaria and this percentage would increase to 40 or probably 50.

3. Colonel Stephen explained that consideration must be given to the rapidly increasing Government budget deficit. Up to now he had understood that the justification for a project depended upon whether it would assist in winning the war. If rehabilitation was now an adequate justification, he considered that some directive to this effect should be issued. Financial approval had now been given to the proposed work in the Pontine Marshes estimated to cost approximately 48 million lire. In reply to Colonel Russell he stated that, to his knowledge, financial approval given to anti-malarial work, an opposed to land reclamation, had not been revoked, however, he would check on this and advise Colonel Russell.

4. Captain Ault produced a map of Italy showing the Bonifichio Area. The largest area was in the Valley of the Po. There was a long narrow strip adjoining the West Coast in most of Central Italy whilst there were other areas in Southern Italy. He emphasized the importance of these areas from an agricultural point of view. 16.6% of total agricultural production in the 13 Northern Provinces of Italy came from the Bonifichio whilst 30% of the main agricultural products of Central Italy came from the Bonifichio. From the point of view of future food production it was imperative that all necessary drainage and irrigation work required to offset the damage caused by the retreating enemy be completed as soon as possible. He considered that preparations should be made now to repair the possible damage which will be caused by the Germans when they leave the Po Valley. In the Po Valley and adjoining areas flooding would probably be extensive as many of the rivers were artificial with water levels above those of the adjoining land. Extensive flooding would result from a breach in the river embankments.

He thought that not only should AGO have a Bonifichio Committee ready to function as and when required but that the Italian Government should have one too and that the Italian Government should be reminded that it would be their responsibility to execute and operate all work in reclaiming the Bonifichio.

5. Lt. Col. Jenny stated that it will be useless to attempt to convince Combined Chiefs of Staff of the wisdom of sending to Italy pumping apparatus, etc., which might be required if the Germans would cause considerable flooding in the Po Valley. Many and indefinite justifications would not be accepted. Moreover, Italian pumping apparatus was not tenderized and appears to have been produced in order to cope with particular jobs. As soon as we take over any flooded Bonifiche Areas immediate planning will be followed by immediate action.

6. The Executive Director asked Agriculture to prepare a letter to the Minister of Agriculture, for signature of General O'Dwyer, with copies for the Minister of Public Works and the Minister of Public Health, explaining the Bonifiche problem and insisting that a strong Italian Committee be set up immediately to deal with operational requirements in the North. The proposed method of handling the problem should be left to the Italian Government.

7. Lt. Colonel Jenny agreed to ascertain whether any useful photographs, indicating the whole extent of flooding in North Areas, could be obtained from the Air Corps.

8. Mr. Wadleigh was instructed to draft a letter to Colonel McCarthy, Patriots Branch, asking that all possible assistance be given through "underground" methods to combat any German proposals for flooding of the Po Valley and adjoining areas. Land tenure problems were likely to arise as soon as the Bonifiche were reclaimed. Agriculture will consult with legal as and when such problems arise.

9. As there appeared to be no immediate need for another meeting, this would be called as and when required.

Gen. Dwyer Lt Col

G. M. SHARP, Lt. Colonel, R.A.
S.O. 1 (C.A.), Economic Section

4664

6. The Executive Director asked Agriculture to prepare a letter to the Minister of Agriculture, for signature of General C'Dwyer, with copies for the Minister of Public Works and the Minister of Public Health, explaining the Benifiche problem and insisting that a strong Italian Committee be set up immediately to deal with operational requirements in the North. The proposed method of handling the problem should be left to the Italian Government.

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Gen. Shapp. R. A. Col.

G. M. SHAPP, Lt. Colonel, R.A.
S.O. 1 (C.A.), Economic Section

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HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APC 394

6260 3115
16 APR REC'D 1C

JBT/adv

ES/7

15 April 44.

SUBJECT: Provincial Economic Councils.

TO : Administrative Section.

1. Ref your 4/17.1/AS dated 14 April 44. Representatives of the Finance, Industry & Commerce and Labor Sub-commissions were present at the meeting in Col. Adams office on 13 April 44.

2. The following decisions were reached.

(a) The Consigli Provinciale Economici were Fascist political organizations, and as such were rightly abolished.

(b) Finance Sub Commission will arrange with the Italian Minister of Finance for the councils liquidation to continue.

(c) The commercial functions of the councils can be satisfactorily carried out by the Chambers of Commerce which have been set up. The governmental functions will properly pass to the appropriate government departments.

D. S. Adams

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

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

785016

REAR HEADQUARTERS
ARMED CONTROL COMMISSION
APO 394
ADMINISTRATIVE SECTION

4/17.1/44

14 Apr 44

SUBJECT : Provincial Economic Councils.

TO : V.P. Economic Section.

1. Reference you HS/23 dated 12 Apr. 44.
2. It is regretted that no representative of the Administrative Section could attend the meeting on the above subject on Thursday 13 Apr. 44, as the heads of all Admin. Sub-Comms. were at an important conference at this HQ.
3. It would be appreciated if a copy of the minutes of the meeting could be forwarded to this office for the information of the Admin. Sub-Comms. concerned.

S. H. WHITE
MAJOR,
for V.P. Admin.

COPY TO : Legal S.C.
Interior S.C.

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

12 APR REC'D

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HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

JBT/ml

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ES/23

12 April 1944

SUBJECT : Provincial Economic Councils.

TO : Executive Commissioner (C.A. Branch)
Political section
Administrative section (Legal S.C.) —
Finance sub Commission
Industry & Commerce sub Commission

1. A meeting will be held in the office of the Economic section
1430 hrs. Thursday, 13 Apr 44. to consider whether

(a) the Provincial Economic Councils serve a useful purpose
and should be retained, less their administrative organ-
isms which were transferred to the Prefects acting as
the Council's Special Commissioners (RDL No. 23 of 27 Jan 44.)

or (b) the Councils should be abolished and

(i) any purely governmental services provided by these
organisations should be provided by the appropriate
department of the Government.

(ii) Economic services of a non Governmental type such as
are normally provided by a Chamber of Commerce, should
be provided in a manner to be determined by those who
wish to receive the benefits of these services.

for *Walter M. Haskin Capt C.I.*
D. S. ADAMS
Colonel, C. I.
Executive Officer
Economic section

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